

New Program Proposal
University of South Carolina

Program Title:

Accelerated Masters of Business Administration (AMBA)

May 13, 2011

Dr. Harris Pastides, President

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I. Classification

Program Name: Accelerated Masters in Business Administration

Academic Unit: Moore School of Business

Designation, Type, Level: AMBA, Masters, Graduate

Implementation Date: Summer 2013

CIP Code: 52.0101

Site: USC-Columbia

Qualifies for Palmetto Fellows Scholarship and Life Scholarship: ___ yes X no

Delivery Mode: Traditional

II. Justification

Program Proposal: The University of South Carolina is submitting a New Program Proposal for a one year Accelerated Masters in Business Administration (AMBA) program. The originating unit is the Moore School of Business. The AMBA will be a 43 credit hour program that shares almost all of its course work with the existing International Masters in Business Administration (IMBA) and leverages a range of existing electives coursework options available to all students in our graduate programming.

Purpose and Objectives of the Program: The Accelerated MBA program will utilize the unique global curricular core of the existing International Masters in Business Administration (IMBA) to provide a quality graduate business education to students who 1) desire to learn about business from the global perspective of the Moore School, 2) have a high perceived opportunity cost of leaving the work force for more than one year, 3) place a high value on the Moore School's traditional functional business training in fields like Marketing, Finance and Operations and 4) do not desire a focus on language acquisition nor the immersive overseas experience offered by the IMBA program.¹ With proposed revisions to the IMBA schedule, the Accelerated MBA fits extremely well and utilizes classroom resources in a very efficient manner.

Justification of the 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

¹ In an internal Moore School survey of 74 students who were admitted in 2007 but who did not enroll, 20% of the students who provided information about the MBA program that they did enroll in indicated that one of the reasons why was because the competing program was accelerated. While the sample is small (19 students provided this information), it is illustrative.

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 year when they take traditional MBA elective courses in areas such as Marketing, Finance, Operations Management, Strategy, and International Business.

The IMBA is the combined successor to what were previously a separate Masters in International Business Studies (MIBS) and Masters in Business Administration (MBA). Both were two year programs. Because of the uniqueness of the timing of the MIBS program, the two programs operated with independent first year core course sequences. In the second year, however, the two programs effectively merged and shared elective classes. The MBA program typically appealed to regional students who were interested in the functional training offered by a traditional MBA. The MIBS program, however, appealed to a much more geographically diverse group of students who were interested in the international aspects of business first, and the functional aspect of business second.

The semi-merged structure of the MIBS and MBA was inefficient in regard to the course structures and utilization of faculty capacity. The Moore School established the IMBA program in 2001. The Language Track of the IMBA provided the uniquely international experience first established by the MIBS program. The Global Track provided a more traditional MBA education, where local coursework and a typically U.S. based internship substitute for the immersive international experience offered by the Language Track.

The expectation was that the merged IMBA structure would continue to appeal to the student bases of the MIBS and MBA program while improving on a number of their deficiencies. Enrollment trends since 2001 suggest that this expectation was misplaced. As with every industry, the competitive landscape in MBA education is changing rapidly and attracting qualified students becomes more difficult every year. Thus, 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 eliminating the Global Track. In the newly revised IMBA program, all students will be required to meet more demanding requirements for language acquisition and also do a more extensive overseas internship where they will have opportunities to enhance their language and cultural skills. The revised IMBA curriculum demands a program that is at least two years long because of the need for language acquisition and because of the need for an extensive overseas internship.

The Global track in the former IMBA program was designed to serve students wanting coverage of required and elective coursework in business. However, in order to make a program comparable in length to the Language track, additional coursework and a lengthy internship was also required. Questions have been raised about the value of this additional coursework and lengthy internship, particularly among more experienced students with significant opportunity costs associated with the longer time-to-completion. To address these questions, it was determined that the global track of the IMBA program as currently offered should be replaced with a new program (AMBA) that was more focused on traditional business foundations and elective coursework. Such a program would meet the needs of those with technical or industry expertise but who would benefit from an improved understanding of business fundamentals. Such a program would also meet the needs of those pursuing joint degree opportunities at USC (e.g. JD/MBA, MPH/MBA, or Pharm.D/MBA). Finally, it would meet the needs of a growing number of international students interested in pursuing graduate business training via one-year programs. For example, in Europe, one-year MBA programs are more common than in the U.S.

