

School of Business and Management

Strategic Plan 2011-2017

Due to the transition in leadership of the School of Business and Management, the Interim Dean in consultation with SBM faculty members and the administration has decided to devise a preliminary Strategic Plan. With the appointment of a new dean, SBM will present a more detailed strategic plan.

1. Introduction

The School of Business and Management is one of AUA's largest units, with more than 60 students in each of the two MBA cohorts. This year the cohort is divided into full-time day students and part-time evening students. The part-time program was instituted in the fall quarter 2011 to accommodate the needs of growing number of students who are working while pursuing the MBA degree. SBM also welcomes the establishment of an undergraduate program in Business Administration at AUA. A BA in Business will address a real need in Armenia's economy for English-trained graduates in various spheres of business and economics. It will also permit SBM to expand its core faculty and diversify its course offerings at the graduate level.

2. Vision

SBM shares the vision of the university to have an impact on Armenia and the region at an earlier stage in students' education. The undergraduate program will not only prepare business specialists, but will also permit SBM to reach a larger student body in other fields, such as English, Communications and Computational Science, and augment the impact of its American-style education and approach to responsible business practices.

AUA undergraduates could potentially be SBM graduate students in the future. As such, the undergraduate program could be a feeder to the MBA and other SBM programs. However, the expansion and diversification of the student body will require heavier teaching loads and will enable SBM to cultivate a community of scholars with full-time career opportunities. With a larger standing faculty, SBM will also be able to engage more faculty members in university governance bodies and student learning assessment.

3. SBM's Unique Advantage

With its US accreditation, international faculty, English-language of instruction, transparent processes, and American-style teaching methods, AUA's MBA plays a unique role in the lives of students and the development of Armenia's economy. The majority of MBA graduates stays in Armenia and serves as a link between Armenian companies and global markets by promoting international best practices. The AUA MBA is an excellent value for students and continues to enjoy great popularity among applicants.

4. Challenges

An early entrant into the Armenian market with the first MBA in 1991, the School of Business and Management has achieved a number of milestones in the past 20 years. The overarching goal of the School for the next six years is to build on its past achievements, to solidify its position as a key provider of business education in Armenia and to be recognized as one of the best business schools in the region. It also aspires to be instrumental in the developing of the economy of Armenia and the region with strategic purpose and a plan.

Although AUA's SBM is the oldest business school in Armenia, it is still a young entity with limited financial resources. In the competitive global market for business education, SBM competes for faculty members and financial resources with regional and global universities that have significantly more funds and resources. With its competitive tuition for local Armenian students and given the range and variety of comparably priced MBA programs outside of Armenia, SBM will need to position itself to attract more international students.

SMB is in a period of transition as it gears up for the introduction of a BA in business. After 20 years of management by part-time deans, it is prepared to have a full-time resident dean, whose first priority will be to build a solid, core faculty of resident instructors and recurrent adjuncts.

In response to shortcomings identified in the 2010 Self-Study and the Audit Report of the Self-Study, SBM has taken the following proactive steps:

1. reviewed and revamped the MBA core curriculum in spring 2011
2. made special accommodation for working students to pursue a part-time evening degree. The part-time MBA will start in fall 2011
3. will review and redesign MBA second year curriculum of advanced elective courses and concentration tracks during 2011-12 academic year
4. will launch a search committee for a resident dean during the 2011-12 academic year
5. will recruit at least two core internationally qualified full-time faculty in 2011-13

5. Background

While some of the key goals of the SBM's 2005-2010 Strategic Plan such as accreditation and increasing student enrollment were met and surpassed, other goals remain aspirational. With the prospect of a new dean in the coming year, the SBM faculty, in consultation with the AUA Administration, has decided to postpone the elaboration of a detailed strategic plan to be coordinated by the new dean.

