

**New Program Proposal
Accelerated Master of Business Administration
University of South Carolina**

Summary

The University of South Carolina (USC) requests approval to offer a program leading to the Accelerated Master of Business Administration (AMBA) degree to be implemented in Summer 2013. The proposed program is to be offered through traditional instruction on campus in Columbia, SC, with some elective courses delivered online and through telepresence instruction.

The Program Planning Summary was submitted to the Commission on August 1, 2011, and reviewed by the Advisory Committee on Academic Programs (ACAP) on October 13, 2011. The USC Board of Trustees approved the proposal on December 13, 2011, and the full proposal was received by the Commission on February 13, 2012.

At the ACAP meeting, representatives from the College of Charleston expressed concern about the proposed program because they believed the program would compete with the College's program given that the Darla Moore School of Business has a site in Charleston approximately two blocks from the College of Charleston's campus. Dr. Raley reminded the Committee that The Citadel and the College of Charleston were required to submit an official Memorandum of Understanding so that their Master of Business Administration programs would remain unique and not be in direct competition with each other. ACAP voted upon the proposal favorably on the condition that the business Deans of USC, the College of Charleston, and The Citadel meet to discuss the proposed program to attempt to resolve issues of duplication. Despite several attempts, the Deans were unable to reach an agreement about the proposed program. Commission staff recognize that there is lingering opposition to the proposed program. However, USC representatives have assured Commission staff and the business Deans that the "Darla Moore School of Business at USC stipulates that there will be no required face to face courses for any AMBA student at any location other than Columbia, SC." USC representatives have assured staff that the University does not seek to compete with the programs in Charleston and that the University will target different students than the programs at The Citadel and the College of Charleston, including international students, students pursuing a joint degree at USC, and students from the Southeast region of the country.

The proposal was reviewed by the Committee on Academic Affairs and Licensing (CAAL) on April 5, 2012. At the CAAL meeting, the issues of duplication and USC's physical presence in Charleston were again raised by representatives of the College of Charleston and The Citadel. Dr. Hildy Teegen, Dean of the Darla Moore School of Business, responded to concerns about the intent to deliver coursework in Charleston by assuring the Committee that the proposed program was designed to be a Columbia program and that any coursework delivered in Charleston would be either online through telepresence or by adjunct faculty. Such programming would be minimal and would consist of electives only. College of Charleston representatives requested that USC be prohibited from delivering any of the proposed program's courses face-to-face in Charleston. Because the proposed program will use existing elective courses, Dr. Teegen stated that it would be difficult to single out the AMBA students to honor such a prohibition and that it would be very costly to deliver elective courses separately for the AMBA students. Furthermore, Dr. Teegen expressed concern that such a prohibition would

affect existing programs. She informed the Committee that all of the graduate programs offered by the Darla Moore School of Business utilize the site in Charleston to some extent and it would be an inconsistency in programming to single out and prohibit courses at the Charleston site for the proposed program. She also reminded the Committee that the proposed program is a modification of existing graduate programming and that the institution did not expect a net increase in enrollment. The Committee considered requiring a Memorandum of Understanding as requested by the College of Charleston and The Citadel to address the issues presented, but after lengthy discussion decided against doing so. Instead, the Committee proposed an amendment to the staff's recommendation to address the concerns raised at the meeting.