In sum, in place of the IMBA Global Track, the Moore School wishes to offer the Accelerated MBA. An accelerated MBA focused on business foundation and elective coursework fits nicely with the revised IMBA program. A number of the courses offered in the revised IMBA program will be used in the AMBA program. Further, by focusing coursework on traditional business foundation and elective coursework, we will be able to shorten the program in a way that meets the needs of more experienced students, those in joint-degree programs, and a significant number of international students. Meeting the needs of these types of students via accelerated programs has become increasingly important within the marketplace. As student debt has increasingly become an issue, a growing portion of those seeking graduate business degrees are considering programs that allow them to reduce the number of years out of the workplace. While there is definitely a place for two year programs that provide high levels of expertise in distinctive areas (e.g., the language and cultural expertise offered by the revised IMBA program), there is growing demand for accelerated programs that minimize career disruption.

It should be noted that with the renewed focus on language mastery and overseas experiences in the IMBA program, we expect the size of the revised IMBA program to shrink by over 50%. Thus, the addition of AMBA would not provide additional capacity—it would simply replace the capacity that was once offered by the global track of the IMBA program. To be specific, we currently offer two sections of required coursework for the existing IMBA program. With the revision of the IMBA program (and the addition of the AMBA program) we would still only offer two sections of required coursework for the combined needs of the IMBA and AMBA programs.

With regard to the demand for graduates, our best point of comparison would be graduates of the global track in the IMBA program. For such students, the average salary is \$81,000 (with a range from \$50,000 to \$122,000) and 71% are placed within 90 days of graduation. Students are placed in industry sectors such as technology, financial services, consumer products, and manufacturing. Students have obtained positions in firms such as Amazon, FedEx, and Cummins.

Centrality of the Program to USC Mission: Consistent with the University’s educational mission, the proposed program aims to provide students with the knowledge, skills, and values that are required to succeed in a complex and rapidly evolving global business environment. The Accelerated MBA will be attractive to 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, recognize and value the global orientation inherent in our core discipline programming 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. Another applicant subset that the Accelerated MBA will likely attract is international students who already know more than one language. The IMBA Global Track already has significant representation from this group. Survey data from the Graduate Management Admissions Council, however, indicates that international students are more likely to look at accelerated programs when evaluating MBA alternatives than are domestic students.² The third group of applicants who will be better served with this proposed AMBA program are those students wishing to pursue other graduate degrees at USC in tandem with this degree. Students studying law, pharmacy and engineering typically do not demand the overseas and language

² The 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.

immersion to complement their other program of study. We believe that the coupling of business study with graduate work in these fields produces high caliber, and highly sought-after graduates who play important roles in leading industries.

To further the development of the management cadre available within South Carolina, the state has to 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.

Relationship of the Proposed Program to Existing Programs: According to a 2009 article in the Wall Street Journal, “about 90 accredited schools world-wide offer the accelerated MBA.” Such programs are more 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 Fontainebleu France. In comparison, accelerated MBA programs traditionally have been 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.³

However, trends point to a much more significant role to be played by accelerated MBA programs in the business education environment within the United States. These trends led the Kellogg School of Management at Northwestern University, one of the leading business schools in the world, to recently announced plans to reduce the size of its two year MBA program and triple the size of its one year program. This is consistent with changes in MBA offerings within the U.S. that have been documented in sources such as *Business Week*, changes which are likely to make one-year MBA programs an essential and common part of what major business schools offer as part of graduate programming.

