



## **Final Report of the Centers Working Group: Review and Recommendations February 16, 2010**

In September 2008, Dean Glenn Hubbard appointed a Centers Working Group, chaired by Senior Vice Dean Chris Mayer. The working group included representatives from the faculty, the centers and the administration including: Erin Bellissimo, Cheryl Carruthers, Janet Horan, Professor Gita Johar, Professor Charles Jones, Professor Doron Nissim, and Josh Safier.

The working group was charged with conducting a broad assessment of centers and programs at Columbia Business School, and making recommendations about how to strengthen the tie between the centers and the School. The result of this working group and meetings with all centers and programs over the past 18 months is a set of recommendations that have been endorsed by Dean Hubbard and the faculty executive committee, and was presented to the School and centers in November and December.

### **CENTERS/PROGRAMS REVIEW**

Columbia Business School centers/programs/institutes (“centers”) are primarily industry focused—in contrast to the divisional structure within the School—situating them as influential portals between the School and targeted areas of business. This position gives centers the unique ability to link constituents with shared interest, including faculty, students, alumni and business leaders, in meaningful and productive ways. Centers are able to leverage financial resources and industry expertise to advance the School’s intellectual and teaching missions through their support of research, curriculum, and business programming.

Historically, the centers have operated with near autonomy, allowing an entrepreneurial spirit to flourish. The independence has encouraged innovation, with centers developing new programs to serve their defined constituency. However, this independence has sometimes led to inconsistent messages and a lack of coordination and collaboration with other groups at the School. As well, centers have defined their constituency based on their own goals, which have not always been the same as those of the School. At the same time, the School has not always supported center activities as efficiently as it could. Some centers are highly dependent on a single faculty member for their programming and fundraising, placing a large burden on that person and leaving these centers highly vulnerable to unplanned departures. It has also proved challenging for many centers to integrate their work with the intellectual efforts of the faculty. Because of this, opportunities to engage the broader community of faculty, students, and alumni/professionals remain to be explored. With appropriate support, it is clear that centers have both the potential and the ability to strengthen their impact in areas of importance to the School and the University.

The significance of the contributions that centers already make, and their potential to generate additional positive impact on the School’s success, were reconfirmed during a series of meetings this past year with key representatives from the centers, faculty leaders, and senior staff. The following recommendations are a result of these discussions and are intended to integrate centers more fully into the Business School’s three core themes of “theory and practice,” a “lifetime of learning,” and “fostering a community of impact and pride.”

## **RECOMMENDATIONS**

### **Center Mission: Strategic Planning and Review**

- **Mission Statement:** Each center should have a clearly defined mission statement that identifies its focus, objectives and impact on the Columbia Business School community to which it relates. A center's focus must be distinct from that of other centers and beneficial to the School.
- **Strategic Planning:** Each center should prepare—and update—a 5-year strategic plan defining its goals for research, curriculum, careers, and outreach and how it plans to fund these activities. Not all centers will have robust programming in all categories, but the strategic plan should address why such programming is not appropriate for a center if that is the case. The strategic plan should be developed in conjunction with the center's various constituencies, including faculty, students, industry advocates, and the Dean's office. The strategic plan should support the School's goals and priorities as well as serve the School's key constituencies. Items to address in the strategic planning process include:
  - *Research* – What research is being facilitated by the center and how could this be improved/expanded? Are interdisciplinary research opportunities being encouraged and supported? What resources (financial or networks) are being provided to faculty to enhance their research effectiveness? How are results being shared with the Columbia Business School community and the broader business and policy communities?
  - *Curriculum* – How can a student best prepare for a career in a particular field? Is the center developing and delivering the best curriculum and courses to support optimal development in this area for new entrants to the field as well as students with prior experience? Is the collection of related courses coordinated? Monitored for quality? Revisited and updated to incorporate industry innovations?
  - *Careers* – Is the center leveraging relationships to deliver the broadest industry insight and career opportunities to students? Can the center improve existing, or develop new programs to complement the School's recruiting process and to augment students' exposure to executives in a particular field?
  - *Outreach and Communications* – Is the center connected to the key industry leaders in this field, and if not, who are they and what relationships can we leverage? Is the center developing events to: Demonstrate intellectual leadership? Provide networking opportunities? Facilitate dialogue among industry players? Optimally unify the center's various constituents? Engage other School and University constituents with shared interests? Has the center coordinated its messaging and communication plans with Marketing and Communications?
  - *Funding* – Is the center generating adequate resources to fund its activities and aspirations? How is the center working with other School constituencies in its development activities; especially working with External Relations? All centers should consider the appropriateness of a Forum-based model for fundraising and interacting with industry leaders and getting their advice. Are there additional opportunities to provide more permanent sources of funds? Has the center worked with External Relations to develop a five-year fundraising plan where fundraising opportunities and prospective donors are identified and cultivation and solicitation strategies are developed?
  - *Evaluation* – How will the center measure its progress towards the goals established on each of

the above categories? What would be considered successful outcomes?

