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June 25, 2009

D. A. Mendelsohn
Chair, Committee on Academic Affairs
The Ohio State University
Columbus, Ohio

Re: Specialized Masters in Business

Dear Dan:

In response to your request, subcommittee B undertook a review of the proposed Specialized Masters in Business. The Fisher College currently offers the following business masters degrees in addition to the MBA: a Masters in Accounting (MACC), a Masters in Business Logistics Engineering (MBLE, offered jointly with the College of Engineering), a Masters in Labor and Human Resources (MLHR), and a Masters in Business Operational Excellence (MBOE). However, unlike many other business schools the Fisher College does not currently offer specialized masters degrees in other business disciplines such as finance, marketing, organizational behavior and strategy. The purpose of this current proposal is to establish a Specialized Masters in Business (SMB) degree at the Fisher College of Business. This degree will have multiple tracks of specialization, with a common set of core classes across tracks.

Subcommittee B corresponded on the proposal and we concluded that the proposal was clear and comprehensive and formulated a response to the coordinator of the proposal, Stephen Mangum, addressing issues that arose during our discussions. As detailed in the attached files Dr. Mangum has answered all of our queries satisfactorily, and I believe the proposal is now ready to be considered for review by the Council on Academic Affairs.

Yours sincerely,

A handwritten signature in black ink that reads "Michael Ibba".

Michael Ibba
Chair, CAA subcommittee B

From: "Mangum, Stephen" <mangum_1@fisher.osu.edu>
Subject: RE: Subcommittee B proposal
Date: June 11, 2009 8:54:21 AM EDT
To: Michael Ibba <ibba.1@osu.edu>
Cc: Alexis Collier <collier.1@osu.edu>, Randy Smith <smith.70@osu.edu>, "D. A. Mendelsohn" <mendelsohn.1@osu.edu>, JAY HOBGOOD <hobgood.1@osu.edu>, "Wruck, Karen" <wruck_1@fisher.osu.edu>
▶ 1 Attachment, 7.4 MB

Mike:

Attached is an updated version of the proposal which incorporates the course description as Appendix A, with a reference to the appendix made in the text.

The course has not gone through any college approval process separate and distinct from the approval process on the program itself. When the program proposal was reviewed and approved by the college Executive Committee, by the two academic departments most tied to the proposal (marketing and finance) and by the entire college faculty at the time of the faculty wide vote, the course was non-controversial. The course combines content from two courses currently taught in the MBA program core which are very much standardized across MBA programs nationwide. Consequently the combined course is viewed similarly, without controversy.

In this type of case, an isolated course within a program proposal, we generally seek formal approval of the course post program approval at more of the program implementation stage.

Please let me know if more formal approval of the course by the college faculty is essential at this point in order for your subcommittee/committee to act.

Thanks,

Steve

Stephen Mangum
Senior Associate Dean for Academic Programs
Professor of Management and Human Resources
Fisher College of Business
The Ohio State University

(614) 292-3834

-----Original Message-----

From: Michael Ibba [<mailto:ibba.1@osu.edu>]
Sent: Tuesday, June 09, 2009 1:58 PM
To: Mangum, Stephen
Cc: Alexis Collier; Randy Smith; D. A. Mendelsohn; JAY HOBGOOD
Subject: Re: Subcommittee B proposal

Dear Steve,

The description of the content of the course helps a great deal and we would, if possible, like it to be incorporated into the proposal as an appendix. We are still a little curious about the status of the course (i.e. has it been formally proposed, approved by the College of Business Curriculum Committee, etc.), are there any other clarifications that you might be able to include in the appendix?

Best regards,
Mike

On Jun 9, 2009, at 9:05 AM, Mangum, Stephen wrote:

Michael:

Thank you for your e-mail. We very much appreciate the work of subcommittee B and the effort of CAA to handle this new program proposal in a timely manner.

In reference to Question #1, there are no scheduling conflicts associated with completing the proposed program in three academic quarters. With the exception of the combined accounting/financial analysis course referenced in your second question, the SMB program draws from existing courses within the Fisher MBA portfolio. These courses are currently scheduled in a manner that will facilitate completion of the SMB within three quarters. Given that these courses service multiple academic programs, electives are repeated with sufficient frequency as to accommodate any students who wish to lengthen their program by a quarter.

In reference to Question #2 the Accounting/Financial Analysis for Decision Making course is being developed in the context of the SMB proposal and also with the intent to service the Master in Engineering Leadership program proposal on which the College of Engineering invited us to partner. The Fisher faculty members who have taken initial responsibility for the development of the course are Prakash Mulchandani from the Department of Accounting and Management Information Systems and Bernadette A. Minton from the Department of Finance.

By way of a course description and learning objectives, Mulchandani and Minton offer the following: "This course provides an overview of the basic topics in corporate finance and financial and managerial accounting. The primary focus of the finance component is on helping students understand one of the most important decisions made by corporate managers - Which of the investment projects available to a firm are worth undertaking. To examine this question, students will learn how to value uncertain streams of cash flows that the firms expects to earn in the futures, how to apply the basic methods used by firms to evaluate investment opportunities, how to measure financial risk and return, how the trade-off between risk and return operates and how risk influence a firm's investment decision. The primary focus of the accounting component is on helping students understand the meaning of the numbers in financial statements, their relationship to one another, and how they are used in planning, decision-making and control towards achieving the objectives of an organization."

