

Contact: Rachel Boon

**REQUEST FOR NEW PROGRAM AT THE UNIVERSITY OF NORTHERN IOWA:
MASTER OF BUSINESS ADMINISTRATION (NEW LOCATIONS)**

Action Requested: Consider approval of the request by the University of Northern Iowa to offer the existing Master of Business Administration (MBA) in new locations.

Executive Summary: The proposal to offer our MBA at a new location was initiated at the request of community and business leaders in Pella and Fort Dodge. This executive-style program on evenings and weekends will provide working adults access to complete their MBA in 28 months without disrupting work schedules. The proposed new program locations addresses the Board of Regents Strategic Plan objective 1.1; "The Regent institutions provide clear pathways for students to enter, move through and complete their education and career goals." The Council of Provosts and the Board office reviewed this proposal and recommend approval.

Background:

Description of proposed program. Graduate study in business at UNI provides a broad-based, integrated program which emphasizes the functional areas of business in order to provide the graduate with a balance between theoretical knowledge and practical business operations. The MBA curriculum is designed to meet the needs of students with undergraduate backgrounds in the liberal arts, sciences, engineering, as well as those with degrees in business.

Academic objectives. The UNI MBA has five student learning objectives that are measured through our comprehensive assessment procedures:

1. Graduates will demonstrate knowledge of current business practice and management techniques necessary to be effective in managing and leading the day- to-day operations of the organization, as well as scanning the business environment and strategically planning for the future.
2. Graduates will demonstrate the critical thinking skills to address complex business issues, gather information, identify and evaluate a range of options, and make ethical choices among the alternatives.
3. Graduates will demonstrate the ability to use appropriate quantitative and qualitative tools and concepts throughout the problem-solving process showing an appreciation for the interrelationships among the various business functions.
4. Graduates will demonstrate the ability to effectively participate as a team member, facilitate group processes and manage team projects.
5. Graduates will demonstrate the professional written and oral communication skills necessary for effective management.

Need for proposed program. The proposal to offer our MBA at a new location was initiated at the request of community and business leaders in Pella. Faculty from UNI's campus taught the program in a face-to-face format starting August 2012 with 16 students graduating in 2014. The closest face-to-face MBA offering for this community was then and is still over an hour away. We have now received inquiries from potential students who were not ready to pursue an MBA in 2012, along with others in the community who would be interested in another on site MBA offering.

The business community in Fort Dodge is similarly distant from any face-to-face MBA programs, with the closest being ninety minutes away. As with Pella and Mason City, a number of large

companies do business in the area, creating a pool of successful professionals who have no local opportunity to take the next career-advancing step of earning the MBA.

Link to institutional strategic plan. The current institutional mission for UNI is “The University of Northern Iowa provides transformative learning experiences that inspire students to embrace challenge, engage in critical inquiry and creative thought, and contribute to society.”

The MBA program facilitates the professional development of middle-level managers and those aspiring to managerial positions. The program seeks to improve their dynamic capabilities to discern, describe and solve business problems and manage resources for value creation.

The program challenges our students with a curriculum grounded in core concepts, simple and complex tools, as well as analytical and theoretical frameworks for understanding business, its environment and the requirements for achievement of successful outcomes. This is done through high-impact learning, an applied approach involving cases, simulations, problems, interactions with executives and other interactive approaches.

Relationship to existing programs. Although other universities in the State of Iowa offer MBA programs (University of Iowa, Iowa State University, Drake University, St. Ambrose University, Maharishi University of Management, University of Dubuque, Clarke University, Loras College, Mt. Mercy University, Upper Iowa University), none offers a face-to-face program within an hour’s drive of Pella or Fort Dodge.

Unique features. There is value in a face-to-face, cohort-based MBA program delivered by UNI MBA faculty members. This executive-style program on evenings and weekends will provide working adults access to complete their MBA in 28 months without disrupting work schedules.

Although UNI faculty met with representatives of both Pella Corporation and Vermeer Corporation in Pella, the program elected not to create any formal relationship with specific employers. Instead, the program opted to maintain an independent identity, working with Central College to host the program in an ongoing relationship. Based on a successful relationship with a community college (NIACC) at Mason City, the program consulted with Iowa Central Community College in Fort Dodge to create a similar arrangement.

Resources to establish a high-quality program. UNI MBA faculty have delivered face-to-face, cohort-based, executive-style programs in Pella and Mason City, Iowa; Hong Kong and Guangzhou and Shanghai, China. Our Pella and Fort Dodge MBA programs will offer the same classes for the same credit hours as the MBA program currently offered on campus in Cedar Falls and at other distance locations.

Faculty will travel to Pella or Fort Dodge to deliver face-to-face instruction on Friday evenings and Saturdays. UNI will partner with Central College and Iowa Central Community College to offer classes in their classrooms. Working with the Dean of Continuing Education and Special Programs and his staff, the MBA faculty will use the eLearning program to communicate with students, make materials available online and use other UNI-supported technology.