Milestones for Strategy 2017

2011-12	Review and restructure MBA second year curriculum
2011-12	Recruit resident full-time dean
Fall 2013	Start BA in Business, with three concentration tracks: accounting, business communications, and economics
Fall 2014	In conjunction with the Central Bank of Armenia, start an MA program in Economics in Dilijan
2014	Initiate the Self-Study program
2015	Consider introducing new MBA concentrations and specializations
2016	Inaugurate the first graduates of MA in Economics
2017	Inaugurate the first graduates of the BA in Business

6. Specific Strategic Objectives and Recommendations

The following objectives and recommendations are considered equally important without rank ordering.

a. Review, Develop, and Expand Academic Programs

Since its inception, SBM has continually reviewed and updated the MBA curriculum to integrate the most recent trends in business education, research and practice and to better meet the changing needs of the Armenian and regional markets.

In response to the challenges identified in the 2010 Self-Study and the Audit Report of the Self-Study, SBM reviewed and revamped the MBA core curriculum in spring 2011 and made special accommodations for working student to pursue a part-time evening degree.

The MBA core was redesigned to enhance the quality of the learning experience, the relevancy and coherence of the curriculum, and the effectiveness of its delivery. The core curriculum was enriched by integration of several new skills-specific courses (e.g., Effective Communications, Managerial Negotiation, etc.) and some topical courses (e.g., Operations Management, Management of Information Resources, Legal

Environment of Business, etc.). The new curriculum emphasizes integrative learning and cross-functional problem solving by the introduction of two action learning practicums--Entrepreneurship, Innovation & Incubation and Strategic Project Consulting. Additionally, the capstone course has been revamped to be aligned with the new integrative teaching philosophy. Finally, the internship requirement was reviewed and recalibrated to help students better prepare for eventual job prospects.

In the next strategy cycle, SBM will:

- Reevaluate and redesign the MBA second year curriculum composed of advanced elective courses and three concentrations (Accounting, Finance and Marketing). SBM will also develop specific learning outcomes for each of the three concentrations.
- Continue the skills development process within the MBA curriculum and prepare curricular maps for each of skill/competency sets, in accordance with student learning outcomes.
- Examine the necessity of aligning the MBA concentration in Finance with the requirements of Certified Financial Analyst (CFA) certification and the viability of a specialized Master's degree program in Finance and Banking.
- Review the relevance of the accounting curriculum and examine the necessity of shifting focus from the instruction of US GAAP-based accounting to IFRS-based accounting which has become the norm in Armenia.

SBM Strategic Plan for 2005-2010 called for the introduction of Executive Education Certificate programs. This remains on the SBM agenda for the next strategy cycle. Targeted to business owners and upper and mid-managers, and delivered in a weekend format, SBM's management development and executive education programs will accrue many benefits including:

- Prepare executives for new levels of leadership in their careers and within their organizations.
- Provide service to the business community in Armenia and in the region.
- Improve SBM's image in Armenia and the region which in turn can translate to other benefits such as increased regional demand for SBM's degree programs.
- Allow SBM to attract qualified visiting faculty by offering a reasonable teaching load.
- Be a significant source of revenue.

SBM will need to develop a detailed plan of action and course offerings relevant to the market needs. This will include benchmarking executive education programs internationally and regionally, seeking input from the business community and other stakeholders, preparing a comprehensive marketing plan, and compiling an inventory of faculty with executive education capabilities.

The principal focus of SBM's program development, in line with AUA's general strategy 2011-17, will be the introduction of a Bachelor's degree in Business slated for 2013.

The undergraduate program will provide students with a high-quality business education based on solid liberal arts foundation. The program will enable them to secure entry-level positions in organizations and/or pursue graduate studies.

The BA curriculum will be a rigorous and comprehensive and will provide students with a fundamental understanding of business and economic concepts and practices; and analytical skills and techniques to solve business problems. It will also focus on how the business environment operates and evolves; and provide students with emphasis in specialized areas such as accounting, business communications and economics. Regardless of the concentration, the BA in Business will strive to develop students to possess the following characteristics:

- Creative and effective problem solvers
- Effective communicators
- Ethical on personal and professional level
- Possess managerial and leadership capabilities
- Avid users of information and communication technologies
- Ability to synthesize local and global perspectives
- A strong knowledge of business and economics disciplines
- A deep concern for the economic development of Armenia and the region

To launch a successful BA in Business program, SBM's Undergraduate Task Force will work with the University's Undergraduate Task Force and other AUA departments with similar plans. It will also survey business leaders and alumni, and benchmark leading programs in the U.S. and elsewhere. SBM will also need to devise a clear and complete faculty recruitment process, plans for faculty mentoring and development, and to take actions to ensure a high quality student pool.

