

DRAFT

# Zicklin Executive Education

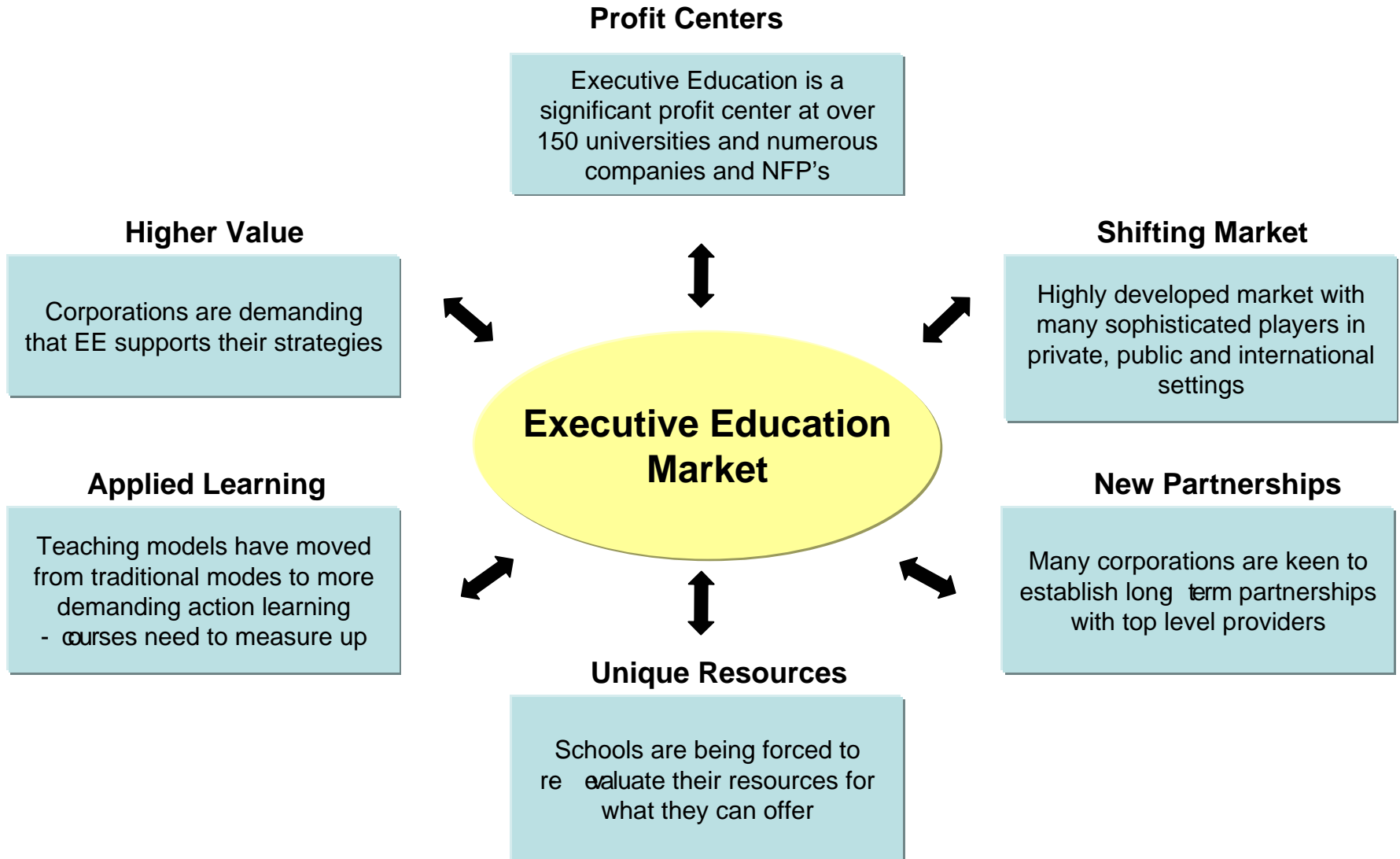
## Baruch College

Faculty and Administration  
Executive Briefing

# Contents

- **The Executive Education Market**
- **Strategy for Zicklin Executive Education**
- **Launch & Implementation Planning**

# Understanding Executive Education



# Enhancing Growth & Reputation

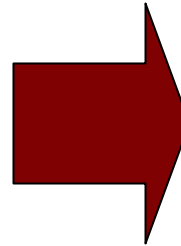
*“The experience and contacts are as much valued as the knowledge”*

## What is it

- Prestigious executive level offerings normally beyond MBA education
- Draw is faculty expertise
- Geared to mid and senior level executives
- Short duration 4 - 5 days, some 2 - 3 weeks
- Focus is on application and practical action

## What it is Not

- EE is not breakfast seminars, weekend programs or evenings
- Earning “Certificates” is not a goal- but EE diplomas and alumni status may be



## Two Types of Programs

### Open Enrollment

These EE programs admit executives from multiple companies and approach the subject matter and application on a generic level.