According to the proposal, the proposed program will provide students with the knowledge, skills, and values required to succeed in a complex and rapidly evolving global business environment. The proposal further states that the program is needed because enrollment trends in USC's International Master of Business Administration (IMBA), offered since 2001, suggest that the program is not attracting the traditional customer base of the Master of International Business Studies (MIBS) and Master of Business Administration (MBA) programs that the IMBA replaced. USC is currently revising the IMBA and the proposal states that the proposed AMBA program, which will replace the IMBA's Global Track, will fit well with the revised IMBA program and be more attractive to the types of students who were traditionally attracted to the MBA program offered previously. According to the proposal, the IMBA's Global Track provided a more traditional MBA program while requiring additional coursework and a lengthy internship in order to make the Track comparable in length to the IMBA's Language Track. The proposal states that questions have been raised about the value of these additional requirements with significant opportunity costs associated with the longer time-to-degree completion, particularly among more experienced students. The proposal explains that the proposed AMBA was developed to address these concerns and will meet the needs of those with technical or industry expertise but who would benefit from an improved understanding of business fundamentals. The proposal further states that accelerated programs that minimize career disruption have become increasingly important within the marketplace. According to the proposal, as concerns about student debt increase, a growing portion of those seeking graduate business degrees consider programs that allow them to reduce the number of years out of the workplace. The proposal also cites an institutional survey of students who were admitted to the IMBA program in 2007, but did not enroll. Of those who responded (19 of 74 surveyed responded), 20% stated they enrolled in a competing program because it was accelerated. The proposal also describes the national trend towards accelerated business programs and states that the Kellogg School of Management at Northwestern University, one of the leading business schools in the world, recently announced plans to reduce the size of its two-year MBA program and triple the size of its one-year program. This trend indicates that the proposed accelerated program will be more attractive to students and that one-year MBA programs will likely be an essential and common part of business school programming.

The proposal states that the proposed program will meet the needs of three distinct subsets of students. The proposal describes the first subset as residents in the Southeast region who desire to learn about business from the global perspective of the Moore School, but do not desire the immersive overseas experience offered by the IMBA program. The next subset includes students wishing to pursue joint graduate degrees at USC. The proposal claims that the coupling of business study with graduate work in fields such as law, pharmacy, and engineering produces high caliber, highly sought-after graduates who play important roles in leading industries. Finally, the proposed program would also meet the needs of a growing number of international students interested in pursuing one-year programs. The proposal states that

accelerated programs are more common in Europe and cites survey data from the Graduate Management Admissions Council that indicates international students are more likely than domestic students to look at accelerated programs when evaluating MBA programs. Therefore, the proposed accelerated program will allow USC to be able to better compete for international students.

According to the proposal, there is significant demand for graduates of MBA programs. The proposal provides employment data for graduates of the IMBA's Global Track that the proposed program will replace and says that for these students the average salary is \$81,000 (with a range from \$50,000 to \$122,000) and 71% are placed in positions within 90 days of graduation. The proposal notes that students are placed in industry sectors such as technology, financial services, consumer products, and manufacturing and that students have obtained positions in firms such as Amazon, FedEx, and Cummins.

Presently, 13 colleges and universities in the state offer MBA programs, with six offering accelerated options. Two public institutions (Clemson University and the College of Charleston) offer accelerated MBA programs. Clemson's program is a 36 credit hour program open only to students with an undergraduate business degree and at least two years of relevant work experience. The College of Charleston's program is a 36 credit hour program that offers concentrations in marketing and finance and requires no work experience. Four independent institutions (Bob Jones University, Claflin University, South University, and Charleston Southern University) offer MBA programs that can be completed in 12-15 months. However, Commission staff do not believe the proposed program constitutes program duplication because the proposed AMBA will be delivered through traditional instruction on campus in Columbia and the proposed program will replace the capacity once offered by the International Master of Business Administration program's Global Track, not provide additional capacity. Furthermore, other institutions with accelerated options for the MBA recruit students in different markets. For example, in the program proposal for its MBA submitted to the Commission, the College of Charleston stated that the target population of its program would largely be graduates of the College of Charleston. As stated above, USC plans to target students in the Southeast region in addition to students pursuing a joint degree at USC and international students. According to the proposal, USC is the only institution in the state to participate in recruitment at the World MBA Fair. Furthermore, the College of Charleston's program does not require prior business experience. In contrast, the proposal states that the most desirable applicants for the proposed program will have at least three years of relevant work experience in a business setting.