SBM anticipates that following the launch of the undergraduate program in 2013, the faculty will examine the viability of introducing additional interdisciplinary BA concentrations with other units on campus (e.g., English and Communication, Computational Science, etc.).

SBM will also design and implement a Master's degree in Economics in partnership with the Central Bank of Armenia. The program will be launched in 2014. The program will offer the following benefits:

- Attract and retain highly qualified and motivated students from Armenia and the region based on the rigor and innovativeness of the curriculum and the quality of its faculty.
- Provide students with a state-of-the-art education in economic theory and econometrics.
- Facilitate and promote quality research among faculty, students and external experts, that will advance the state of knowledge in economics in Armenia and the region.

In designing the Masters program in Economics, SBM will survey the local and regional markets, benchmark graduate economics programs internationally and regionally, and seek input from the Central Bank of Armenia and other private and public stakeholders.

Thus, SBM will build and expand upon depth and variety of its programs, including three concentrations in the MBA program, the BA in Business, the Masters in Economics and Executive Education certificates which altogether will provide students with rich opportunities and rigorous academic training for professional management careers.

b. Expand & Enhance Student Enrollment

While the AUA Office of Registrar coordinates the recruitment initiatives for the MBA Program, SBM is actively involved in promoting and attracting new students to the program. We strive to continually improve the quality of recruits, standardize the admission processes, and increase enrollment.

The MBA program continues to attract a large number of highly motivated and qualified applicants. It also increasingly attracts applicants with extensive work experience. SBM expects that with the introduction of the part-time evening option, the number of experienced applicants will continue to grow.

With respect to international student recruitment, during 2005-10, the MBA program was able to enroll a few Diaspora students but was not able to attract non-Armenian students. For the 2011-17 planning period:

- SBM aims to maintain its annual MBA cohort of around 60 students; equally divided in the full-time and part-time options. However, the growing demand for the part-time option, may allow SBM to double the size of the part-time cohorts in 2013-14 by increasing the number of MBA intake to 90 students per year. The planning and preparation for such a scenario will ensure that growth does not jeopardize our efforts to continuously improve quality standards.
- Based on surveys conducted since 2010¹, the potential demand for an AUA undergraduate degree in business seems to be robust. Undergraduate degrees in business and economics have been the most popular degrees

¹ McKinsey Report: Two Market Surveys, Nov. 2009 - Number of Respondents: 550
AUA - Alumni Survey by UGTF - March 2011, Number of Respondents: 293
AUA - AUA student Survey by UGTF - March 2011, Number of Respondents: 214
AUA - Focus Group (FG) EEC, Quant School, High School Students and Parents - High School Students - August 2011, Number of Respondents: 24
AUA - Library Patrons - Survey- August 2011 - Participants: 277

among Armenian university entrants in the past decade. These indicators allow us to aim for cohorts of up to 160 students in the bachelor's program.

- Through the Center for Business Research and Development, SBM has offered several customized corporate training programs in recent years. Considering that the demand for customized and open-enrollment management development and executive education programs continues to grow, in Armenia and the region, SBM will expand its program offerings in this segment in the next six years. We expect to enroll between 120-150 students per year in such courses.
- The Masters in Economics is expected to enroll a cohort of 25 students. SBM will work to admit outstanding students to the Masters in Economics program.
- Based on our estimates, the number of students enrolled in MBA, executive education, Masters in Economics and BA in Business will bring the total SBM student body to approximately 800 students in 2017. While a drop in college aged students is expected in the coming 5-7 years, we do not expect that our enrollments will be affected by this trend. The MBA program is increasingly attracting working professionals and the demand for business and economic degrees, both in graduate and undergraduate levels, continues to grow in Armenia.
- Our goal is to enroll at least 20% international students by 2017. This is an attainable goal with undergraduate students, junior year abroad and summer study students. However, there are two challenges to attracting foreign students:
 1. An active, properly financed and targeted recruitment effort
 2. Competitive, market driven tuition for international students

c. Enhance and Engage Faculty and Student Involvement

During the past 20 years, SBM has accomplished mainly on the strength and dedication of a few devoted, but part-time and largely non-resident faculty members. However, with the transient nature of the SBM faculty, it has been difficult to ensure continuity in courses and collaboration in research.