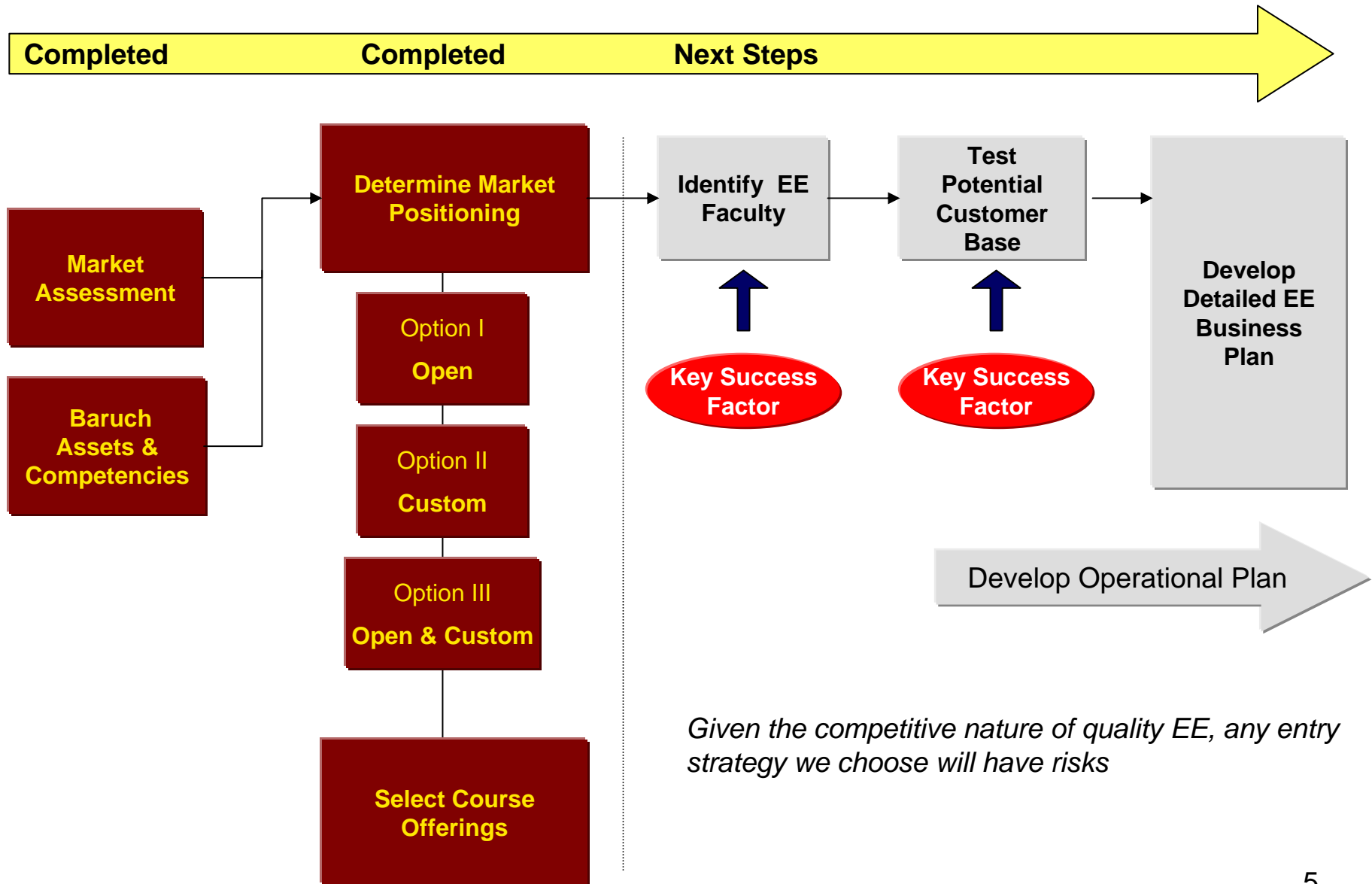
### Custom Programs

These consultative programs are custom designed for individual companies and focus on building and executing company-specific strategies through developmental plans of participating executives.

## BENEFITS

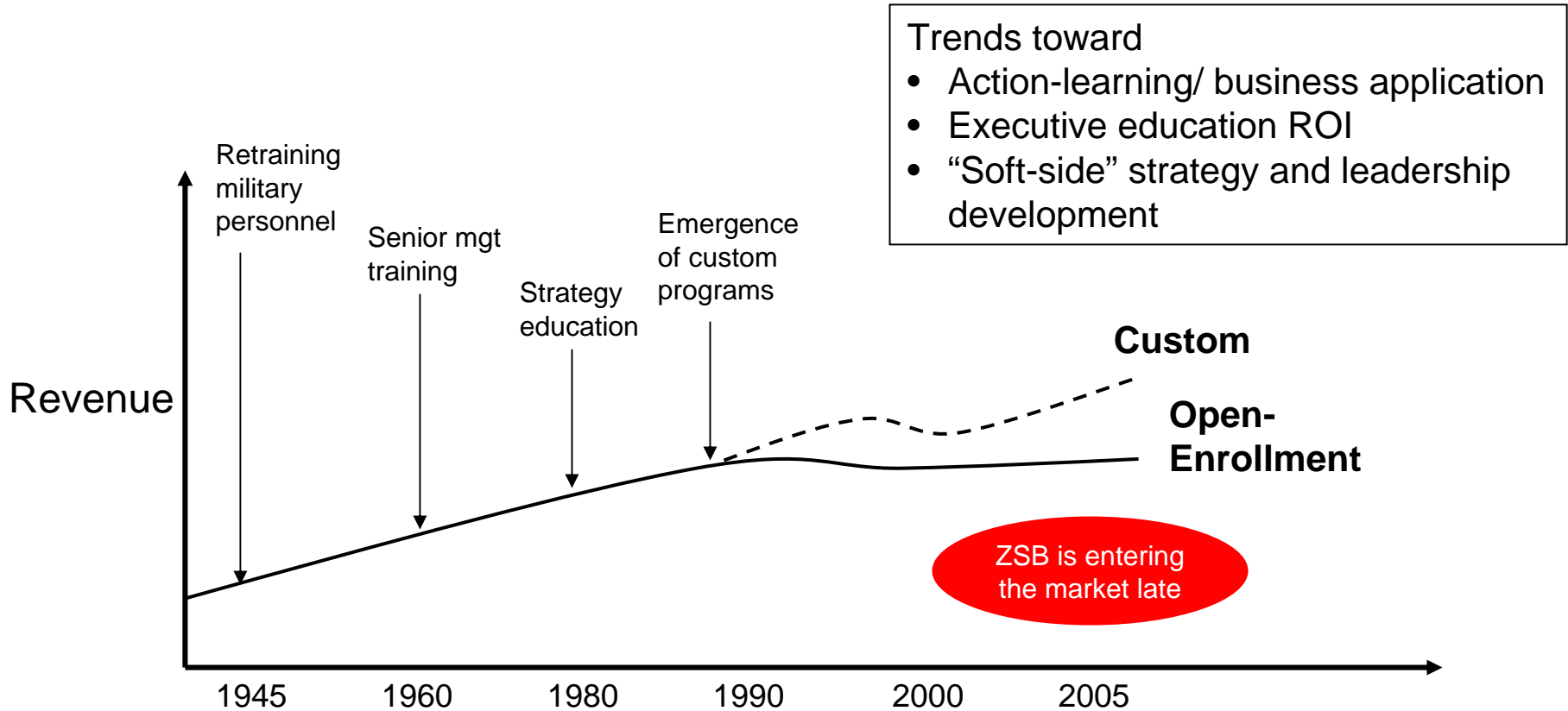
- Builds long-term relationships and generates capital
- Puts faculty in touch with senior executives
- Gain inside view of industry concerns
- Enhances faculty and university research, teaching and reputation
- Increases internship opportunities, recruiting, visiting executives and guest speakers

# Our Approach to Building EE



*Given the competitive nature of quality EE, any entry strategy we choose will have risks*

# Market Direction of EE



- Trends toward
- Action-learning/ business application
  - Executive education ROI
  - “Soft-side” strategy and leadership development

***EE is clearly becoming market and corporate client driven***

## Market Trends

### Revenue:

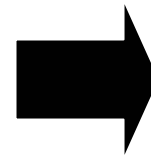
- \$662 million in revenue 2002-03 (BW, October 2003)
- Slump late 1990s (Journal of Management Development, 2003)

### Enrollment:

- Up 20-30% post-slump (BW, March 15, 2004)
- 42% custom up from 39% in 2001

### Number of Schools/Programs:

- 150 schools offer Executive Education programs
- 1400 programs offered (Bricker's, 2003)  
Increase in Corporate Alliances
- 29 of 37 top schools' custom programs growing faster than open programs



## Competitor Snapshot

- Avg. Revenue: \$23 million
- Avg. yrs in EE: 40 yrs
- Avg. # programs: 91
- 8 schools in bus. 50 yrs.