The draft course topic outline follows below.

Accounting component:

1. Introduction to Financial and Managerial Accounting
 - The role of accounting in business
 - Business activities
 - Financial Statements
 - Double-entry/Accrual accounting concepts
 - Financial Statement (Ratio) analysis
 - Product costs (Activity-based costing)
2. Cost Behavior and Cost-Volume-Profit Analysis
 - Fixed/Variable/Mixed costs
 - Break-even analysis
 - Operating leverage and margin of safety
 - Relevant costs for decision-making
3. Budgeting and Performance Evaluation
 - Developing annual profit plans
 - Standard costing/ Variance analysis
 - Return on investment, residual income and economic value added

techniques

Transfer Pricing

Finance component:

1. Value
 - Finance and the financial manager
 - Present values and corporate objectives
 - How to calculate present values
 - The net present value (NPV) rule
 - NPV, IRR and payback rules
 - Making investment decisions using NPV
 - Project value and market efficiency
2. Risk and Return
 - Measuring risk and return
 - Opportunity cost of capital
 - Capital budgeting and risk
3. Capital Budgeting and Best Practices in Capital Budgeting
 - Calculating cash flows
 - Project analysis (sensitivity, scenario and breakeven analysis)
 - Real options and decision trees
 - Investment decisions and corporate strategy
 - Agency problems, compensation and measuring performance

The current plan is that the course will use selected chapters from a finance textbook (Principles of Corporate Finance by Brealey, Myers, and Allen), financial accounting textbook (Financial Accounting - An Introduction to Concepts, Methods and Uses by Stickney /Weil) and a managerial accounting textbook (Managerial Accounting - An Introduction to Concepts, Methods and Uses by Maher/ Stickney/Weil).

The tentative grading plan is for class participation (25%), case studies and problem sets (25%), and exams (50%).

Michael, this may be more detail than you sought. Please let me know if I have not adequately responded to the questions or if additional information is needed.

Thanks.

Steve

Stephen Mangum
Senior Associate Dean for Academic Programs
Professor of Management and Human Resources
Fisher College of Business
The Ohio State University

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-----Original Message-----

From: Michael Ibba [<mailto:ibba.1@osu.edu>]
Sent: Monday, June 08, 2009 11:39 AM
To: Mangum, Stephen
Cc: 'Collier, Alexis'; 'Smith, Randy'; 'D. A. Mendelsohn'
Subject: Re: RE: Subcommittee B proposal

Dear Dr. Mangum,

I am Chair of the CAA subcommittee that is currently reviewing the proposal for a Specialized Masters in Business. After subcommittee B discussed your proposal, we only had a few queries. None require any major revisions, and they are just intended to provide us with a little more information. If you could supply us with a couple of brief responses by email, we could then go ahead with scheduling the proposal for an upcoming CAA meeting.

1. A clarification that there are no scheduling conflicts associated with completing the program in three quarters (CAA p 9 of 21).
2. What is the status of the new course in Business Basics/Common Core Curriculum on Accounting/Financial Analysis for Decision Making that is listed as under development in the proposal?

Yours sincerely,
Michael Ibba

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[SMB final pr....doc \(7.4 MB\)](#)

**Proposal to the Regents' Advisory Committee on
Graduate Study
for a New Degree Program**

**Specialized Masters in Business
(SMB)**

**Submitted by
The Ohio State University
Fisher College of Business
June 2009**

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Introduction and Rationale

In today's economy, business schools need to position themselves to address the needs of a number of different types of graduate students, students who in turn seek to prepare themselves for successful careers in business by acquiring the skills and capabilities sought by employers. The most well known professional masters degree granted by business schools is the MBA degree. While valuable to many, there are important categories of graduate business students and career paths for which the MBA is not ideally suited.

MBA programs provide students with a broad business education, covering many functional areas, while also allowing for specialization. Graduates from strong MBA programs are highly sought after by businesses, and individuals with these MBA degrees show strong career advancement. In addition, many businesses also seek individuals with graduate training in a single focus or specific area of expertise. Individuals with focused graduate business training, for example, are ideally suited for managerial and professional positions in a specific discipline. As another example, individuals currently working in a particular area may seek to advance their careers by moving to the next level of knowledge and capability in that area. These individuals seek more rapid career advancement with their current employer in their current area of focus.

In both of the examples cited above, a specialized master business degree is more suitable for the particular type of graduate student than is an MBA degree. Indeed, it is unlikely that a younger, less experienced student would qualify for admission to a top MBA program. It is also unlikely that the focused working professional would be interested in obtaining a general management degree such as the MBA degree at this stage of his or her career. In both cases, the option to obtain an MBA at a later point in time remains, and some students will undoubtedly choose to do so.