The proposal states that the institution anticipates enrolling 30 students in the program's first year, and increasing enrollment to approximately 60 students in four years. The proposed AMBA will result in a slight increase in enrollment, however, the proposal also points out that the proposed AMBA will replace the capacity once offered by the International Master of Business Administration program's Global Track, which will be discontinued once the proposed program is implemented. If enrollment and program completion projections are met, the proposed program will meet the Commission's productivity standards.

Admission to the proposed program will require that students meet the admission standards of the Graduate School of the University. The curriculum is designed so that the program can be completed in 12 months. The program consists of 43 credit hours, including 25 credit hours in the core curriculum and 18 credit hours or electives. Three new courses will be added to the institution's catalog, including: Management of Human Capital; Comparative Institutional Systems; and Capstone Experience. The proposed program's assessment plan has

several components and uses the existing assessment structure at the Darla Moore School of Business, including course embedded approaches, work from interdisciplinary-based case studies, and project assignments. If the proposed program is approved, the proposal states that accreditation for this program is in accordance with the Darla Moore School of Business's accreditation by the Association to Advance Collegiate Schools of Business.

The proposal states that the program will be delivered by existing faculty (30 faculty for 5 FTE) and that administrative support will be provided by existing personnel. The proposal also states that no physical plant or significant equipment needs are anticipated for the proposed program. The proposal notes that the Darla Moore School of Business expects to move to its new building on the Columbia campus in 2014. According to the proposal, library resources are sufficient because USC and the Darla Moore School of Business currently subscribe to a wide range of databases and journals. Students also have access to materials through the Partnership Among South Carolina Academic Libraries (PASCAL).

Costs and sources of financing identified by the institution for the proposed program are shown in the following table.

ESTIMATED COSTS BY YEAR						
CATEGORY	1st	2nd	3rd	4th	5th	TOTALS
Program Administration	\$90,000	\$90,000	\$90,000	\$100,000	\$100,000	\$470,000
Faculty Salaries	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Graduate Assistants						
Clerical/Support Personnel	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Supplies and Materials						
Library Resources						
Equipment						
Facilities						
Other (Marketing)	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$400,000
TOTALS	\$1,210,000	\$1,185,000	\$1,185,000	\$1,195,000	\$1,195,000	\$5,970,000
SOURCES OF FINANCING BY YEAR						
Tuition Funding	\$1,200,000	\$1,600,000	\$2,000,000	\$2,400,000	\$2,400,000	\$9,600,000
Program-Specific Fees						
State Funding*						
Reallocation of Existing Funds						
Federal Funding						
Other Funding (Specify)						
TOTALS	\$1,200,000	\$1,600,000	\$2,000,000	\$2,400,000	\$2,400,000	\$9,600,000
* Special legislative appropriations to support the program.						

These data show that if the institution meets the projected student enrollments and contains costs as they are shown in the proposal, the proposed program will be able to cover costs beginning in the second year and thereafter.

In summary, USC requests approval to offer the Accelerated Master of Business Administration (AMBA) degree program. The proposed program will prepare students to make competent business decisions and deal with business problems from an integrated business, economic, and cultural perspective in order to function successfully in a complex and rapidly evolving global business environment. Commission staff support the proposed program and believe that the program does not constitute program duplication. However, staff recognize that there is opposition to the proposed program due to issues concerning USC's physical presence and ability to offer coursework in Charleston. While these issues need to be resolved by USC, the College of Charleston, and the Citadel, they do not negate the proposed program's desirability or viability.

Recommendation

The Committee on Academic Affairs and Licensing commends favorably to the Commission the program leading to the Accelerated Master of Business Administration (AMBA) degree at the University of South Carolina at the Columbia campus, to be implemented in Summer 2013, provided that no "unique cost" or other special state funding be required or requested, and further provided that should the University wish to expand the program to sites other than Columbia or change the nature of the program as currently described, the University will submit a program modification proposal to the Commission and if such a program modification proposal is submitted, the Committee strongly suggests that the program modification proposal include a Memorandum of Understanding amongst all players for this enhanced program.