# Financial Times EE Rankings

## FT 2003 Open Enrollment

- 1 Harvard Business School
- 2 University of Pennsylvania: Wharton
- 3 Columbia Business School
- 4 Centre for Creative Leadership
- 5 University of Michigan
- 6 Northwestern University: Kellogg
- 7 University of Virginia: Darden
- 8 Duke University: Fuqua
- 9 Stanford University GSB
- 10 Queen's school of business
- 11 Iese Business School
- 12 SDA Bocconi
- 13 IMD
- 14 UCLA: Anderson
- 15 London Business School
- 16 Thunderbird
- 17 University of Chicago GSB
- 18 Babson College
- 19 Pennsylvania State: Smeal
- 20 Dartmouth College: Tuck

## FT 2003 Custom Programs

- 1 Duke Corporate Education
- 2 Columbia Business School
- 3 IMD
- 4 Iese Business School
- 5 Stanford University GSB
- 6 London Business School
- 7 Insead
- 8 Harvard Business School
- 9 UNC: Kenan Flagler
- 10 Thunderbird
- 11 Instituto de Empresa
- 12 University of Pennsylvania: Wharton
- 13 Babson College
- 14 Ashridge
- 15 University of Virginia: Darden
- 16 HEC Paris
- 17 Esade
- 18 Northwestern University: Kellogg
- 19 Essec Management Education
- 20 University of Western Ontario: Ivey

## Ranking Methodology

### Evaluated by Students:

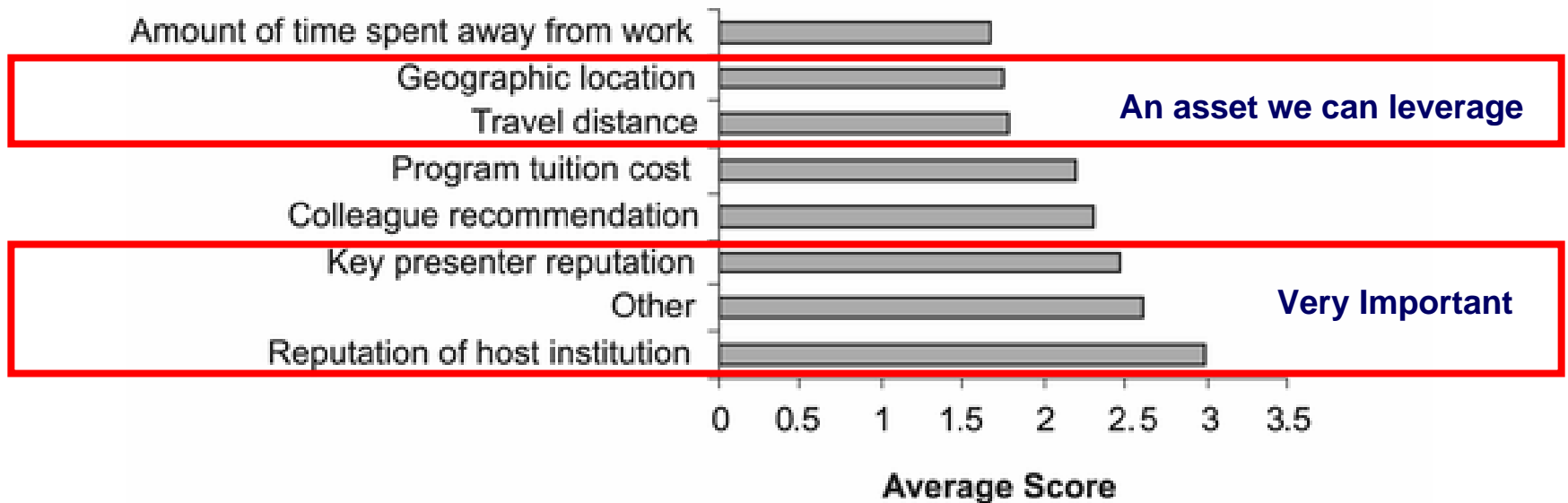
Preparation, Course Integration, Course Design, Teaching Materials, Faculty, New Skills and Learning, Follow-up, Aims Achieved, Food and Accommodation, Facilities, Value for Money, Future Use

### Information Provided by Schools:

International Clients, International Participants, Overseas Programs, Consortia, Partnership/schools, Faculty Diversity

# Buyer Values

- What factors influence your EE program choice?



***ZSB must continue to build reputation***

## Geographic Location

- Enviably NYC situation

## Size and Diversity

- Needs to be harnessed

## Centers

- Real estate Institute
- Center for Financial Integrity
- Field Center for Entrepreneurship
- International Center for Corporate Accountability
- Center for Leadership

## Academics

- Extensive range of departments and offerings

## Faculty

- 40 New ZSB faculty

## Corporate Relations Office

- An key untapped resource for EE

## Marketing and PR

- Can support market introduction

## Facilities

- Subotnick Financial Center
- Newman Conference Center
- Vertical Campus- 13 4 floors
- Baruch Library
- Hotel- Cermersy Park Relationship