The demand for specialized masters degrees in business has not gone unnoticed by business schools. Indeed, business schools across the country, both public and private, offer both MBA degrees and specialized masters degrees. As inferred earlier, for schools that offer both MBA and specialized degrees, the programs target different audiences. The MBA degree is typically targeted to students with work experience seeking to both broaden their management capabilities and deepen their disciplinary focus, sometimes in an area that is entirely new to them. In contrast, specialized masters programs appeal to students seeking to attain functional depth and progress more rapidly along a discipline-based career path.

Relative to MBA degrees, specialized master degrees in business disciplines generally require less course work (an example of an exception follows below) and, as mentioned earlier, have a strong disciplinary focus. The typical specialized business degree can be completed in 12 to 16 months, while the typical MBA program is completed in two years. Enrollment in specialized masters programs is also generally smaller than enrollment in MBA programs, with 25 to 60 students per graduating cohort being typical. In contrast, most full time and part time MBA programs have 200 or more students per graduating class.

Because business has a number of critical disciplines, leading business schools often offer a number of specialized graduate business degrees, each focusing on a different area. For example, here at The Ohio State University, Fisher College currently offers the following business masters degrees in addition to the MBA: a Masters in Accounting (MACC), a Masters in Business Logistics Engineering (MBLE, offered jointly with the College of Engineering), a Masters in Labor and Human Resources (MLHR), and a Masters in Business Operational Excellence (MBOE). We do not currently offer specialized masters degrees in other business disciplines such as finance, marketing, organizational behavior and strategy.

The purpose of this current proposal is to establish a Specialized Masters in Business (SMB) degree at the Fisher College of Business, The Ohio State University. This degree will have multiple tracks of specialization, with a common set of core classes across tracks. The first two tracks to be launched under the SMB degree will be marketing and finance. In the future, additional tracks may be added. All additional tracks will meet the requirements of the SMB degree proposed here in terms of total credit

hours, common core classes, the number of required base classes in the area of specialization and the number of elective classes in the area of specialization. Over time any additional track to be added will be formally vetted with and approved by Fisher faculty in the relevant department(s), Fisher's Executive Committee, Fisher's full faculty who will refer the track (if approved) to the OSU Graduate School for final approval prior to launch.

Presently, through the processes of the Graduate School, we are requesting transcript designations for the recognition of Specialized Masters in Business (SMB) students electing the proposed marketing or finance tracks. If and when additional tracks are added to the program, we will seek transcript recognition for them from the Graduate School as appropriate.

Some other schools offering a specialized masters degree in marketing include the University of Cincinnati, and outside the state, Baruch College, Texas A&M, Temple University, the University of Rochester, and the University of Wisconsin. Specialized masters degrees in finance are more common. Benchmarking we conducted finds at least 11 schools among business schools whose MBA programs are ranked in the top 30 by US News and World Report also offering a specialized masters degree in finance. These schools include Carnegie Mellon University, Cornell University, Georgia Tech, MIT, NYU, Texas A&M, UC Berkeley, UCLA, the University of Rochester, the University of Wisconsin, and Washington University in St. Louis. There are many other notable examples including the University of Illinois and the University of Maryland who recently announced launch of a specialized masters program in finance. In Ohio, an M.S. degree in Financial Economics is offered by the Economics Department at Ohio University (in both Athens and Pickerington). To our knowledge, no Ohio business school offers such a degree at this time.

In proposing the Specialized Masters in Business (SMB) we are not seeking change in the status or format of existing Fisher master degree programs. In the business disciplines of accounting and human resource management strong disciplinary norms have developed over time defining the characteristics of masters programs in these areas. Our MAcc and MLHR programs as currently configured conform to these norms. Deviation from these norms would likely create a competitive disadvantage in these markets. For example, leading human resource management masters degree programs (including our MLHR program) are overwhelmingly two year programs with curriculum drawn from a wider breadth of social sciences than deliverable in a one year specialized business masters program. Accounting programs are tailored to different accreditation norms than business programs and must account for the needs of professional certification (e.g. CPA). The MBLE program partnership between Fisher College and the OSU College of Engineering precludes adapting its structure to that of SMB. Similarly, the MBOE program involves a unique program delivery schedule and employer based component that does not lend itself to the SMB structure. Looking forward we anticipate a strong likelihood of additional tracks to the proposed SMB degree but we do not preclude the possibility of additional tagged degree programs to pursue unique market opportunities.

Program Designation and Purpose

The proposed degree program will be designated as a Specialized Masters in Business (SMB). The SMB will be a terminal degree program and will be marketed as such. Our history of nationally and internationally recognized business education puts us in a position to attract top students from this region and around the globe, further enhancing the reputation of Ohio as a place to obtain an excellent business education. This degree program will benefit not only students, but also contribute to the economy of Ohio by providing highly qualified potential employees to corporations and other organizations doing business in the state.

The SMB program will attract both full and part time students. Students who have recently completed their undergraduate studies (and/or those with only limited work experience) and are interested in graduate study in the particular field of interest to prepare them for a high-quality professional post-bachelor's position will typically matriculate as full time students, finishing the program in three quarters. Working

professionals who want to earn specialized masters in a focused field of interest will work on their degree on a part-time basis and, in many cases, will receive financial support for their education from their current employers. Typically, these part time students will finish the program over a one to three year period. It is also possible that for employers willing to sponsor a sufficient number of current employees, some courses could be offered for credit on location at that company, allowing individuals to earn some credit toward the degree on-site.

