PROPOSAL

JOHNSON SCHOOL/QUEEN’S EMBA PROGRAM

December 2002
EXECUTIVE SUMMARY

Recommendation

It is recommended that the Johnson School of Management at Cornell University (hereafter Johnson School) begin a new dual degree program in partnership with the Queen’s University School of Business (hereafter Queen’s). The new Executive MBA program will be targeted for launch in the summer of 2004 subject to appropriate Cornell University and New York State approvals.

Rationale

There are seven reasons why the Johnson School should undertake this program:

1. There is the potential to increase our revenue and diversify our sources of revenue.
2. The program will allow us to hire more faculty members, and these faculty members will help the various areas increase in critical mass and breadth of research expertise.
3. There is an unmet market need that the Johnson School can fill. This program will attract students who want to work full-time and earn an EMBA from a top ranked business school. Multiple cities smaller than New York can be targeted because of the distributed nature of the program.
4. This program will allow us to develop expertise in distance education (videoconferencing) and other distance technologies that we can use in other activities, including the MBA program, global outreach and non-degree executive education. This will enhance the flexibility of the Johnson School’s educational programs.
5. The Queen’s University School of Business is an excellent school, with a highly successful distance EMBA program. They were rated #2 among non-US business schools in the recent Business Week Ranking. They have 400 high-quality students in their distance MBA program.
6. The new program fits with the strategy of increasing the presence and reputation of the Johnson School and Cornell. This program will initially only involve the US and Canada, but it has the potential to allow us to have a global reach soon.
7. Our competitors are moving rapidly to develop joint EMBA degree programs, including the Columbia/LBS MBA program and the Kellogg/Schulich MBA.

Purpose

The new program will help us grow in terms of our skills, capabilities and resources. It will also improve our reputation within the corporate community and among business schools. It will generate needed revenue for the Johnson School. The program will also enhance our capabilities in distance learning/boardroom education using a synchronous approach.

Fit with Johnson School and Cornell Strategies

The proposed program fits with and would help the Johnson School accomplish several goals. In particular, it will contribute to our desire to maintain leadership in U.S. higher education, help us develop a position as an innovator in the development of unique programs, recruit outstanding faculty, and diversify our income sources to help us maintain financial stability and independence. The program also fits with our investment strategies: hiring high quality faculty who can demonstrate excellence in both research and teaching, and investing in technology to facilitate high quality education and learning.

Target Market

We will attract students who hold a university degree with a minimum of five years of work experience, high GMAT scores and grades, and an interest in working in an international environment. The Admissions Committee will work towards an average level of work experience of greater than ten years. We will attract U.S. students who want to work in the U.S., but are in underserved markets, without a top-tier EMBA program. We believe this program will be attractive to students who prefer the technological approach and flexibility. For the first year of operation, we will focus on the states of New York and Ohio.
Positioning
This program will be a high quality EMBA program for people holding a university degree who want to prepare themselves for senior management careers. Participants don't have to experience a career interruption to undertake the degree. In the U.S., the program will be marketed as an EMBA from Cornell’s Johnson School, in association with Queen’s. The Johnson School has the right to review and make changes to Queen’s marketing materials in Canada.

Delivery Format
The program will be delivered using videoconferencing and the boardroom-learning format. This will be accompanied by two campus residency periods, each of two weeks in duration. Residency periods will be equally split between the Johnson School and Queen’s. Weekend classes will meet on Friday and Saturday morning.

Startup Issues
There are some costs associated with the launch of the program. We plan to try to raise startup funds to cover the monetary costs, but the program can pay those back. When this program is launched there will be additional pressure on faculty staffing, until we are able to hire new faculty. In the long term, we expect to hire new faculty members to support the program. The program will also generate revenue that will be used to support our research program.

Administration
The Johnson School and Queen’s will jointly administer the program. There will be a Program Director from each university and a Joint Academic Committee comprised of two faculty members from each university and the two program directors. Every student must meet the Johnson school admissions standards as administered by our faculty members. A program director will be responsible for marketing and administration. The joint committee will work with the Deans to develop faculty-staffing plans.