## Alumni

- Extensive in NY region

## Reputation

- Accounting and Finance strong reputation

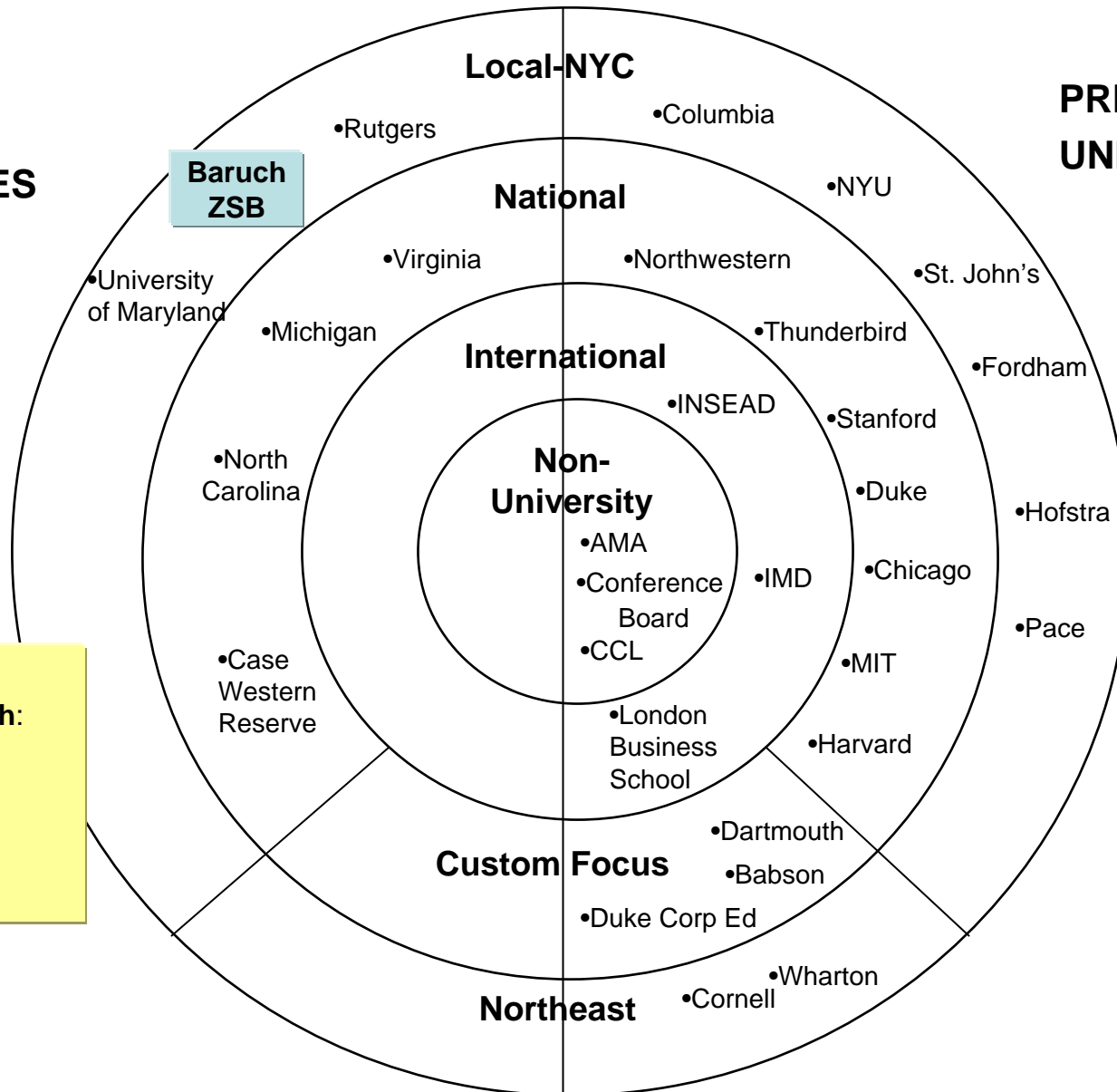
## Infrastructure

- EMBA
- General operations

# ZSB Faces Well-Entrenched Competitors in Every EE Market Segment

**PUBLIC  
UNIVERSITIES**

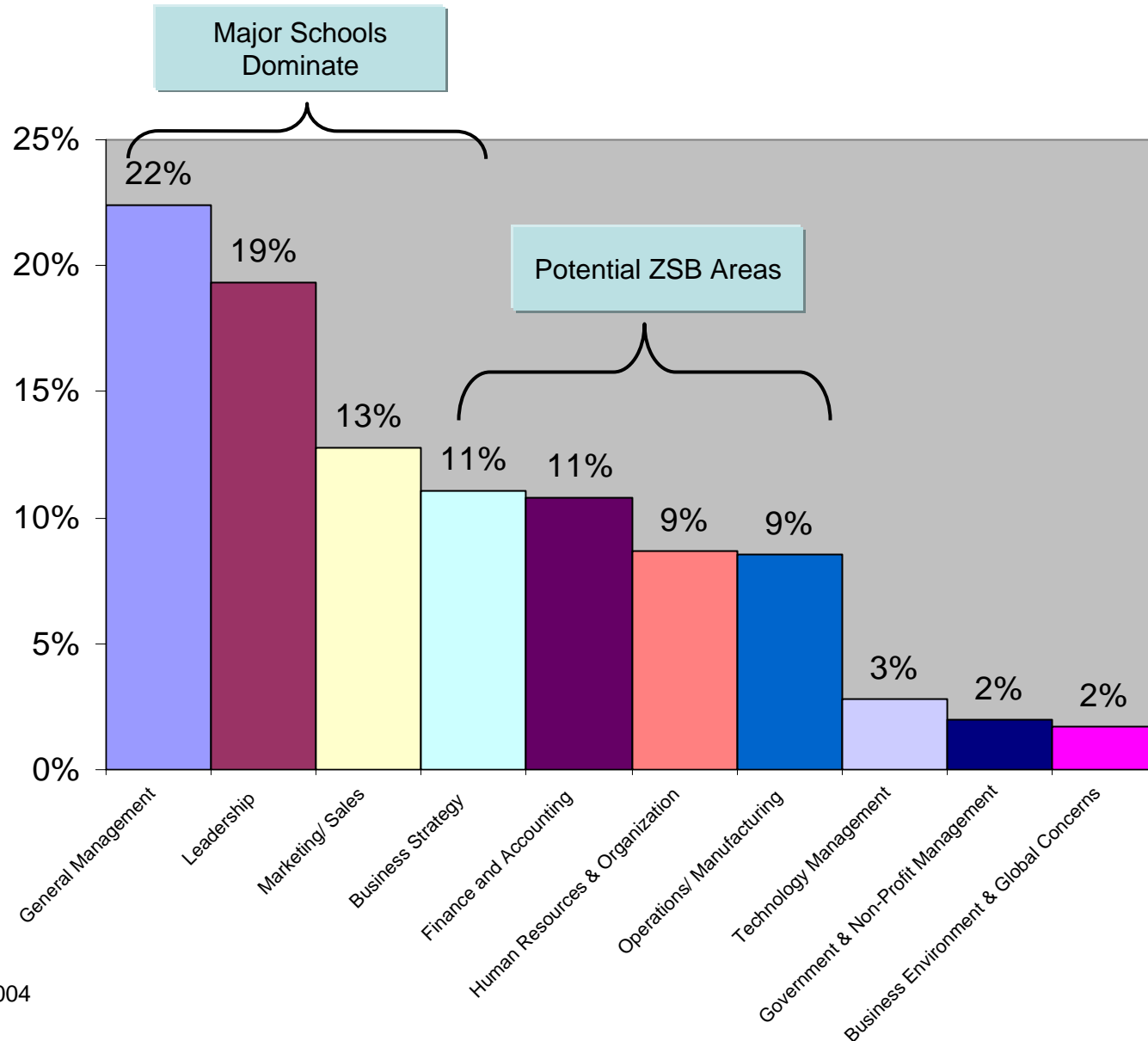
**PRIVATE  
UNIVERSITIES**



**Interviews  
Conducted with:**

- Columbia
- NYU
- Cornell
- Dartmouth
- Unicom

# Open Programs by Category




## Top 10 Categories Offered

1. Leadership (92)
2. Team building (58)
3. Management Strategy (56)
4. Strategic planning (54)
5. General management for functional managers (53)
6. Change management (52)
7. Marketing Strategy (52)
8. Management development issues (48)
9. Negotiation strategies (47)
10. Organizational planning/strategy (47)