Proposed Curriculum

The proposed SMB program requires a minimum of 48 credit hours, consistent the requirements of The Ohio State University and the AACSB (the accrediting organization for business schools and schools of accountancy) for a Master's degree.

Business Basics through a Common Core:

The core business curriculum (common across all tracks) will be courses in the areas of accounting/financial analysis, statistics/data analysis, managerial economics, and organizational behavior/leadership. Each course will be 4 credit hours, for a total of 16 credit hours of core. The core is much smaller than that of an MBA program because of the specialized nature of the degree program. For a specialized degree, the core need not provide a foundation for all business disciplines, but rather should focus on foundational elements that are essential for any specific course of study.

Across tracks, the specific design of the graduate level courses may vary according to the audience and their prior business background, but the fundamental core areas of study would remain constant. For students with sufficient business backgrounds either through experience or educational background, core requirements may be waived and replaced with additional hours of specialty electives. The circumstances under which core courses will be waived will be developed and approved by the relevant faculty for the specific track in a manner similar to the way in which such decisions are made in existing masters degree programs at Fisher.

Business Basics/Common Core Curriculum
Accounting and Financial Analysis for Decision Making*
Statistics and Data Analysis for Managers (MBA 870)
Managerial Economics (MBA 812)
Leadership and Organization Behavior (MBA 860)

* This course, which is in development, will combine content from two existing MBA core courses (MBA 800 and MBA 810). See Appendix A for additional detail.

Disciplinary/Specialty Base:

The disciplinary/specialty base classes for each track will include four required courses (16 credit hours). For the marketing and finance tracks proposed here, a preliminary listing of the disciplinary base course offerings is presented below. These courses are currently offered as specialty electives in our MBA program and have additional capacity. Thus, in these base courses and in the designated discipline-based electives (see below) SMB students will join with MBA and other business program graduate students in the classroom in designated discipline-based electives if space is available, leading to a more efficient utilization of current capacity. This is currently the case in our existing programs. For example, we currently have students from our Masters of Accountancy program (MACC) taking accounting electives along side our MBA students. They also take electives with MBA students in other areas, typically in finance. The mixing of students across these programs works well. It is anticipated that a similar co-mingling of SMB students in electives focused on their area of specialization will work equally well, potentially enhancing the experience of students from both programs. Over time, as the SMB program develops, it will generate net revenue sufficient to allow us to offer dedicated sections of these courses. In these dedicated sections the content of these courses will likely evolve somewhat (e.g. discipline specific examples) to be tailored more exclusively to our SMB students.

Marketing Track Base Courses	Finance Track Base Courses
Marketing Management (MBA 840)	Financial Management I (Bus Fin 810)
Market Research (M&L 847)	Financial Management II (Bus Fin 811)
Consumer Behavior (M&L 854)	Advanced Corporate Finance (Bus Fin 821)
Marketing Projects (M&L 849)	Investment Management (Bus Fin 822)

Disciplinary/Specialty Electives:

The disciplinary/specialty elective classes in the curriculum will include at least four courses chosen by each student based on their individual interests (16 credit hours) from among a prescribed set of disciplinary/specialty offerings. The current list of elective options for the marketing and finance tracks is listed below. These courses are currently offered in our MBA program and many have excess capacity. Again, over time, as the program develops, we will develop additional elective offerings closely aligned with the research expertise of Fisher faculty, enriching the curriculum for both our specialty masters students and our other graduate students who take electives in these areas.

Marketing Track Electives	Finance Track Electives
Advertising and Promotions (M&L 846)	International Finance (Bus Fin 825)
Branding (M&L 852)	Financial Institutions (Bus Fin 826)
Business-to-Business Mktg (M&L 848)	Fixed Income Securities (Bus Fin 827)
International Marketing (M&L 847)	Cases in Corporate Finance (Bus Fin 828)
Services Marketing (M&L 843)	Enterprise Risk Management (Bus Fin 829)
Pricing Strategy and Tactics (M&L 851)	Insurance and Risk Management (Bus Fin 831)
Product Management (M&L 842)	Private Equity (Bus Fin 845)
Marketing Strategy (M&L 844)	Venture Capital (Bus Fin 846)
Sales Management (M&L 853)	Derivatives (Bus Fin 845)
	Stock Market and Investment Mgt (Bus Fin 823)
	Trading and Markets (Bus Fin 830)
	Real Estate Finance and Investment (Bus Fin 872)
	Applied Enterprise Risk Management (Bus Fin 834)
	Financial Engineering (Bus Fin 835)

Schedule of Classes

Students who enroll in the Specialized Masters in Business program can complete the program in as few as three quarters. As indicated below, courses are offered in a sequence such that a student taking classes full time will be able to gain access to the courses necessary to complete the degree in three consecutive quarters. Indeed, the existing courses are already offered in this sequence, with quarter 1 being autumn, quarter 2 being winter and quarter 3 being spring.