Curriculum
The program will be nearly identical to the current Johnson School EMBA program. All of our core courses will be maintained. Electives will be selected by the joint committee, but will build on each of the functional areas. The program will consist of 60 credits. Each student must meet Cornell’s requirements for the degree. For example, each student must maintain a 2.7 average. In addition some Queen’s requirements must be met regarding minimum grades and team performance. If either school expels a student they are out of the program.

Financial Information
We believe the program will break even the first year that we have both first and second-year students. We intend to raise funds to cover the startup costs of over $1,000,000, but the program pays that back in any case. The financial potential is similar to that of the current EMBA program, and the delivery mechanism allows easy scalability if the School decides to add sections or reach other parts of the world.
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1.0 INTRODUCTION

The Johnson Graduate School of Management at Cornell University and the Queen’s University School of Business propose to introduce a new Executive MBA program. This program will be targeted at both Canadian and American students. This new EMBA program will be comprised of 80 students initially (40 from Canada and 40 from the U.S.) and will be delivered using videoconferencing technology in a boardroom-learning format. Students will have a residency requirement at both the Johnson School and Queen’s. Students must be accepted by both schools in order to matriculate. Graduates of this program will receive a Masters of Business Administration from both the Johnson School and Queen’s.

The new program will be a partnership between the Johnson School and Queen’s. Each university will be responsible for 50 percent of the faculty teaching. Admissions and academic standards will also be administered jointly, in a manner such that the admissions and graduation standards of both schools will be maintained.

2.0 RATIONALE FOR THE PROGRAM

There are seven reasons why Cornell’s Johnson School of Management should undertake this program:

1. *There is a financial opportunity.* One of the key strategies of the Johnson School for the next ten years is to diversify its sources of revenue. This new EMBA program will contribute to that effort and enable the Johnson School to support other initiatives in the school, especially in the area of research and faculty support.

2. *The program will allow us to grow our faculty.* One of the most constrained resources in the Johnson School is faculty. The program will allow us to hire at least three more full-time tenured or tenure-track faculty members. These faculty members will contribute to both our research and teaching capabilities, and the addition of new faculty from this and other initiatives will help the various area groups achieve a critical mass and breadth of research and teaching expertise.

3. *There is an unmet market need for a prestige EMBA in many cities. We believe that we can offer an excellent opportunity to this market.* We can offer a high-quality program using the video-conferencing technology developed at Queen’s. The Johnson School can partner with Queen’s to deliver an outstanding EMBA program. Such a program will allow students who have already earned an undergraduate degree to earn a EMBA degree with minimal career interruption.

4. *The proposed program will allow us to expand our current teaching expertise to include an important distance learning methodology.* Queen’s is known for the delivery of EMBA programming through the use of videoconferencing technology. This program will enable the extension of this technology in an international setting. In the longer term, we see this technology as an important way to reach audiences all over the world, for degree programs and executive education.

4. *The Queen’s University School of Business is and excellent school, with a highly successful distance EMBA program.* They were rated #2 among non-U.S. business schools in the fall, 2002 Business Week ranking. They have 400 students in their high-quality distance EMBA program.
4. *There is a fit with Cornell’s and the Johnson School of Management’s Strategy.* (See Section 3.0).

4. *Our competitors are moving rapidly.* New joint programs have been launched (e.g., the Schulich School at York University and the Kellogg School at Northwestern and Columbia and the London Business School have launched a dual degree program). Other schools are seeking similar partnerships to enhance their global reputation. We believe that this is an important first step toward building future alliances. We plan future expansion.

3.0 FIT WITH JOHNSON SCHOOL AND CORNELL STRATEGY

The proposed program fits with and would help us accomplish the goals stated by the Johnson School and Cornell:

I. To be a quality leader in U.S. higher education, developing exceptional students and scholars for citizenship and leadership in a global society. Put very simply, the Johnson School wants to continue to set the standard for excellence in business education.