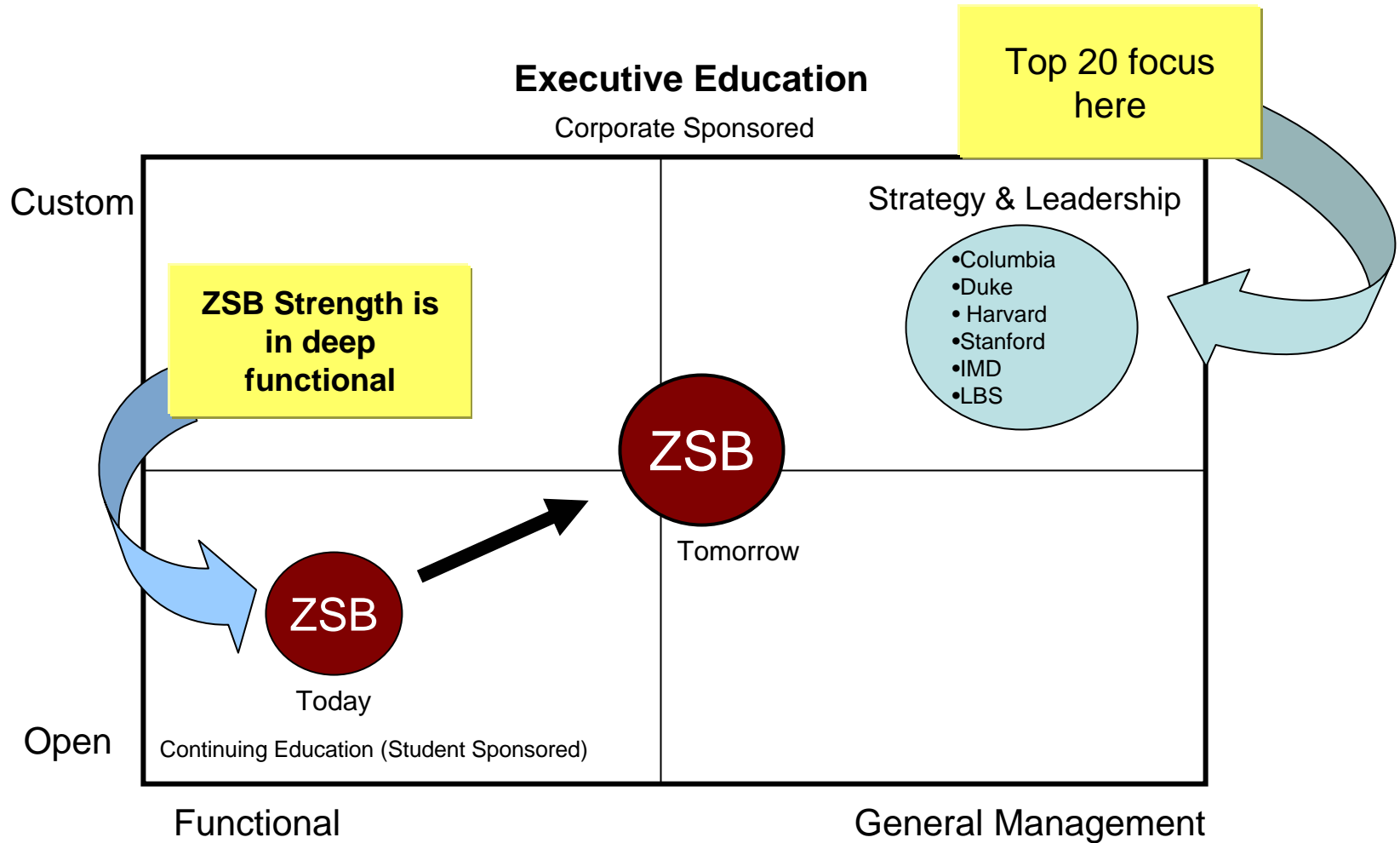
## Typical Titles

- Coaching: A Strategic Tool for Effective Leadership
- Successfully Managing People
- Managing Individual and Organizational Change
- Building High Performance Teams
- Leadership Development Program
- Breakthrough Strategic Thinking
- Developing Managerial Excellence
- Strategic Business Thinking
- Developing Strategy for Value Creation
- Finance for Executives
- Effective Executive Speaking
- Leading Change and Innovation
- Advanced HR Executive Program
- Competitive Marketing Strategy
- Brand Management in the 21<sup>st</sup> Century
- Developing Management Skills
- The Emotionally Intelligent Leader
- Negotiation and Decision-Making Strategies
- Preparation for Collective Bargaining
- Strategic Planning: Processes for Formulating Winning Strategies
- Corporate Governance Program



Total Number of  
Course Categories-  
145

# ZSB EE Needs to Create Its own "Sweet Spot" & Move Upstream



# ZBS EE Strategic Challenges

## Five Major Challenges

### The EE Market

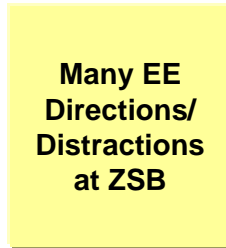
1



- Well-entrenched competitors
- No newcomers

### Internal Integration

2



- Real Estate
- Center for Financial Integrity
- Entrepreneurship
- International Center for Corporate Accountability
- Center for Leadership
- School of Continuing Education & Professional Studies -CPA CPE courses
- School of Public Affairs