On a part-time basis, by taking more than one class per quarter, a student could complete the program in two to two and half years by taking approximately half of the courses offered in each quarter. A sample program in each proposed degree track (marketing or finance) taken on a full time basis is as follows:

Quarter Enrolled	Course	Credits	Marketing	Finance
1	Core	4	Accounting/Financial Analysis for Decision Making (under development)	Accounting/Financial Analysis for Decision Making (under development)
1	Core	4	Statistics and Data Analysis for Managers (MBA 870)	Statistics and Data Analysis for Managers (MBA 870)
1	Core	4	Managerial Economics (MBA 812)	Managerial Economics (MBA 812)
1	Core	4	Leadership and Organization Behavior (MBA 860)	Leadership and Organization Behavior (MBA 860)
2	Discipline/Specialty Base	4	Market Research (M&L 847)	Financial Management I (BUS FIN 810)
2	Discipline/Specialty Base	4	Market Management (M&L 840)	Financial Management II (BUS FIN 811)
2	Discipline/Specialty Base	4	Consumer Behavior (M&L 854)	Advanced Corporate Finance (BUS FIN 821)
2	Discipline/Specialty Base	4	Marketing Projects (M&L 849)	Investment Management (BUS FIN 822)
3	Discipline/Specialty Elective	4	Services Marketing (M&L 843)	International Finance (BUS FIN 825)
3	Discipline/Specialty Elective	4	Marketing Strategy (M&L 844)	Financial Institutions (BUS FIN 826)
3	Discipline/Specialty Elective	4	Pricing Strategy and Tactics (M&L 851)	Cases in Corporate Finance (BUS FIN 828)
3	Discipline/Specialty Elective	4	Business-to-Business Marketing (M&L 848)	Fixed Income Securities (BUS FIN 827)
		48		

Prospective Enrollment

We are in a position to launch the marketing track as soon as approval is obtained, with a projected initial enrollment of 15 to 20 students. The financial breakeven enrollment is 16 students. By three years after launch, we anticipate achieving a steady state class size of 35 and 50 students annually. This is consistent with the size of other programs we have benchmarked. We will work to launch our finance track around Autumn 2010, the timing of the launch depending in part on the time it takes for financial markets to

recover from the recession sufficiently to generate a steady flow of employment opportunities for graduates from this track. If the recovery is slow, we will delay launch. If the market recovers more quickly, we may launch sooner.

Admissions

The criteria for admission to the SMB program will be an undergraduate degree, an adequate score on the Graduate Management Admission Test (GMAT), and demonstrated leadership capability in the chosen field of specialization. We will require results that are consistent with the current requirements for our masters level professional degree programs. International students will be required to achieve 550 or better score on the Test of English as a Foreign Language (TOEFL) in accordance with Graduate School requirements. In addition to these criteria, students will be admitted through a competitive selection process that includes strength of undergraduate preparation, supporting letters of reference, personal essays and relevant work experience. Applications will be processed through already established university and college channels. Staff from the Graduate Programs Office will be responsible for running the admissions process, working with Executive Education in the case of corporate contract programs as appropriate.

Efforts to Enroll and Retain Women and Minority Students

Within the College of Business, the Graduate Programs Office (GPO) has primary responsibility for identification and recruitment of qualified students, including women and minorities. GPO has been particularly effective in recruiting minority students to the college's masters programs. GPO is supported in this effort by other college units, including the Office of Minority Student Services. We anticipate that many of the approaches successfully employed in the MBA will apply to the SMB program.

GPO uses the GMASS Search Service to identify strong female and minority student prospects from among GMAT test-takers. The college participates in a similar service run by the GRE testing service. Interested prospective students identified through these data sources are actively pursued in attempt to build their interest. These efforts include, in some cases, bringing the prospective student to campus for a very individualized look at the programs through our student and alumni "ambassadors" program. Thanks to the generosity of donors, the college is increasingly able to provide financial support to targeted prospective students beyond that supported through university wide programs. In addition, we participate actively in minority national organizations' national conferences and in the University's Graduate and Professional Schools visitation day. We also hold a Fisher College specific weekend visitation program for minority students unable to participate in the Graduate School's visitation program.

Administration, Facility and Faculty Requirements

Program administration: Fisher College employs a matrix structure for managing its educational programs. Following this structure, Fisher's Senior Associate Dean for Academic Programs will oversee the SMB program. Staff from the Graduate Programs Office and Executive Education will be responsible for program administration as appropriate, and the relevant departments will be responsible for program content and course staffing. Relevant faculty will approve detailed program content and details concerning the admissions process that extend beyond the scope of this proposal. An academic director from the faculty will be appointed for each track. Increased staff support with program growth is included in the attached budget.

Career Management Support for Graduates: An important component of offering a specialized masters program is the ability to guide students to successful employment outcomes in their field of interest following graduation. When the program is delivered to working professionals seeking advancement with their current employer, there is no need for career management support. When the

program is delivered to full time students or to students seeking a career change there will be a need for post-degree employment support from the Office of Career Management. We will work closely with our Office of Career Management to ensure sufficient support for the career management and employment success of students following completion of their degree. It is anticipated that initially current staff will be able to handle student needs. As the program grows in scale, it may be necessary to add one FTE to the Career Management staff to support students in the SMB program. This cost of this additional staff member has been included in the attached budget.