Student demand. UNI will offer an MBA cohort in these new locations only if the number of admitted students will generate tuition revenues sufficient to cover expenses over the duration of the program.

Workforce need/demand. According to a 2016 year-end employer poll administered by the Graduate Management Admission Council, 68% of employers hired people with MBAs, and 79% plan to hire MBAs in 2017 (poetsandquants.com). According to the most recent Bureau of Labor Statistics career outlook report, many business occupations carry a wage premium for having a master's degree rather than only a bachelor's degree (bls.gov). In general, MBA graduates find work in a wide variety of positions such as financial analyst, budget analyst, information systems manager, market research analyst, management analyst and executive officer.

Cost. Estimated costs for off-site location in Pella and Fort Dodge, IA:

- \$25,107/class (includes faculty compensation/fringe benefits, indirect costs, travel, classroom rental, supplies & services, fees)
- \$5000 advertising costs in year 1 of each new cohorts
- \$4500 Capstone at last year of each program

	TOTAL COSTS	TOTAL NEW COSTS
1 (2 classes Pella)	\$55,214	\$55,214
2 (6 classes Pella)	\$150,642	\$94,828
3 (2 Pella, 2 FD)	\$160,142	\$5,000
4 (6 classes FD)	\$150,642	0
5 (2 classes FD)	\$54,714	N/A
6	N/A	N/A
7	N/A	N/A

Cohort program totals: Revenue from 15 students = \$319,509
 Expenses for 10 classes and capstone = \$260,570
 Revenue – Expenses = \$58,939 per cohort of 15 students

Costs and revenues are presented for a cohort of 15 students and are based on a similar, cohort-based MBA in Mason City, Iowa. There are 21 students participating in that cohort. A Pella cohort in August of 2012 started with 18 students; 16 graduated. Cohorts of at least 15 will be required before beginning the program at either new location.

Projected enrollment.

Graduate	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Majors	15-20	15-20	N/A	N/A	N/A	15-20	15-20
Non-Majors	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Anticipated sources of students. The MBA will likely draw students from an area approximately one hour's drive around Pella, residing in Ottumwa, Newton, Grinnell or other smaller towns. Similarly, it is likely to draw students from an area approximately one hour's drive around Fort Dodge, residing in Webster City, Iowa Falls, Storm Lake, Humboldt, Sac City, Eagle Grove, Pocahontas, or other smaller towns.

The population of Pella was 10,352 at the 2010 census. Major employers include Pella Corporation and Vermeer Corporation along with numerous smaller companies. The Chamber of Commerce reports that 36.6% of the population holds at least a bachelor's degree and the average household income is \$57,096. The area population has already proven to be large enough to support an MBA cohort and there are still employees who could benefit from a professional degree.

The population of Fort Dodge was \$25,206 at the 2010 census. Major employers include Nestle Purina, Cargill, Valero, and DJ BioAmerica. The Census bureau reports that more than 20% of the population holds at least a bachelor's degree and the average household income is \$38,380. The Fort Dodge Growth Alliance reports the area has a growing economy and expects significant interest in an MBA program.

Articulation agreement. Articulation agreements are not applicable to this program.

Accreditation. UNI's MBA program is accredited by the prestigious AACSB International (Association to Advance Collegiate Schools of Business). These programs will be covered under that accreditation.

Opportunities for internships. As a graduate program for working adults, internships are not available.

Date of implementation. The anticipated implementation date is August 2018.

LETTERS OF SUPPORT

IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY

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October 23, 2017

Dale Cyphert, PhD
MBA Program Director
University of Northern Iowa
College of Business Administration
Office of the Dean
Curris Business Building 325
Cedar Falls, IA 50614-0123

Dear Dr. Cyphert:

I have received your request for support of your proposal to offer an MBA degree to students in Pella and Fort Dodge, Iowa. As an institution that currently offers an MBA degree, we have no objections to your proposal. We feel it is important for students in all areas of the state to have access to graduate education programs in business. Good luck!

Sincerely,



David Spalding
Raisbeck Endowed Dean



Tippie College of Business
Office of the Dean

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October 20, 2017

Dale Cyphert, PhD
MBA Program Director
Associate Professor of Management
College of Business Administration
University of Northern Iowa
1227 W. 27th Street
Cedar Falls, IA 50614-0125

Dear Dale,

I received your request for support of the UNI MBA Program's return to Pella, Iowa for another cohort and then to offer the program in Fort Dodge following that. The Henry B. Tippie College of Business at the University of Iowa supports the proposed program. You have my best wishes for success with this exciting opportunity.

Sincerely,

A handwritten signature in black ink that reads "Sarah Fisher Gardial". The signature is fluid and cursive.

Sarah Fisher Gardial
Dean and Professor of Marketing
Henry B. Tippie College of Business