- Peer Review: As part of the 5-year strategic planning process, the Dean's Office may convene a committee of faculty and administrative peers to provide guidance for the center and suggest a future course of action (including changes in funding, programming, or, in extreme cases, discontinuation of a center) where appropriate. The peer review will consider all areas of center performance. In rare cases, the Dean's Office may call for a review at another time to obtain guidance when a critical issue arises for a center.

### **School Relationship with Centers**

- Regular All-Center Meetings: Centers should continue their monthly meetings with center administrative and academic directors. These meetings should be led by one or two center directors on a voluntary basis in conjunction with the Dean's office, External Relations, and Finance and Administration. The meetings can address topics of importance to centers, including discussing center needs and priorities with various departments across the School, sharing best practices, and facilitating interactions and coordination across centers.
- Advocacy and Reporting: Centers need an advocate, but also to be accountable to the School's priorities and goals. The Vice Dean for Research or Senior Vice Dean, working with External Relations and Finance and Administration, will serve as advocate and have responsibility for monitoring center activities and budgets.
  - *Representation*: The Dean's office, External Relations, and Finance and Administration will each designate a representative to work with the centers on a regular basis. These representatives will be the primary liaisons with the centers, making sure the center's needs are being met. The liaisons will regularly report to the Dean's office, the Associate Dean for External Relations, and the Senior Associate Dean for Finance and Administration with progress and challenges for the centers.
  - *Reporting and updates*: These administrative Departments will create a team to meet with centers at least twice a year to discuss activities, budgets, and governance in conjunction with the strategic plan. These bi-annual meetings should include the faculty director and the administrative director. A peer faculty member and/or center administrative director may also join if invited by the Dean's office. As part of the meetings, centers should prepare the following materials:
    - Program update (Twice a year in September and February). The goal of these updates is to help evaluate center success by summarizing center activity. The report should include specific references to the budget and development goals and progress against the strategic plan. Time and resources spent on reporting should be commensurate with the scope and breadth of center activities. The February report should include a brief written summary to allow the administrative departments to review and approve the budget and planned activities. The September update may be a briefer interim version.



Several factors hinder further efficiencies:

- Independent budgets and priorities for each center.
- Center specific needs may be hard to meet with common personnel, especially where personnel must be familiar with industry-specific details such as the role of various firms, the industrial structure of the industry, and the names/roles of industry leaders and School contacts and alumni.
- Concerns that common personnel will not equally support the needs of individual centers.

This group was unable to find an appropriate over-arching solution to these issues. However, we believe that it is possible to find various efficiencies through continued sharing of resources. For example, the Japan Center has many common activities and a similar mandate as the Chazen Institute, suggesting that coordination on activities like hosting Visiting Scholars and running programs could be achieved. Other such efficiencies should become clear through the strategic planning process.

- **Funding and Spending:** Centers currently operate with almost complete financial independence. Yet centers rely heavily on School space and resources, which are increasingly in short supply. In order to better support center operations, the School should develop a financial plan to sustain this support into the future. The School should also use the new resources to support some specific center needs (new research programs, common support services), data and software improvements to Millennium, and the development of new centers. All monies raised from the overhead charge specified below will remain committed to funding activities and research for new and existing centers.
  - **Expense Savings:** Departmental OTPS (Other Than Personnel Spending) budgets were reduced by 10 percent in the last two years. Centers should target such cuts throughout the current year compared to a baseline from last fiscal year. Savings can come from adopting School-wide expense initiatives such as lower event spending and reduced printing and photocopying. As well, centers should look to operational and staffing efficiencies for additional savings.
  - **Overhead Costs:** Centers should cover an additional portion of the expenses the School incurs to provide services and space to these recipients. The School should collect an additional 7 percent fee on expenses, for a total of 10 percent of all expenses (there is a pre-existing charge of 3 percent). This charge would also apply to other gift recipients and programs, subject to any requirements associated with gifts or grants to the School. This overhead charge remains quite low compared to similar charges at other schools and universities across the country. The School will work with centers to obtain new resources and/or find budget savings as noted above to cover this revenue sharing charge. This change will require Trustee approval and is expected to be implemented July 1, 2010.
- **New Initiatives:** The School should establish a fund to provide resources for centers wishing to establish new initiatives where existing center funds are insufficient to provide such financial support. A new initiative might also involve collaborations among or shared resources across centers. A qualifying initiative must be clearly defined, beneficial to the School and affiliated business community, and approved by the Vice Dean for Research and Senior Vice Dean. The center should also have a plan to financially support the initiative more permanently if it is

successful.

- Space Allocation: Centers should be allocated space commensurate to their impact on and interaction with the School's key constituents—faculty, students and others. While every effort should be made to keep centers located within Uris Hall, this may not always be possible. If decisions must be made, the priority should be based on interactions with students and the broader faculty.
- Consistency in staff evaluation, titles, and salary: All center administrators should be reviewed on an annual basis. Reviews of each center's administrative director should be submitted to the Vice Dean for Research and Senior Vice Dean or their representatives, who may discuss the review as appropriate with the center's faculty director. Under normal circumstances, all center faculty directors will report to the Vice Dean for Research and Senior Vice Dean for their center activities. The School should examine and monitor centers to ensure that staff titles and salaries are appropriately aligned with responsibilities and rationalized across the School and all centers.