Faculty: Initially, faculty compensation for teaching courses will be in the form of supplemental compensation for overload teaching if courses are delivered as contract courses. Overload teaching is instruction delivered over and above assigned teaching responsibilities. Over the longer term, the programs will generate revenue sufficient to help grow the size of our tenure track faculty as reflected in the attached budget.

When capacity in required courses is reached, additional course sections will be created. However, over the first three to five years of the program, it is anticipated that no more than two to three additional sections per track will need to be added. In situations where sections are added, staffing requirements will be worked through with relevant department chairs, with consideration given both to adding additional faculty and allowing additional sections to be taught by existing faculty on an off-load basis (not part of their regular work load) depending on expectations with regard to steady state enrollment in the program.

Program Review

The status of the SMB program and each of its tracks will be reviewed every three to five years by the Dean of the Fisher College of Business and by relevant departments. Should a track fail to meet expectations academically or otherwise, the track may be terminated. It is expected that each track should generate positive net revenue for the college over a three-year window, and remain a positive contributor from there forward. Should the overall degree program fail to meet expectations over a five-year time frame, the degree program will be terminated.

Appendix A: Proposed Course on Accounting and Financial Analysis for Decision Making

The Accounting and Financial Analysis for Decision Making course is being developed with the intent that the course service both the proposed SMB program and the Master in Engineering Leadership program proposal on which the College of Engineering invited us to partner. The course will combine appropriate material from two existing MBA core courses: MBA 800 and MBA 810. The Fisher faculty members who have taken initial responsibility for the development of the course are Prakash Mulchandani from the Department of Accounting and Management Information Systems and Bernadette A. Minton from the Department of Finance.

At this point in time the draft course description and learning objectives read as follows: "This course provides an overview of the basic topics in corporate finance and financial and managerial accounting. The primary focus of the finance component is on helping students understand one of the most important decisions made by corporate managers – which of the investment projects available to a firm are worth undertaking. To examine this question, students will learn how to value uncertain streams of cash flows that the firms expects to earn in the futures, how to apply the basic methods used by firms to evaluate investment opportunities, how to measure financial risk and return, how the trade-off between risk and return operates and how risk influence a firm's investment decision. The primary focus of the accounting component is on helping students understand the meaning of the numbers in financial statements, their relationship to one another, and how they are used in planning, decision-making and control towards achieving the objectives of an organization."

The draft course topic outline follows below.

Accounting component:

1. Introduction to Financial and Managerial Accounting

- The role of accounting in business
- Business activities
- Financial Statements
- Double-entry/Accrual accounting concepts
- Financial Statement (Ratio) analysis
- Product costs (Activity-based costing)

2. Cost Behavior and Cost-Volume-Profit Analysis

- Fixed/Variable/Mixed costs
- Break-even analysis
- Operating leverage and margin of safety
- Relevant costs for decision-making

3. Budgeting and Performance Evaluation

- Developing annual profit plans
- Standard costing/ Variance analysis
- Return on investment, residual income and economic value added techniques
- Transfer Pricing

Finance component:

1. Value

- Finance and the financial manager
- Present values and corporate objectives
- How to calculate present values
- The net present value (NPV) rule
- NPV, IRR and payback rules
- Making investment decisions using NPV
- Project value and market efficiency

2. Risk and Return

Measuring risk and return
Opportunity cost of capital
Capital budgeting and risk

3. Capital Budgeting and Best Practices in Capital Budgeting

Calculating cash flows
Project analysis (sensitivity, scenario and breakeven analysis)
Real options and decision trees
Investment decisions and corporate strategy
Agency problems, compensation and measuring performance

The course will use selected chapters from a finance textbook (Principles of Corporate Finance by Brealey, Myers, and Allen), a financial accounting textbook (Financial Accounting – An Introduction to Concepts, Methods and Uses by Stickney /Weil) and a managerial accounting textbook (Managerial Accounting – An Introduction to Concepts, Methods and Uses by Maher/Stickney/Weil).

The tentative grading plan is for class participation (25%), case studies and problem sets (25%), and exams (50%).

Appendix B: Letters of Support from Executives



February 11, 2009

To: The Board of Trustees

From: Mary Gros, Director Business Development, Teradata Corporation

As a members of Fisher College's Initiative for Managing Services, we recently learned of the proposed Masters of Science degrees in Marketing and Finance. Several aspects of the proposed programs are appealing. The graduates of the program would have deep understanding of specific functional areas and would be able to complement the broad knowledge base that MBA students bring to the workplace. The shorter duration, one year, makes it possible for more individuals to get advanced degrees. Finally, the close ties to business practices through projects and experimental learning in workplaces, is a definite add-on.

The Fisher College of Business is an important partner to the business community. Innovative curricular programs such as the proposed Masters degrees will be important in generating the next generation of leaders of industry.