### Course Design & Delivery

3



- Investments required to compete

### EE Management

4



- Well-resourced competitors

### EE Sales Strategy

5

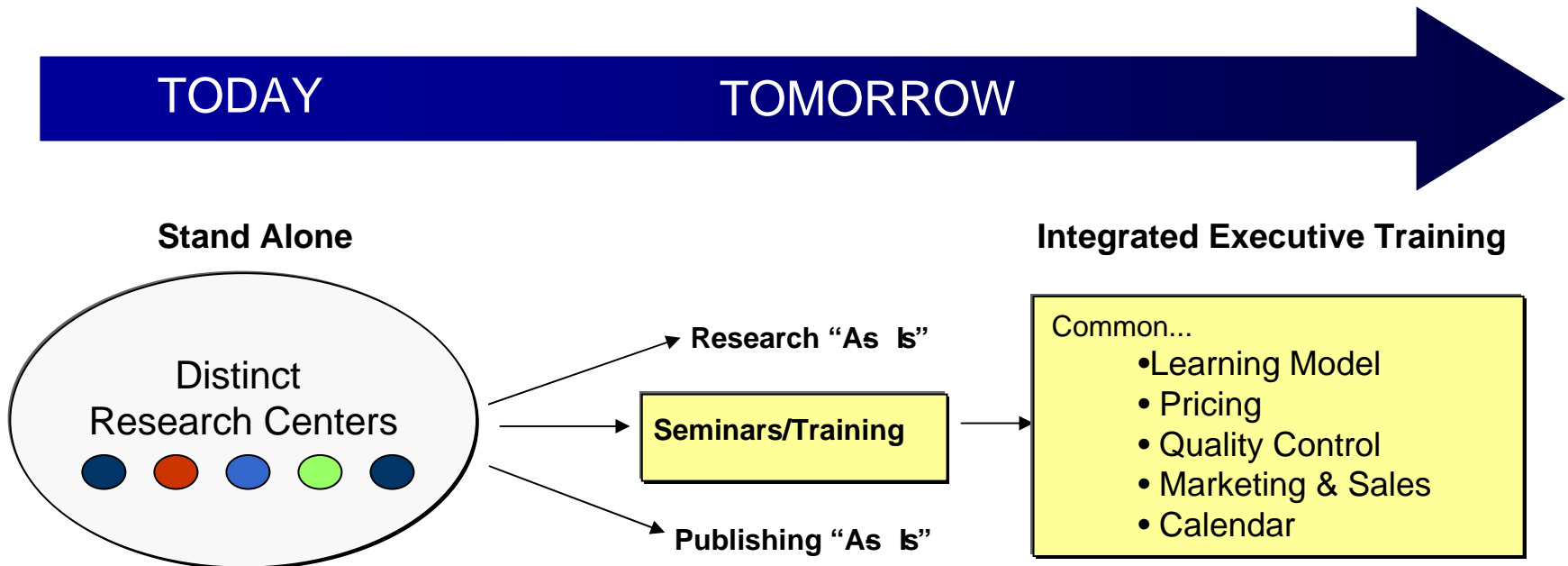


- Competitors have full-time sales professionals for open and custom programs

# B-School Structural Options for EE

## Zicklin School of Business Executive Education

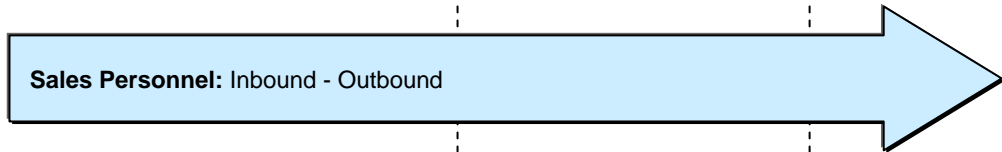
*Moving Towards a  
"Centers of Excellence Model"*



# EE Launch Plan

## Management & Personnel Needs

- Sales Personnel
- Program Managers
- Marketing Specialists



## Course Creation

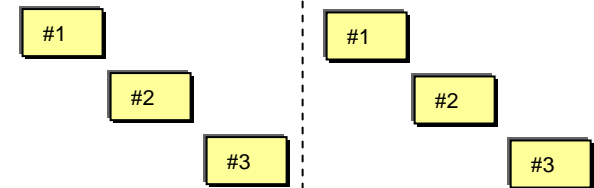
### Course Selection

- #1 open
- #2 open
- #3 custom

### Course Development

- #1 Design/ Develop/ Outsource
- #2 Design/ Develop/ Outsource
- Plan Fall '05 – Spring '06

### Delivery



## External Advertising

### Marketing



## Facilities Management



## Appendix

# Our Data Collection

University	Years in Business	# of programs	# of attendees	Total revenue	% of change from 98
<b>Public</b>					
University of Virginia	49	58	1809	\$15,378,000	-1%
Case Western Reserve	30	59	3311	\$2,295,000	121%
North Carolina	50	44	3180	\$8,333,640	49%
University of Michigan	69	74	4139	\$20,500,000	-15%
<b>Private</b>					
Dartmouth College	30	26	1035	\$5,619,437	43%
Thunderbird	13	245	5484	\$10,665,381	-4%
The University of Chicago	8	28	2425	\$10,484,00	343%
Harvard	59	80	6651	\$67,000,000	
University of Pennsylvania	33	116	7455	\$37,660,000	31%
Stanford	52	35	1569	\$16,500,000	46%
Columbia	53	79	2566	\$17,400,000	27%
Nortw estern University	25	112	4040		
MIT	73	28	2958	\$11,100,850	170%
Babson	26	59	2354		
Cornell	51	11	263	\$1,260,000	-48%
Duke		36	8826		
<b>International</b>					
IMD	58	92	3472	\$57,400,000	73%
INSEAD	36	117	6500		
University of London	37	156	4930	\$18,750,064	139%
<b>Corporate</b>					
Duke Corporate Education	4	29	8619	\$24,000,000	
Conference Board Members					
Center for Creative Leadership	34	417	19576	\$46,227,415	8%

Averages

	Public	Private	International
Years in Business	49	38	43
Number of Programs	59	66	122
Total Revenue (millions)	13	20	38

## Top 20 Categories Offered

## Typical Titles

**11. Finance for nonfinancial managers (44)**

- Strategic Planning: Processes for Formulating Winning Strategies
- Corporate Governance Program

**12. "Financial analysis, planning, and control" (42)**

- Finance for Non-Financial Managers
- Understanding Finance to Influence Strategic Decisions

**13. Management style (42)**

- Mergers & Acquisitions
- Risk Management: Business Strategy and Tactics

**14. Decision-making strategies (41)**

- Improving Your Managerial Effectiveness
- Organizational and Interpersonal Skills in Management

**15. Corporate strategy (40)**

- Problem–Solving and Decision-Making
- Developing Strategic Business Leaders

**16. Marketing planning (39)**

- Executive Breakthrough Strategy
- Building and Implementing Growth Strategies

**17. Performance measurement (39)**

- Management Essentials for New and Future Managers
- Performance Measurement and Appraisal

**18. Conflict management (37)**

- Building Strong Brands
- Developing Effective Marketing Plans for Your Company

**19. Competitive strategy (36)**

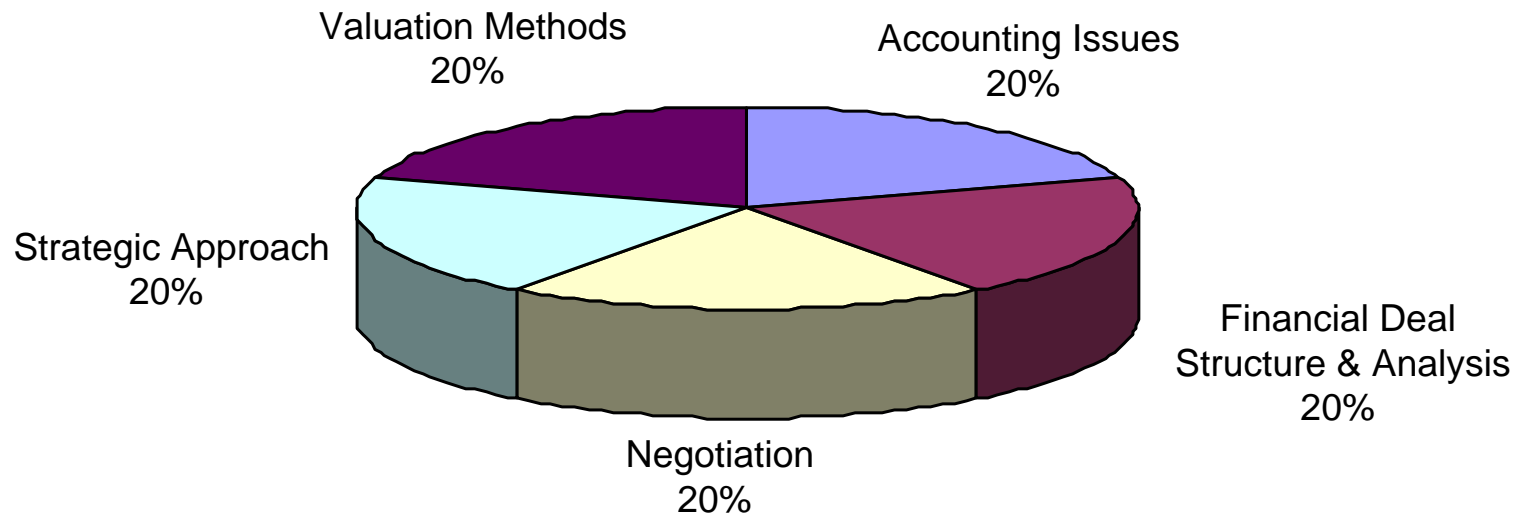
- Managing Conflict and Creating Consensus
- Essentials of Managerial Negotiations