II. To strengthen an environment that stimulates exceptional research and teaching. A dynamic relationship between scholarly inquiry and creative teaching is essential to the achievement of the Johnson School’s Mission and Vision.
   - Hire and retain outstanding teachers/scholars
   - Support faculty with up-to-date facilities, information, resources and technology
   - Develop initiatives to further integrate teaching with research and scholarly activities.

III. To be recognized around the world for unique programs.
   - Ensure curriculum and program development reflect the increasingly global context of life and leadership in the 21st century
   - Foster scholarship and interdisciplinary teaching and learning.

For some time the Johnson School has been investing in key resources to accomplish these goals: (1) hiring and retaining faculty demonstrating excellence in both research and teaching, and (2) investing in technology to facilitate high quality education and learning. The school has a strong reputation for provision of high-quality management education. The new program fits with this strategy, and it will enable us to continue to hire high quality people and develop our capabilities in distance learning.

4.0 OPPORTUNITY COSTS

The Johnson School currently has a reserve that will allow us to launch and market this program without having to take funds away from existing programs or hiring initiatives. However, we plan to conduct a targeted campaign to raise the start-up funds for this program.

To launch the program, time will be required from current faculty. This will reduce the number of hours available for research for some faculty. If all of the teaching was done by tenured or tenure-track faculty, this would be equivalent to the research done by 4 FTE (approximately 7% of our tenured or tenure-track faculty). However, the program can benefit from the expertise and skills of our current and future adjunct faculty to reduce this cost.
Three new tenure-track or tenured faculty members will be hired over time to support the program. Thus, the program will augment the critical mass of the faculty areas and contribute over the long-term to our research program. Moreover, it is projected that the program will generate funds for the Johnson School that will support our research program and public programs.

5.0 PROGRAM DESIGN

This new EMBA program will consist of 60 credits, taken over a two-year period. There will be campus residency periods that will last for approximately two weeks both at the beginning of the program and in the summer between first and second year. These residency requirements will be split between The Johnson School and Queen’s, so that the students feel part of both schools. During the second year of the program, there will also be an international project that will encourage the students to work on a company project in an international setting. The intent is to have each team comprised of a mix of students from both the American and Canadian boardroom sites that work on these projects. In addition, the students will get exposed to the international business principles and practices through their coursework and the use of guest speakers and guest faculty. See Exhibits 1 and 2 for information about course curriculum and academic requirements.

6.0 PROGRAM ADMINISTRATION AND REGULATIONS

The program administration will consist of two directors (one from the Johnson School and one from Queen’s) and an Academic Committee that will oversee the program. The Academic Committee will be composed of two faculty members from Cornell and two from Queen’s, as well as the program directors.

The role of the program directors will be to develop the market for the program, deal with admission of students, under the guidance of the Joint Faculty Committee, administer regulations, and ensure that the program runs smoothly. The directors will make annual recommendations for program tuition to the respective two deans. In principle, both schools agree to follow a consistent pricing strategy for tuition, but understand that different approach may be required over time due to currency changes, market conditions, etc. Initially, tuition will be all-inclusive. Any program fees must be mutually agreed upon. The directors shall also write a report at the each of year assessing the quality and relative success of the program for the deans and the faculties of the two schools.

The role of the Academic Committee is to approve changes in the curriculum for the non-core courses, to ensure continued quality of the program, deal with academic standards and integrity, and provide feedback to the respective school faculties.

It is proposed that in cases where academic discipline decisions are appealed beyond the Academic Committee, that alternating classes will be designated to one of the Universities for dealing with academic appeals. This will ensure fairness and consistency for all students in a particular class year.

Exhibit 2 provides a comparison of the current academic requirements at the Johnson School & Queen’s and the proposal for the academic requirements and regulations for the proposed program.
Exhibit 1

Curriculum Overview of Proposed Cornell-Queens EMBA Program

Draft: To be modified for final approval based on input from several constituencies.