Best regards,

Mary



February 6, 2009

To: The Board of Trustees
From: Jason Pitstick

As members of Fisher College's Initiative for Managing Services, we recently learned of the proposed Masters of Science degrees in Marketing and Finance. We have partnered with Fisher College in the past by recruiting their students, participating in their programs, and interacting with their students and faculty. We are fully supportive of the proposed degree programs.

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Best regards,

Jason Pitstick – CPMR
President/CEO
BSA

1116 cannell court rockton, il 61072 t 815.624.2333 f 815.624.4165 www.bsarep.com



February 6, 2009

Peter Korda
Senior Vice President, Scotts LawnService
14111 Scottslawn Road
Marysville, OH 43041

To: The Board of Trustees

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Best regards,

A handwritten signature in blue ink, appearing to be "Peter Korda", with a long horizontal line extending to the right.



Nationwide
One Nationwide Plaza
Columbus, OH 43215

February 12, 2009

To: Board of Trustees

As members of Fisher College's Initiative for Managing Services, we recently learned of the proposed Masters of Science degrees in Marketing and Finance. We have partnered with Fisher College in the past by recruiting their students, participating in their programs, and interacting with their students and faculty. We are fully supportive of the proposed degree programs.

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Best regards,

James Lyski
EVP, Chief Marketing Officer

Lawrence A. Hilsheimer
EVP, Chief Financial Officer

Cardinal Health
7000 Cardinal Place
Dublin, OH 43017
614.757.7716 tel
614.757.3324 fax



www.cardinalhealth.com

February 6, 2009

To: The Board of Trustees
From: George Taylor, VP Customer Excellence

As members of Fisher College's Initiative for Managing Services, we recently learned of the proposed Masters of Science degrees in Marketing and Finance. We have partnered with Fisher College in the past by recruiting their students, participating in their programs, and interacting with their students and faculty. We are fully supportive of the proposed degree programs.

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The Fisher College of Business is an important partner to the business community. Innovative curricular programs such as the proposed Masters degrees will be important in generating the next generation of leaders of industry.

Best regards,

George Taylor

GERBER FINANCIAL ADVISORS

A Registered Investment Advisor

February 11, 2009

To: The Board of Trustees
From: Randall T. Gerber

As members of Fisher College's Initiative for Managing Services, I recently learned of the proposed Masters of Science degrees in Marketing and Finance. I have partnered with Fisher College in the past by recruiting their students, participating in their programs, and interacting with their students and faculty. I am fully supportive of the proposed degree programs.

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The Fisher College of Business is an important partner to the business community. Innovative curricular programs such as the proposed Masters degrees will be important in generating the next generation of leaders of industry.

Best regards,


Randall T. Gerber
Founder & Principal
Gerber Financial Advisors, LLC

450 West Wilson Bridge Rd, Suite 100, Worthington, Ohio 43085 • (614) 431-4343 • Toll Free (877) 850-4400 • www.gerberfinancialadvisors.com

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RAYMOND JAMES
FINANCIAL SERVICES, INC.
member FINRA/SIPC

Appendix C

OHIO BOARD OF REGENTS
REPORT OF FISCAL IMPACT

ACTION: Approval of New Degree or New Degree Program
Date of Proposed Action: Autumn Quarter 2009

Brief Description:

The degree program proposed here will be designated as the Specialized *Masters in Business (SMB)* with multiple tracks of specialization but with a set of core classes common to all tracks. The degree program will be a professional, terminal degree program and will be marketed as such.

IMPACT ON STATE EXPENDITURES: The impact of new academic program approvals on state expenditures occurs in two ways, one of which reasonably can be quantified at the moment of approval and the other of which can develop only over a longer period of time. Since state subsidies to colleges and universities are based on enrollment-driven formulas and institutions must operate all programs within the resulting dollars, no impact of a new program approval occurs in the current fiscal year unless enrollments will thereby stand at a higher level than otherwise anticipated. In the ensuing biennium, such newly generated enrollment presumably will continue to cause higher state subsidy payments although the rate of such state support is unknown at the time of approval. For this program, the impact of newly generated enrollment is reported below:

Number of New FTE Enrollments Anticipated:

<u>Academic Year I</u>	<u>Year II</u>	<u>Year III</u>	<u>Year IV</u>
20	25	50	60

Increased State Subsidy Payments Anticipated:

<u>Academic Year I</u>	<u>Year II</u>	<u>Year III</u>	<u>Year IV</u>
\$ 0	\$ 228,132	\$ 939,904	\$1,161,722

The second way in which new programs impact future state expenditure is through the influence which actual institutional expenditures have on support formulas established for ensuing fiscal periods. Inasmuch as the costs of a particular program can impact state formulas only through influencing system-wide cost averages, it is virtually impossible to calculate the impact and report such impact at the time of individual program approval.

Brief Description of Enrollment and Subsidy Estimates:

These enrollment estimates are FTEs and the subsidy model used for the courses in this program is BES 5. Since these are all net new enrollments, and the subsidy payment is based on either a two- or five-year average FTE, Year I is estimated to be \$0. The remaining subsidy payments assume a two-year average. The estimated subsidy for FY11 (Year II) was \$18,251 per FTE and then was inflated by 3% for Year III and Year IV.