**20. Financial principles-general (35)**

- Advanced Competitive Strategy
- Strategic Planning and Implementation

# “Accounting Courses” Can Be Greatly Expanded

## Wharton Up Close: Mergers and Acquisitions



- Program Length: 5 days
- Cost: \$7,250 including room and meals
- 163 attendees 2002 (82% men, 18% women)
- 84% Mid-level managers

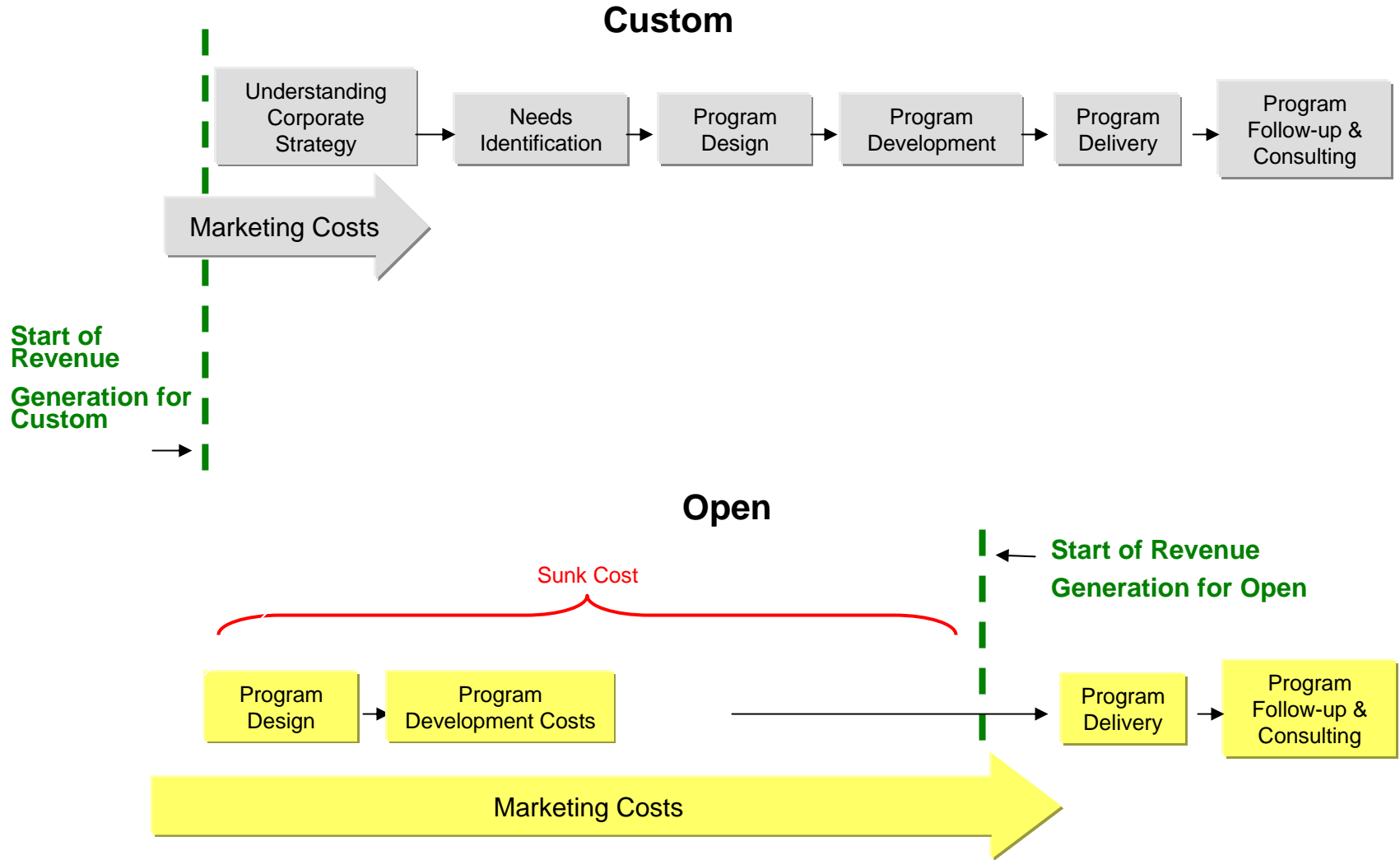
# Custom Programs

University	Total Revenue	% Revenue Generated by Custom Programs	% Change from '98	Typical Subjects	Typical Clients
<b>International</b>					
IMD	\$ 57,400,00	50%	77%	General Management, International Business, Leadership, Organizational effectiveness, Strategy	Nokia, Schindler, ABB, Tetra Pak, Dow Chemical
<b>Public</b>					
University of Virginia	\$15,378,000	54%	-5%	Finance, General Management, Leadership, Organizational effectiveness, High Potential Managers and Change Management programs	
Case Western Reserve	\$2,295,000	55%		General Management, Leadership, Marketing, Organizational effectiveness, Strategy	Roadway Corp., KeyCorp, Alcoa, Inc., Lubrizol Corp., Case Western Reserve University
North Carolina	\$8,333,641	75%	190%	General Management, Human resources, Leadership, Marketing, Strategy	Kaiser Permanente, ExxonMobile, U.S. Postal Service, Sprint Corp., Russell Corp.
University of Michigan	\$20,500,000	19%	79%	General Management, International Business, Leadership, Organizational effectiveness, Strategy	A.T. Kearney, CH2M HILL, Deutsche Bank, Pfizer Global Research & Development, REUTERS
<b>Private</b>					
Dartmouth College	\$5,619,437	36%	1127%	General Management, Leadership, Marketing, Organizational effectiveness, Strategy	Deere & Company, Corning, Colgate-Palmolive, British Telecom, Ford Motor Company
Thunderbird	\$10,665,381	74%	-17%	Accounting, International business, Leadership, Strategy, Supply Chain Management	Exxon Mobile, Ericsson, Discount Tire, Textron, SK Group
University of Pennsylvania	\$37,660,000	48%	77%	Finance, General Management, Leadership, Marketing, Strategy	IMCA, Morgan Stanley Dean Witter, Merrill Lynch, AICPU
Stanford	\$16,500,000	19%		General Management, Human resources, Leadership, Managing Innovation, Organizational Effectiveness, Strategy	BP, CEMEX, UTStarcom, Novartis, NFL
Columbia	\$17,400,000	37%	45%	General Management, Leadership, Managing Innovation, Strategy, Managing Change	Deloitte & Touche, GKN, Ericsson, Aviva, Bristol Meyers Squibb
MIT	\$11,100,850	32%	800%	Entrepreneurial Management, Finance, Leadership, Managing Innovation, Strategy, Project Management	Merrill Lynch, McKinsey, BP, Credit Suisse, Siemens
Cornell	\$1,260,000	54%	-43%	General Management, Leadership, Young Leaders Program	Credit Union Executives Society, OSRAM Sylvania, ALCAN, Oxford Univ. Press, Salomon Smith Barney
Duke				Leadership, Organizational Effectiveness, Strategy	PricewaterhouseCooper, IBM, Siemens, Merck, New York Times
<b>Corporate</b>					
Center for Creative Leadership	\$46,227,415	48%	18%	Leadership, Managing Innovation, Organizational Effectiveness, Strategy, Adaptability - Managing in the Context of Complexity	Hewlett-Packard, U.S. Postal Services, Alstom Power, Xerox Corp., Bayer Corp.