The purpose of the proposed curriculum is to meet the programmatic objectives and requirements of both the Johnson School and Queen’s EMBA programs, and combine them to achieve synergies relevant to the target student market.

- In terms of requirements, the proposed curriculum meets or exceeds the core and general credit requirements of the current Johnson School EMBA program.

- The program is intended to be primarily a general business management curriculum and thus give a solid foundation across management disciplines.

- The objectives of the curriculum are to meet the needs of the unique aspects of the proposed program as well. This has three elements.

  o First, it provides a solid foundation in management theory and application. This area includes both the designated ‘core’ courses, as well as introductory courses on leadership, teamwork and other relevant skills. This area is meant to be designated as ‘required’ and thus stable from year to year. All currently designated core requirements of each school will be met (or exceeded) by the program. For Cornell, the core would include the current core in our EMBA program as well as requirements in the Queen’s core of managerial (cost) accounting and additional credits in economics and international trade beyond our current microeconomics requirement.

  o Second, the curriculum goes beyond the basics in each core area to include a related elective, which covers additional strategic and tactical issues, as well as introducing a more global perspective in that area. This area is covered by second year courses – which are designated as ‘elective’ to indicate that the program management team has the ability to include a set of courses most relevant to the needs of the students in any given class and the availability of faculty. The electives may change from year to year.

  o Third, it provides an international project and more integrated global and strategic content to meet the needs of the intended target student population. It is expected that the program would include content such as global courses during the second summer session and international and new venture projects in the second year to cover meet objective.

To give some sense of how a curriculum plan can accomplish these objectives we give an “example” curriculum guideline on the attached page (with rough Cornell equivalent credits in a 60 credit program for each). This guideline is meant to indicate how a curriculum could meet the objectives and requirements outline above (rather than what will necessarily be the specific courses in the program).
Draft Curriculum

First Year Summer Session (2 weeks: 50/50 Kingston/Ithaca)

Goals: Team Building; Program Awareness; Academic Assessment; Familiarity with Program/Participants as well as both Queen’s and Cornell.

Courses: Leadership and Teamwork, and Team Meetings (1.5); Role of the General Manager (2.5); Foundations of Accounting and Finance (1.5). **Total of 5.5 credits.**

First Year Coursework (21 weekends)

Goals: Fundamentals in Core Areas

Courses: Financial Accounting (2.5); Strategy (3); M&O/HR (3); Finance (3); Marketing (3); Statistics (3); Operations (3); Economics and Industry Analysis (3.5) **Total of 24.0 credits.**

Second Year Summer Session (2 weeks: 50/50 Kingston and Ithaca)

Goals: Focus on international business/strategy and international projects

Courses: Global Economy (3); Global Strategy (2.5) **Total of 5.5 credits.**

Second Year Coursework (17 weekends)

Goals: Provide a) depth beyond the first year courses in each functional area; b) broadening of international knowledge and understanding of new venture process through coursework and projects; The courses listed below are meant to be representative of those that may be offered (second year coursework is meant to be a flexible set of courses that will change over time to best meet the goals of the program), with the exception of Managerial Accounting and MIS, which are designated as core courses.

Example Courses: Managerial Accounting (2.5); MIS (3); FSA/Valuations (2.5); (Int’l) Marketing Strategy (2.5); Negotiations (1.5); (Int’l) Financial Strategy (2.5); (Int’l) Supply Chain Management (1.5); New Venture Management (2.5); Change Management (1.5) **Total of 20.0 credits.**

Second Year Projects: New Business Plan (2.5); International project (2.5) **Total of 5.0 credits.**

International Trip: A team trip is required as part of the international project.

**Total credits = 5.5 + 24.0 + 5.5 + 20.0 + 5.0 = 60**
EXHIBIT 2

Academic Requirements and Academic Integrity

Draft: To be modified for final approval based on input from several constituencies.