While there are other institutions in South Carolina that offer some form of an accelerated MBA program, this is to be expected in light of the increasingly important role such programs are playing in the business education environment within the U.S.. It should be noted, however, that there are likely to be distinctive elements associated with the program at USC. Because of our prominent IMBA program, we actively recruit students throughout Europe and Asia and, in doing so, participate in the World MBA Fair. Indeed, at present, USC is unique within the state of South Carolina in this participation. This vigorous international recruiting effort is likely to allow us to attract a globally diverse set of students. Moreover, this globally diverse set of students would have access to highly regarded faculty in the area of international business and also a globally-oriented curriculum—one which leverages the strengths of the Darla Moore School of Business in the international arena.

To our knowledge, two public institutions in South Carolina offer some form of an accelerated MBA program. The first of these is at the College of Charleston. Their program 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. In its application to the CHE, the College of Charleston indicated that the target population would be pre-experience students recruited largely from the College of Charleston. Thus, we would anticipate operating in very different markets. Clemson University also offers a one year 36 credit hour option in its MBA program. In Clemson’s case, however, only students with an undergraduate business degree and at least two years of relevant work experience are eligible for the accelerated option. These students forego 13 credit hours of what are referred to as foundation courses and move directly into core courses and electives.

³ 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.

Regionally, there are accelerated MBA programs at Emory University, Florida International University, George Washington University, Mercer University, University of Florida and University of Miami. There are, of course, accelerated MBA programs outside of the Southeast and Mid-Atlantic region, but we think that the majority of prospective domestic applicants will come from these two geographic areas. Within the state, there are also independent colleges that offer accelerated MBA programs. However, they serve a different market and have a different focus.

In most cases in the U.S., accelerated MBA programs are paired with a traditional two year MBA program. The pairing is accomplished by having accelerated MBA students complete a compressed set of core courses during the summer. These students then merge with returning two year MBA students and take elective courses and perhaps a few residual core courses during the fall and spring semester. Because of the limited time to complete core courses, most accelerated MBA programs in the U.S. target students that have an undergraduate degree in either business or economics. One exception is Cornell University which targets students who already have an advanced degree in a quantitative discipline such as engineering, physics, etc. Another exception is the University of Florida which matriculates students regardless of undergraduate major. Presumably, they screen accelerated MBA students more aggressively to ensure student retention during the accelerated core. In addition to existing degree entrance requirements, most accelerated MBA programs are particular about requiring that incoming students have several years of relevant work experience. This is because recruiting for full-time positions typically commences in the fall and, without an internship, students with relevant work experience are placed more readily into firms. Schools place heavy emphasis on placement success because it factors heavily in mainstream media MBA rankings, and rankings factor heavily in prospective student interest. Thus, we believe that AMBA programs are best suited for students with prior professional experience—this is our target population for the AMBA.

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 begins in July and finishes 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. This is clearly an underserved niche in the U.S. in general, and South Carolina in particular. Like with most accelerated MBA programs, the Moore School's sought-after student will already have several years of relevant work experience. Elective courses 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 period may only be used by accelerated MBA students.

III. Enrollment

Requirements for admission to the program conform to the general regulations of The Graduate School of the University of South Carolina. In order to meet requirements of the Graduate School, applicants are required to submit the official graduate application, an official transcript of their complete academic record (with minimum 2.75 G.P.A.), a resume, at least two positive letters of recommendation and GRE or GMAT scores. The most desired applicants also will have at least three years of relevant work experience in a business setting. As with all graduate applications, several essay questions as well as supplementary interviews will be used to assess communication skills, leadership potential and congruity between applicant and program goals. Based on existing application trends as well as observations from interactions with focus groups, interviews with existing students, and interactions with prospective

applicants at MBA fairs, we anticipate an initial cohort of approximately 30 students. We anticipate increasing the number of students in the program over time to approximately 60 students in four years.