### **Governance and Internal Structures**

- Faculty Leadership: Each center will have a faculty director appointed by the Dean's Office. The faculty director will be responsible for the strategic planning and leadership of the center.
- Administrative Leadership: Each faculty director should have strong support from an administrative director, who will oversee the day-to-day operations of the center, help maintain industry relationships, and partner with the faculty director on achieving the strategic goals of the center. To ensure that the administrative burden on any faculty director is not onerous, a significantly skilled and professionally mature administrator should fill this role. For small or new centers, the faculty director may also serve the role of administrative director.
- Faculty Strategy Committee: Each center should establish a strategy committee to engage faculty from across the School and the University and develop future faculty leadership, specifically from within the School. The strategy committee is designed to ensure broader faculty input into center work and help guide the research program. When possible, having committee members from multiple faculty Divisions will help ensure a broad intellectual contribution. The group will be expected to meet at least twice a year to discuss center activities and budgets. Committee appointments should be established and approved in discussion with the Dean's Office. Centers should provide resources to strategy committee members, where appropriate, to support center-related research and teaching, but this would not normally include financial compensation.
- Research Director: At least one member of a center's strategy committee should serve as the research director. The research director will advance the center's strategic research goals by identifying and coordinating research opportunities, engaging affiliated and non-affiliated faculty members to participate in projects, overseeing the allocation of research resources, and acting as the lead contact for research in the center. In most cases, the Research Director would not also serve as the Faculty Director.
- Advisory Board: Each center should create an advisory board of industry practitioners whenever

such a board would be applicable to center activities. The advisory board should meet at least once per year with center leadership to discuss center activities and plans and ensure that center strategy continues to reflect industry reality. Members of this group can be developed into industry Forum members and key supporters of the center.

- **Industry Forum**: Each center should consider developing an industry “Forum” to raise unrestricted support and engage its most committed community members in a structured fashion. Members provide financial resources, but also benefit from exposure to intellectual content, access to students, and by being connected to an exclusive group of affiliated senior practitioners. Forum members come from all parts of industry and are not limited to alumni, although alums are often an important source of support for the center and the Forum.
- **Continuation**: For centers that no longer meet the standards for a new center (detailed below), whose mandate is less relevant to current business and policy conditions, or whose funding is no longer assured, the School may decide to wind them down in an orderly way or combine the center with the work of other existing centers in consultation with interested parties and funders. Remaining funds in a center may be allocated to related activities pursued by other centers or entities inside the School, subject to any requirements associated with the gifts to the School. External Relations must be consulted in all cases where monies are reallocated.

## **Faculty Engagement**

- **Faculty Affiliation**: Each center should have at least three affiliated faculty members (normally a sub-set of the faculty strategy committee that are members of the Business School) who regularly participate in center governance, research, teaching, and outreach activities under the direction of the Faculty Director.
- **Internal Communication**: Each center should publish its mission, work and current opportunities to faculty to promote the ways they can become engaged. Highlights of center initiatives should be presented at each full faculty meeting and individual centers should be given the opportunity to make presentations about their work at full-faculty meetings.
- **Conferences**: Centers have a demonstrated ability to coordinate events that bring internal and external audiences together. This talent should be leveraged to attract faculty engagement by providing an outlet for faculty research via conferences and symposia. Additionally, centers should consider such activities as a structure to bridge other boundaries as well—across the School’s divisions, Columbia University and universities around the world.
- **Research Resource**: Centers should leverage their financial resources to promote and support research in areas of their expertise. Some possible methods include: hiring research coordinators to work with affiliated faculty, supplying industry data, giving grants to internal faculty, coordinating funding and grant requests from external sources, and providing access to industry contacts who are close to the center.
- **Teaching Resource**: Centers can provide many areas of support for faculty teaching, such as

helping to fund and obtain information for cases (in conjunction with Caseworks), providing contacts and ideas for student projects in Master Classes, providing data and speakers for class lectures, and suggesting possible Adjunct Professors.

- Faculty Reporting: Faculty activity reports should present a formal opportunity for faculty to list their involvement with centers, so that faculty members understand the importance of center involvement and are rewarded in conjunction with other activities to support the School.

### **New Center Development**

- Approval: New centers must be approved by the Dean's Office.
- Financial Support: New centers must normally be supported with gifts or endowments of at least \$10M. Programs may be established with smaller endowments and/or a regular stream of income. Under usual circumstances, newly established programs or centers must have a viable plan to become self-sufficient within a reasonable period of time.
- Center Focus: In order to establish a new center or program, the proposed area of focus must be clearly defined, unique from the existing centers, and beneficial to the School and affiliated business community.
- Faculty Participation: At least three faculty members must be willing to support a new center to ensure its viability. These faculty members should expect to regularly participate in center governance, research, teaching, and outreach activities. Representation from at least two divisions is highly recommended to ensure broader integration across the School. There must be a candidate prepared to act as faculty director in order to launch a new initiative.