STRATEGY ADVISORY COMMITTEE

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COLUMBIA BUSINESS SCHOOL

PURPOSE

To provide the best education and create the most relevant knowledge for business leaders today and in the future.

LOCATED AT THE GLOBAL AND COSMOPOLITAN CITY OF NEW YORK, CBS IS AT THE VERY CENTER OF BUSINESS, BENEFITTING FROM ITS WORLD CLASS FACULTY AND UNPARALLELED NETWORK OF BUSINESS LEADERS AND ENTREPRENEURS TO BRIDGE THEORY AND PRACTICE.

OFFERINGS

- Educational programs
- Business insights
- Events & conferences

RESOURCES & TECHNOLOGY

- Operations, support systems
- New technologies

PEOPLE

- Talent, culture, committee

CBS TANGIBLE VALUE

culture committee

ARCHITECTURAL FIRM

CBS EXPERIENCE

The facilities and environments of CBS’s new landmark building are the ideal infrastructure for business learning and idea generation in the 21st century.

OUTCOMES

Revenues

- Existing programs
- New programs
- Gifts and sponsorships

Reputation

- Rankings
- Publicity
- Overall image

Community Engagement

- Students, faculty, administrators
- CBS alumni/ae
- Columbia University
Final recommendations should result in new revenues, be conscious of costs and help us to offer “best quality”
INSIGHTS ON ORIGINAL CLUSTERS

• CBS has made major progress on “theory and practice”. But it has largely been a one-way street (e.g., leveraging our location through guest speakers in classes or conferences, or through immersion courses). The next step should be to bring our ideas, knowledge, insights to practice. Dissemination of our ideas must happen more effectively through external communications.

• There is already an “online committee” that examines the use of digital technologies for classroom teaching; we invited Gita Johar, the committee chair, to one of our meetings.

• We decided “new targets” should be explored as part of possible “collaborations” across the university and focused on leveraging our current resources and strengths.

• The cluster “teaching incentives” was broadened to examining existing programs.

• The “moneyball analysis” was seen as an analytics and technology issue and thus explored as part of “new technology”.

Existing Programs

New Targets

New Technology
KEY BIG IDEAS

2016

EXISTING PROGRAMS:
Examine the mix of programs

2017 - 2020

NEW TARGETS:
New programs for new revenues

NEW TECHNOLOGIES:
Create an internal information system and use the new building as the showcase for business education of the future

beyond 2020
1. EXISTING PROGRAMS

• MBA and EMBA applications may be decreasing over the next few years. As in most business schools, they are programs of critical importance.

• Therefore, we must find new targets to secure additional revenues, e.g. by launching new programs or feed the new targets into existing programs (see later)

• Among existing programs, Columbia Executive Programs requires our attention. It is important for us to have high-quality and successful executive programs given our location, positioning and strategic focus.
PROBLEMS
WITH CURRENT COLUMBIA EXECUTIVE EDUCATION

• We seem to miss the opportunity to communicate our core positioning as the very center of business where theory meets practice

• Columbia Executive Education is small and has lower revenues than other major schools
  • With about USD 17 million in revenues, we are behind Harvard (185m), Wharton (75m), Stanford (42m), Kellogg (30m) and internationally behind INSEAD and IMD (each about 100-150m) and London Business School (60m). Also, some schools like Harvard and Stanford are growing robustly, and some (e.g., Stanford) are expanding fast online.

• Our programs have lower margins than those of competitors
  • This seems to be due largely to missing out on revenues of an executive residence.

• Faculty pay is below key competitors, and some faculty may thus not be motivated to participate

• We have significant space constraints, and it seems logistically difficult to organize programs
RECOMMENDATIONS

• Should there be consensus that the Executive Program is of strategic importance (that is, important for bridging theory and practice and showing that we are at the very center of business), then it would benefit from new thinking led by new leadership and broader faculty participation.

• In that case, we propose that CBS conducts a major review of Columbia Executive Education including programs, staff and business model.

• Some preliminary ideas include:
  • Create blockbuster courses that can showcase faculty’s unique knowledge, location and positioning
  • Create the right mix of online and offline as well as “blended” courses
  • Examine the best way to incentivize and pay faculty
  • Consider partnering with a developer for an executive-style hotel near the new building
  • Create a faculty committee that provides input and oversees executive education
## 2. NEW TARGETS

### Principles
- Leverage existing programs and infrastructure
- Seek collaborations across university (when appropriate)
- Address revenue issues with other programs

### UNDERGRADUATE STUDENTS
- **Degree or certificate**
- Use MBA core courses, maybe immersion courses

### GRADUATE STUDENTS (FROM PROFESSIONAL SCHOOLS)
- **Degree or certificate**
- Partner with professional programs using our MBA/EMBA courses

### PRACTITIONERS AND EXECUTIVES
- **Executive certificate**
- Executive program courses
UNDERGRADS

• Undergrads pick schools based on prestige and location
  - Columbia University has that prestige
• Undergrads want to take business classes
  - But Columbia, Harvard, and Princeton lack business programs
• Young people want to live and work in NYC
• Undergrads increasingly need business training for their jobs and careers
• Students see opportunity costs when they attend a two-year MBA program

SPECIFIC TARGETS:

• Primary: NYC-area or East-coast area undergrads
  - Columbia, Princeton, Yale, Cornell, Harvard and MIT
• Secondary: Others who want the Columbia prestige, the NYC location, and business training
ADVANTAGES
UNDERGRAD-TARGETED PROGRAMS

• Leverage Columbia University undergrad prestige
• Meet business undergrad demand
• Capitalize on young people’s demand for NYC location
• Admit great students that love to learn
• Reduce mid-career opportunity cost to one year and provide a jump start to their careers
• Add revenue by expanding regular MBA program
• Leverage existing curriculum and infrastructure
IDEA 1:
1+1 PROGRAM

• Cater to college seniors looking for career jump-start

• Format of the one-plus-one program
  - Year 1: Take the CBS core to develop business skills
  - Year 2: Get full-time internship to acquire experience and apply skills
  - Year 3: Take CBS electives to hone specialized skills
IDEA 2: BUSINESS CERTIFICATE

• Offer CBS core classes to current college juniors/seniors

• Charge about 70% of 1-year MBA tuition

• Consider alternative formats
  - Intense summer in NYC
  - Intense semester or light year of study abroad in NYC
  - Could integrate remote classes into these schedules
CHALLENGES OF THESE PROGRAMS

• Space constraints
  - New building could relax this constraint
  - CBS could bid for Uris space
  - Even before, CBS could find new space

• Socializing with regular MBAs
  - Distinct 1+1 cluster(s)
  - Homogeneous treatment of MBA and 1+1 clusters

• Paying for MBA after college
  - Offer loan packages with deferred repayment
  - Partner with financial services firms
In addition to undergraduate programs, there should be programs that focus on graduates of professional schools, e.g., with the law school (going beyond the current J.D. / M.B.A.) and medical school.

They could be targeted for existing EMBA programs or separate executive programs.

The Medical School/Columbia Presbyterian are interested in:

- Developing leadership skills for 20 “fellows” each year (through executive programs)
- Offering a “business specialization” for all their students in their fourth year
- Receiving guidance for priority projects from our MBA students

Several other opportunities may exist (e.g., by collaborating with other programs on campus)
• Columbia Executive Education awards a CBS certificate

• The program follows a common core curriculum across programs
  - Following core, specialization options available
  - Length of program is ¾ of a year’s classes

• Classes/assessment occur mostly remotely through pre-made/online classes

• TA-ing can be done live through telepresence

• Anyone can apply directly. Companies need not be customer
  - Admission is not guaranteed. Degree has a signaling value
ADVANTAGES
OF ONLINE EXECUTIVE CERTIFICATION PROGRAM

• Reduces variable costs
  - Reduces cost of physical space needed
  - Reduces administrative costs. No need to do new deals with companies
  - Reduces faculty costs

• Faculty more likely to buy in
  - Future royalties tied to future use, like in Columbia cases
  - Up front costs high. Variable costs near zero

• Can attract new students particularly from emerging markets
  - Cost of travel declines relative to executive education programs
  - Certificate does not dilute CBS brand or degrees from other programs

• Can combine with leveraging NYC advantage
  - Trip to campus with company visit within NYC alumni network
3. NEW TECHNOLOGIES

• The digital revolution has changed how we teach and do research, how our students learn and how we use information and communications internally.

• Technologies over the next 5-10 years may also have a dramatic impact.

• To continue to position itself at the very center of business, CBS must use technology for internal management and for providing the best learning experience for our constituents.
DIGITAL REVOLUTION

- WORLD WIDE WEB
- E-COMMERCE
- SOCIAL MEDIA
- BIG DATA
- MOBILE
FUTURE TECHNOLOGIES: EXAMPLES

- INTERNET OF THINGS
- VIRTUAL REALITY
- ARTIFICIAL INTELLIGENCE AND ROBOTS

INFRASTRUCTURE FOR THE NEW BUILDING
NEW TEACHING AND LEARNING TOOLS
NEW SUPPORT SYSTEMS AND SERVICE
RECOMMENDATIONS

• Set up a new technology taskforce and technology monitoring system
  - To examine how new technologies can be used to provide the best learning experience

• Create a powerful internal information system that captures relevant data and allows us to systematically analyze them
  - Currently it seems difficult to get some basic information (e.g., to find out all the alumni that attended courses offered by one professor; information about thematic focus of students, etc.)
  - System should make it easy to use and save us time to get information on competition, student admissions, financial aid, faculty data etc.

• Explore collaborations with business partners and the university (especially for the new building)
  - To plan how the new building can incorporate new technologies to make it a showcase for future business education

• Design a new building launch plan
  - To plan excitement leading toward the building launch as well as events (supported by new technologies) soon after opening the building and to make the building a center of the CBS community involving faculty, administrators and students
IDEA: THE NEW BUILDING AS A SHOWCASE FOR BUSINESS EDUCATION AND LEARNING OF THE FUTURE
CONCLUSION

• The committee presented some strategic ideas that will leverage our strengths and differentiate us from competition over the next few years.

• Strategy can only be successful if it is implemented appropriately and embraced by all of us.

• For that to happen, we need an implementation team that focuses on implementation and also continue the work on our culture at Columbia Business School.