We have combined the Projected Total Enrollment table and the Estimated New Enrollment table into one table titled “Projected New Enrollment.” As this is a new, one-year lock step program that replaces the IMBA Global Track and opens up a new, accelerated market (as noted above), all enrollments will be new enrollments. There will be no student migration from existing graduate programs into the AMBA.

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

IV. Curriculum

The Accelerated MBA consists of 43 credit hours. Course delivery will occur over a 12-month span commencing in early July. Course work will be scheduled in 7 modules within the current USC academic calendar. Thus, the 12-month span will be broken up into a Summer 1, Summer 2, Fall 1, Fall 2, Spring 1, and Spring 2 terms. The tentative schedule is diagramed in Appendix A. All courses exist within the current graduate curriculum or were submitted for approval as part of the proposed revisions to the IMBA program. The new courses submitted for approval with the IMBA program are DMSB 740: Management of Human Capital (core), DMSB 741: Comparative Institutional Systems (elective), and DMSB 750: Capstone Experience (core).

A. Core Courses (25 credit hours)

- A minimum of 13 credit hours from a Business Foundations Core consisting of:
 - DMSB 710 - Financial Accounting in the Global Environment (2 credits)
 - DMSB 712 - Decision Analysis (3 credits)
 - DMSB 713 - Global Economics (2 credits)
 - DMSB 717 - Management Accounting in the Global Environment (2 credits)
 - DMSB 719 - Information Systems (2 credits)
 - DMSB 740 - Management of Human Capital (2 credits)
 - DMSB 723 - Leading Teams and Organizations (2 credits)

- 9 credit hours from a Functional Core consisting of:
 - DMSB 715 - Global Finance (3 credits)
 - DMSB 716 - Global Marketing Management (3 credits)
 - DMSB 718 - Operations Management (3 credits)
- 3 credit hours from a capstone class at the end of the curriculum
 - DMSB 750 - Capstone Experience (3 credits)

B. Electives (18 credit hours)

- Electives will come from the set of approved Moore School electives (3 credits each)

The Accelerated MBA program’s learning outcomes include:

- Our students will be able make competent business decisions using creative decision-making skills that encompass ethical, analytical, and culturally sensitive dimensions.
- Our students will be able to deal with business problems from an integrated business, economic and cultural perspective.
- Our students will have an in-depth understanding of at least one functional area of business.
- Our students will have an awareness of global business issues.
- Our students will develop leadership skills to function successfully in a business environment.
- Our students will develop team skills that enable them to be contributing members of effective problem solving teams.
- Our students will become effective verbal and written communicators

The assessment of learning outcomes will be conducted using the existing assessment structure at the Moore School and will utilize course embedded approaches, work from interdisciplinary-based case studies and project assignments. We will also include longer-term assessments of students taken several years after graduation. The comprehensive assessment vehicle is the Capstone course, DMSB 750.

V. Faculty

The program will be delivered by existing faculty. Faculty teaching in the proposed degree program will hold a Ph.D. that is relevant to their fields or have a Masters degree in a relevant discipline, coupled with practical experience that enables them to be Professionally Qualified in accordance with appropriate accreditation requirements. Faculty development will occur in accordance with ongoing policy for all faculty in the Moore School of Business.

Program Administration and Staff

Administrative support for the program will be provided using existing personnel from the Graduate Division within the Moore School of Business.

UNIT ADMINISTRATION/FACULTY/STAFF SUPPORT						
YEAR	NEW		EXISTING		TOTAL	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Administration						
2013-2014	0	0	2	.25	2	.25
2014-2015	0	0	2	.25	2	.25
2015-2016	0	0	2	.25	2	.25
2016-2017	0	0	2	.25	2	.25
2017-2018	0	0	2	.25	2	.25
Faculty						
2013-2014	0	0	30	5	30	5
2014-2015	0	0	30	5	30	5
2015-2016	0	0	30	5	30	5
2016-2017	0	0	30	5	30	5
2017-2018	0	0	30	5	30	5
Staff						
2013-2014	0	0	3	1.5	3	1.5
2014-2015	0	0	3	1.5	3	1.5
2015-2016	0	0	3	1.5	3	1.5
2016-2017	0	0	3	1.5	3	1.5
2017-2018	0	0	3	1.5	3	1.5

VI. Physical Plant

The existing physical plant is adequate for the needs of the program. No modifications are anticipated. Matriculation for both the IMBA and Accelerated MBA can be managed so that the combined student count fully occupies classrooms currently used in the IMBA program. Note that the Moore School of Business expects to move to its new building by spring of 2014.