Average % of revenue attributed to custom programs = 46%

Average Increase in custom program size = 213%

# Custom programs have less upfront cost and risk than open enrollment programs



# Cultural Themes and Challenges

Most everyone was **highly receptive** and **supportive** and **many** wanted to participate, but

- Few understood executive education, the market, audience or offerings
- Faculty are very busy -can't handle anymore commitments
- *"Maybe 10 of 200 faculty can conduct an effective program for corporate executives."*
- *"Don't over commit and under resource."*
- *"Dedicate resources and free people from other distractions...provide focus to do the right thing"*
- *"How do we work with Continuing Education and the host of other internal competing conferences, certificate programs, etc.?"*

*Executive Education will require some cultural change  
in our thinking and behavior*

## 24 Interviews Conducted

Zicklin School of Business	13
College Advancement	1
Baruch Administration	5
Weissman School of A &S	3
School of Public Affairs	2

# Three Market-Entry Strategy Options

## Option I

Open  
Enrollment  
Only

## Option II

Custom Only

## Option III

Open &  
Custom

### Pros

- Broad reputation building

- Low initial investment
- Highest faculty support
- Most lucrative

- Strongest positioning if successful
- Lucrative

### Cons

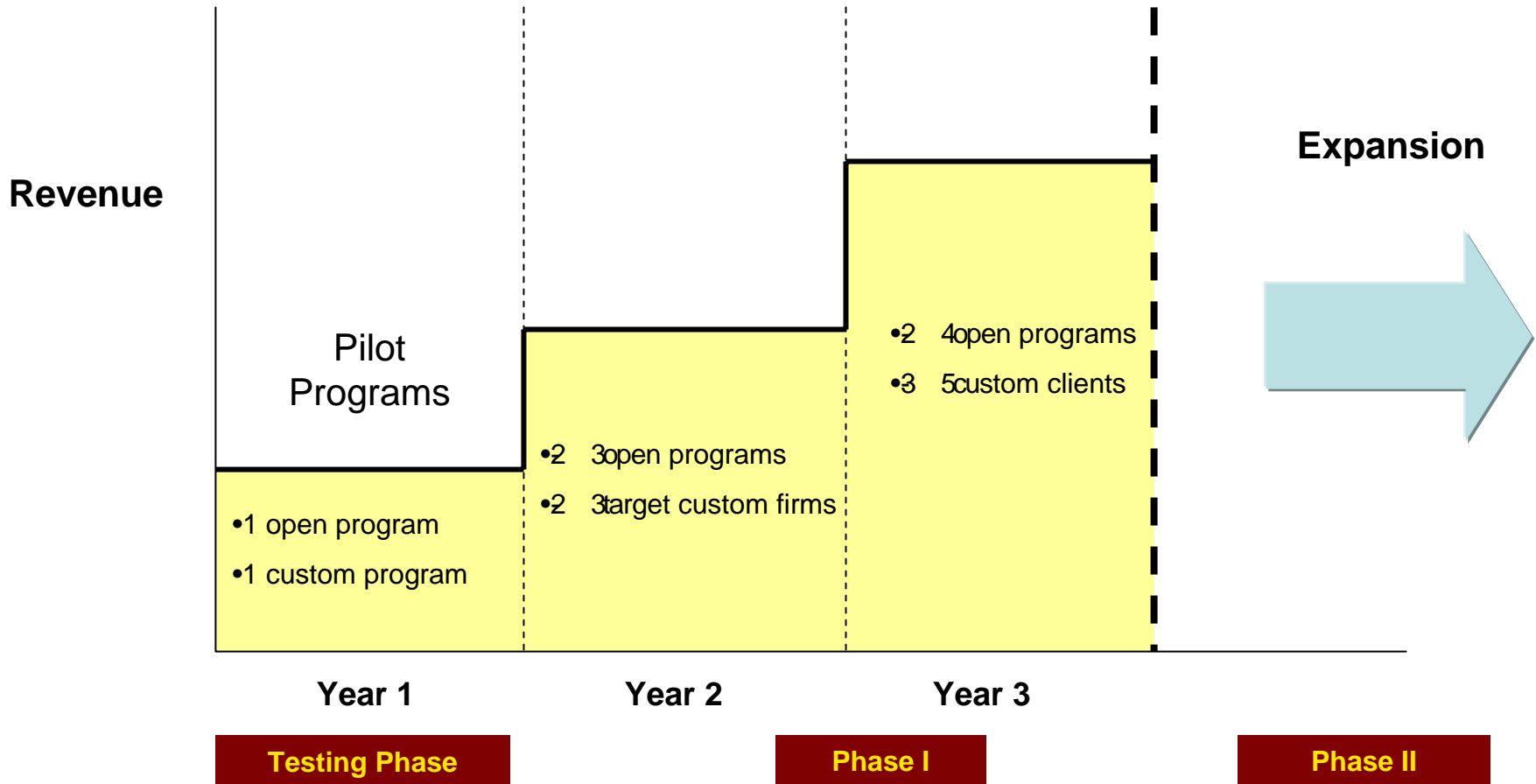
- High up front cost
- Confronts most competition
- Least faculty interest

- Limited # of buyers
- Demands action learning
- Demands faculty time and EE leaning expertise

- Highest up front cost
- Most difficult to manage
- Demands considerable faculty time

# EE Growth Strategy

## Open & Custom Launch Plan



# Next Steps: Finalize Entry Strategy & Course Offerings