IMPACT ON INSTITUTIONAL INCOME AND EXPENDITURES: The impact of new programs on institutional income and expenditures ranges from very substantial in the case of a wholly new curricular, administrative, and support structure designed to serve a newly recruited body of students, to virtually none in the case of the simple rearrangement of existing courses to give a new study option to students already enrolled. The income generated by the second type of program may be zero and the expenditures very minimal or virtually nil. The estimates reported below are those of the proposing institution and are intended to be net increases only over currently existing income and expenditure bases.

OHIO BOARD OF REGENTS
REPORT OF FISCAL IMPACT
Page 2

Increases in Net Income:

	<u>Year I</u>	<u>Year II</u>	<u>Year III</u>	<u>Year IV</u>
State Subsidy	\$ 0	\$ 228,132	\$ 939,904	\$ 1,161,722
Student Fees	520,008	689,029	1,508,255	1,915,847
Other	<u>23,940</u>	<u>30,075</u>	<u>60,450</u>	<u>72,900</u>
Total:	\$543,948	\$ 947,236	\$ 2,508,609	\$ 3,150,469

Increases in New Expenditures:

	<u>Year I</u>	<u>Year II</u>	<u>Year III</u>	<u>Year IV</u>
New Faculty Costs	\$ 213,624	\$ 429,835	\$1,056,430	\$1,093,048
Administrative Costs	296,000	375,138	890,390	1,075,570
Support Costs	<u>218,653</u>	<u>227,306</u>	<u>236,302</u>	<u>245,654</u>
Total:	\$ 728,277	\$1,032,279	\$2,183,122	\$2,414,272

Brief Description of Income and Expenditure Increases:

The subsidy model used is the new BES 5, which, according to the 2008-2009 BOR subsidy handbook is \$17,719 per FTE for FY 2009 (Year 1). This amount was inflated by 3% for each year after Year I. The proposed *Specialized Masters in Business* instructional tuition is \$7,690 per quarter and the program is four quarters in length. The estimated increase in expenditures includes marketing of the new program, setting up a new office with computers and supplies and web expenses.

Academic Year of Program Initiation: 2009-2010

Filed: _____

Filed with: _____

Date: _____

RACGS Fiscal Impact Statement for New Graduate Programs					
Fiscal Impact Statement: Specialized Masters in Business	Year 1	Year 2	Year 3	Year 4	Year 5
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Projected Enrollment					
Head-count full time - Marketing Track	20	25	30	35	40
Head-count part time - Marketing Track	0	0	0	0	0
Full Time Equivalent (FTE) enrollment - Marketing Track	20	25	30	35	40
Head-count full time - Finance Track	0	0	20	25	30
Head-count part time - Finance Track	0	0	0	0	0
Full Time Equivalent (FTE) enrollment - Finance Track	0	0	20	25	30
Total Head-Count full time - Marketing and Finance	20	25	50	60	70
Total Head-Count part time - Marketing and Finance	0	0	0	0	0
Total FTE enrollment - Marketing and Finance	20	25	50	60	70
Program Income					
In-state tuition (paid by student or sponsor)	\$ 438,360	\$ 580,827	\$ 1,283,196	\$ 1,634,973	\$ 2,024,344
Out-of-state tuition (paid by student or sponsor)	81,648	108,202	225,059	280,874	340,794
State Subsidy (<i>BES 5 subsidy category</i>)	-	228,132	939,904	1,161,722	1,396,002
Externally funded stipends	-	-	-	-	-
Other income ¹ (describe below)	23,940	30,075	60,450	72,900	85,470
Total Projected Income	\$ 543,948	\$ 947,236	\$ 2,508,609	\$ 3,150,469	\$ 3,846,610
Program Expenses					
New Faculty (Salary & benefits)	\$ 202,014	\$ 418,169	\$ 1,044,705	\$ 1,081,263	\$ 1,119,102
New Faculty (Salary & benefits)	11,610	11,666	11,725	11,785	11,848
New Staff (Salary & benefits)- <i>Academic Counselor</i>	-	-	44,506	46,064	47,676
New Staff (Salary & benefits)- <i>Program Coordinator for Admissions</i>	-	-	52,360	54,193	56,089
New Staff (Salary & benefits)- <i>Career Management Graduate Support</i>	-	-	60,214	62,321	64,503
New facilities/space renovation	-	-	-	-	-
University graduate scholarship (UGS) support	50,000	52,000	54,080	56,243	58,493
University dean stipend support	-	-	-	-	-
College & unit stipend support	246,000	323,138	679,230	856,749	1,050,782
Additional library resources	-	-	-	-	-
Other expenses ² (describe below)	218,653	227,306	236,302	245,654	255,377
Total Projected Expense	\$ 728,277	\$ 1,032,279	\$ 2,183,122	\$ 2,414,272	\$ 2,663,870
Net Program Income or Expense	\$ (184,329)	\$ (85,043)	\$ 325,487	\$ 736,197	\$ 1,182,740

* Explain and/or describe items included:

¹Other income = mandatory quarterly fees: general fee, technology fee, student-activity fee, recreation fee

²Other expenses = marketing, supplies & services, web expenses and miscellaneous other expenses