VII. Equipment

Existing equipment will be sufficient for the needs of the program.

VIII. Library Resources

The University of South Carolina and Moore School libraries currently subscribe to a wide range of databases and online journals. No additional library resources are required to support the program.

IX. Accreditation, Approval, Licensure, or Certification

Accreditation for this program is in accordance with University's accreditation by the Southern Association of Colleges and Schools (SACS) and the Darla Moore School's accreditation by the Association to Advance Collegiate Schools of Business (AACSB).

X. Articulation

There are no similar programs that are offered at institutions of higher education in South Carolina. For professional students, this degree is a terminal degree in Business. Articulation agreements with undergraduate programs in International Business at other institutions are feasible.

Estimated Costs

Start up costs of the Accelerated MBA program will be low because we will be able to redeploy resources from the closing of the global track within the IMBA program and because of the capacity to share courses with other graduate programs (e.g. IMBA and PMBA). We anticipate the need for 6-8 incremental class sections due to scheduling and class size constraints. Redeployment from the termination of the global track will allow for those incremental sections to be added without incremental costs.

These revenues and costs reflect the full program delivery of the new program. Tuition and fees are estimated at an average per student program fee of \$40,000. Faculty costs are estimated with an FTE of five faculty with an average of 3.5 courses taught per academic year.

Table for Total Costs to the Institution and Sources of Financing

COSTS						
	AY	AY	AY	AY	AY	Totals
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	
Program Administration	90,000	90,000	90,000	100,000	100,000	470,000
Faculty Salaries (regular and adjunct, including Program Administrator)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Graduate Assistants	0	0	0	0	0	0
Clerical/ Support Personnel	20,000	20,000	20,000	20,000	20,000	100,000
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	1,210,000	1,185,000	1,185,000	1,195,000	1,195,000	5,970,000

SOURCES OF FINANCING BY YEAR						
	AY	AY	AY	AY	AY	Totals
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	
Estimated FTE Revenue Generated from State	0	0	0	0	0	0
Tuition and Fees Funding	1,200,000	1,600,000	2,000,000	2,400,000	2,400,000	9,600,000
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	1,200,000	1,600,000	2,000,000	2,400,000	2,400,000	9,600,000
Net Cash Flow to Univ.	-10,000	415,000	815,000	1,205,000	1,205,000	3,630,000

Institutional Approval

Moore School of Business Graduate Programs Faculty Committee (GPFC): May 4, 2011

Moore School College-Wide Faculty Vote: May 11, 2011

University of South Carolina Graduate Council: October 24, 2011

University of South Carolina Board of Trustees: December 13, 2011

Appendix A: Prospective AMBA Course Schedule

43 Credit Hour AMBA

Summer 1	Summer 2	Fall 1	Fall 2	Spring 1	Spring 2
Business Foundations (13 of 15)					
Dec. Analysis 1 (3)	Economics (2)	Mgr Acct. (2)			
Financial Acct. (2)	Human Res. (2)	Leading Teams (2)			
Info Systems (2)					
	Global Functional Core (12 of 12)				
	Operations (3)	Finance (3)	Marketing (3)		Capstone (3)
		International Core (optional, used as electives)			
		Gbl Strategy (2)	Mng th MNE (3)	Comp Sys (3)	
			Specialization (18)		
			Elective (3)	Elective (3)	Elective (3)
			Elective (3)	Elective (3)	Elective (3)