As the school grows and the role of the university becomes even more significant in Armenia, SBM can no longer rely exclusively on the efforts of a handful of individuals. SBM needs to develop a more systematic way of engaging faculty and students in building its future.

In order to progress to the next level of growth and leadership in business management, over the next six years, the SBM will need to:

- Enhance the quality and productivity of the faculty by providing an effective infrastructure for the recruitment, development, retention and reward. Introduce multi-year contracts, which as suggested in the 2006-7 WASC Accreditation Review.
- Build a core of full-time resident faculty with the quality and depth of skills that is necessary to meet SBM's future program expansion and diversification needs. Recruit 2 full-time faculty in 2011-12, to teach some of the core and elective courses in marketing and management and 2 full-time faculty in 2012-13 in accounting and finance. To this end, a detailed faculty recruitment plan will be developed in collaboration with the university administration.
- Increase the number of recurrent visiting and local adjunct faculty.
- Continue to recruit visiting faculty from different countries and regions with distinct skills and areas of expertise.
- Recruit western educated Armenian scholars who have immigrated.

Recruitment of high quality full-time faculty members will require significant financial and institutional commitments. Considering SBM's future growth prospects for 2011-17, we expect that SBM will need to expand the size of its faculty to 15-20 FTE, who can teach both in the undergraduate and graduate programs.

With a larger resident core faculty, SBM will have greater capacity for student advising, supervising of internships and capstone projects. The larger resident faculty, who make their career at AUA, will also bring continuity and build community, and create more opportunities for research. It will also enhance the range of specialties and reduce reliance on visiting and adjunct faculty. Finally, the full-time faculty will permit SBM to devote more time and resources to student learning assessment, program self-study, and university governance.

SBM will also need to actively encourage student engagement. Over the next six years, we will:

- Encourage student-led co-curricular activities such as organization of guest speaker events.
- Continue to involve students in recruitment activities such as open door days and GMAT review sessions.
- Encourage creation of student-run business clubs on campus and encourage faculty to participate and advise such organizations.
- Support and enhance student-alumni connection.
- Involve students in different departmental decision processes, when appropriate.
- Facilitate social activities that strengthen a spirit of collegiality within SBM.

d. Reexamine and Recalibrate Research and Development Activities

Center for Business Research and Development (CBRD) was reactivated in 2009 and since then has implemented two types of activities: Customized corporate trainings and business consulting. The Audit Report of SBM's 2010 Self Study assessed CBRD's business consulting projects as weak in terms of academic content and relatedness to SBM's mission.

SBM will need to review and redefine CBRD's overall strategy and recalibrate CBRD's consulting undertakings. CBRD can be a major vehicle for university and SBM to reach out to the community, provide useful fee-based services, have an impact, and be a recognized outreach program. A resident SBM leadership and larger core faculty should assist in revitalizing the Center.

The future Masters in Economics will also open new venues for research and should reinvigorate CBRD's research activities. Promoting applied research in economics and leveraging on synergies with the finance curriculum within the MBA program, can significantly improve SBM's research performance and quality of teaching in economics and finance at undergraduate and postgraduate levels. In view of this, it will be necessary to identify specific areas of research that would be feasible given human and financial resource constraints with potential to generate income.

e. Increase Collaboration, Contact and Interactions with Alumni

As one of AUA's largest, and oldest, programs, the MBA program has a large group of alumni whose resources have not been sufficiently utilized by the university or by SBM. In recent years, SBM has tried to reconnect with its alumni community in several ways. For 2011-17, SBM will:

- Initiate a lifelong learning program to encourage alumni to upgrade their skills and knowledge, reengage with SBM and reconnect with each other.
- Expand alumni participation in networking and recruiting activities and in the admission process as members of interview panel.
- Expand alumni involvement in SBM's academic activities as guest speakers, judges for project presentations and case competitions; and advisors to students on business planning and entrepreneurship undertakings.
- Include alumni with outstanding career achievements in the future SBM's Board of Advisors.