Academic Requirements

Current, Queen’s:
1. 20 course credits
2-1. Average of 65%
3-1. No more than four grades below 65%
4-1. No grades below 50%
5-1. Actively support the Learning Team
6-1. Attend at least 75% of class sessions
7-1. Attain at least 50% on the individually graded portions of all courses.

Current, EMBA at the Johnson School:
1. 60 credits (roughly the same as 20 course credits)
2-1. At least a 2.7 (B minus) average
3-1. At least a 2.5 in the “core courses.
4-1. Failing grades, if any, can be made up. Any substitution must be approved in advance.
5-1. No team or attendance policy

Proposal:
1. The Johnson School requires 60 credits for graduation. Queen’s will translate course credits into their system
2-1. Each school’s faculty will use their own grading system, and we will have a translation process, such as:

<table>
<thead>
<tr>
<th>Queens</th>
<th>Johnson School</th>
</tr>
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<tbody>
<tr>
<td>a. &lt; 50%</td>
<td>F</td>
</tr>
<tr>
<td>b-a. 50 – 52%</td>
<td>D-minus</td>
</tr>
<tr>
<td>c-a. 53 – 55%</td>
<td>D</td>
</tr>
<tr>
<td>d-a. 55 – 57%</td>
<td>D plus</td>
</tr>
<tr>
<td>e-a. 58 – 59%</td>
<td>C minus</td>
</tr>
<tr>
<td>f-a. 60 – 61%</td>
<td>C</td>
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<tr>
<td>g-a. 62 – 64%</td>
<td>C plus</td>
</tr>
<tr>
<td>h-a. 65 – 68%</td>
<td>B minus</td>
</tr>
<tr>
<td>i-a. 68 – 71%</td>
<td>B</td>
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<tr>
<td>j-a. 72 – 75%</td>
<td>B plus</td>
</tr>
<tr>
<td>k-a. 76 – 79%</td>
<td>A minus</td>
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<tr>
<td>l-a. 80 – 89%</td>
<td>A</td>
</tr>
<tr>
<td>m-a. &gt; 90%</td>
<td>A plus</td>
</tr>
</tbody>
</table>

5-1. The average required for graduation will be 2.7.

4-1. Any student below a 2.7 cumulative average will go before the Joint Committee. That committee will write a contract that gets the student back above 2.7. If the contract is not met, the student may be forced to withdraw. The committee will administrate the process and can make exceptions, but not to the final average required for graduation.

5-1. The Queen’s “Team and Attendance” policies will be used.

6-1. Any failure (F, or grade below 50%) can lead to expulsion. The joint committee will be allowed to develop an alternate plan for satisfying the requirement (such as taking a different course, or taking the course in a third year).

7-1. A student cannot have more than four grades below 65% or B minus.

8-1. If students do not have a passing grade (>50 or above F) in the individually graded parts of a course, they cannot be given a course grade above 64 or C+.

Note: This will be made consistent with the grading system that now exists at both universities.
Academic Integrity

Proposal:

1. For purposes of dealing with Academic Integrity, each course will be designated as a “Queen’s” course or a “Johnson School” course. We propose that each EMBA class will be designated as following the procedures of the Johnson School or those of Queen’s. For example, the first entering class might be designated as a “Queen’s Class,” and any appeals would be handled by Queen’s.

2. The instructor does the initial investigation for any violation of academic integrity. The instructor must consult with the program directors to insure consistency through time. The instructor, program directors and the student are allowed to agree on a determination and a sanction. If they do not agree the student can appeal the decision made by the instructor and program directors to the Joint Committee. Following the decision of the joint committee, we proceed with step 3.

3. Academic integrity issues will be brought to the school designated in item 1. The procedures of that school and university will be followed. The other school agrees to abide by the final decision and any sanction that is imposed. Thus, for example, if a student is expelled by one school’s process, they are expelled from the joint program.

Note: The “Joint Committee” will be composed of two faculty members, not the program directors, from each school, appointed by the respective deans. They will act as an Academic Standards Committee and as the initial Hearing Board for questions of Academic Integrity. Of course, we do not expect that they will be swamped with business.