SBM alumni are also in a position to give back to the university financially. The MBA alumni can help AUA strengthen its position with donors and potential research project partners. The new VP for Advancement should pay special attention to MBA alumni.

f. Strengthen Partnerships with Business Community and Other Local and International Stakeholders

A key element to enhance students' learning experience and create opportunities for SBM to contribute to Armenia's economic and social development, is our relationship with the business community and other stakeholders such as the government and the Central Bank of Armenia. To this end, SBM will:

- Integrate business executives and other stakeholders in SBM's curricula and scholarship. This can include integration of business-based projects in different courses, action learning practicums and selection of guest speakers.
- Partner with the Central Bank of Armenia and other stakeholders in the design and launch of the Masters in Economics program in Dilijan.
- Enhance ties with businesses and employers of SBM graduates to expand internship and employment opportunities for current students.
- Provide life-long learning opportunities for the business community and other stakeholders.
- Partner with the main employers of MBA graduates to establish chaired faculty positions and student scholarships.
- Include business executives and officers of other stakeholders in the future SBM's Board of Advisors.

Considering that business education is one of the most internationalized disciplines, SBM can serve AUA to expand its international reach. To this end, in 2011-17 SBM will

- Select and partner with recognized business schools abroad for faculty and student exchanges, international collaborations in research and development activities.
- Explore hosting/participating in rotating MBA and BBA programs offered by international consortia of institutions, where students spend one term or more at AUA.
- Develop closer collaboration with Diaspora organizations.

g. Improve Financial Resources

The MBA program has been under constant financial pressure due to the high cost of international visiting business faculty, especially in areas of finance and accounting. We are unable to offer pay rates that are competitive with the markets outside of Armenia.

While the expansion and diversification of the faculty which will accompany the BA in Business may somewhat ease financial pressure, SBM needs to investigate the possibility of higher tuition for the MBA program as compared to other AUA programs.

Starting fall 2012 and based on the University's current universal/egalitarian tuition system, the part-time evening MBA program will cost substantially higher (USD 1,700) than the full-time MBA option. SBM will need to examine the market response to this price differential before considering any across-the-board MBA tuition hike in subsequent years.

We believe that MBA students are willing to pay more than the current subsidized tuition, especially if increased tuition translates into enhanced course offerings. The same may also be true for the undergraduate program. We note that differential tuition is the norm, rather than the exception, in Armenian higher education, which bodes well for us.

As noted earlier, other measures that could generate cash flow would include:

1. The introduction of customized and open-enrollment managerial development and executive education programs.
2. Reengaging the MBA alumni with SBM through lifelong learning and other initiatives.
3. Partnering with the main employers of MBA graduates in view of establishment of chaired positions, student scholarships, and other naming opportunities.
4. Using CBRD as a platform to acquire grants.
5. Partnering with government agencies and the Central Bank of Armenia to seek their financial support for different events or initiatives.

h. Reevaluate Institutional Capacity and Program Maintenance

With expansion and diversification of programs, launching the Masters in Economics off-campus in Dilijan, a larger cadre of faculty and so many more students, SBM will need to develop an extensive organizational structure, improve its governance system, and expand its physical capacity. SMB will:

- Investigate options to address the needs of significantly larger faculty and staff mainly through the undergraduate planning process.
- Plan for transition to a more extensive organizational structure, assure scalability, explore the creation of two departments (business and economics), with respective chair positions. Review the roles and responsibilities of the Dean and Associate Dean, and examine the need to introduce the position of program director for BA in Business.
- Examine establishing a two-level advisory board; a general board for oversight of SBM operations and several subordinate boards in functional areas of marketing, accounting, economics and finance.