



WISCONSIN
SCHOOL *of* BUSINESS

MEMORANDUM

To: Paul DeLuca, Provost
University of Wisconsin-Madison

From: Michael Knetter, Dean
Wisconsin School of Business

Subject: Proposal for the *Madison Initiative for Undergraduates*

Date: September 29, 2009

Executive Summary:

In response to the request for proposal for the *Madison Initiative for Undergraduates*, the Wisconsin School of Business is requesting funding to achieve the following objectives: alleviate bottlenecks and increase the presence of tenure track faculty in two high demand majors; fortify student advising; launch a Freshman Interest Group focused on business; and expand/improve the curricular offerings for students who are not business majors but have a special interest in certain aspects of business. To achieve these objectives for undergraduate students, we request support to hire 4.67 faculty members (one hire we propose is joint with Economics), four 50% teaching assistants, two academic advisors, and support to revamp our business scholars/honors program through the creation of the FIG. The proposed faculty hires are also concentrated in areas that build on established research excellence while enhancing collaboration with economics and areas related to entrepreneurship.

Our priorities go first to the finance and marketing introductory course coverage, advising services, and Honors/FIG programs, given that these are our greatest bottlenecks and the places where we can make substantial improvements in the experiences of our undergraduates. We place the joint hire with economics and the business primer support in our secondary category. We consider these opportunities to add significant value to the overall campus undergraduate program by opening deep business experiences to non-business majors; however, these efforts do not address the bottlenecks for high-demand majors in the ways that our primary set of proposals will address them.

Philosophy Behind the Proposal

Three key goals of the *Madison Initiative for Undergraduates* are a reduction of bottlenecks in high-demand courses and majors, an increase in availability of high demand majors, and an increase in tenure track faculty in undergraduate education. There are great opportunities to promote these goals in business since the demand for undergraduate business education on this campus far outstrips our capacity to supply at current budget levels.

After considerable thought, our proposed approach is to improve conditions within the major (i.e., remove bottlenecks and increase the presence of tenure track faculty), improve the value we deliver to students pursuing other majors, but keep the size of our major the same. The reasoning is that we do not feel we could come close to meeting the excess demand for our major with any reasonable allocation of MIU funds; therefore, we have focused our proposal on fixing some immediate challenges within the major, launching a special initiative for incoming freshman that is aimed partly at underrepresented minority students, and making substantial improvements for non-majors.

Faculty to Improve Quality and Alleviate Bottlenecks in High Demand Areas

Our most heavily demanded majors are finance and marketing. The demand in these areas is most intense for our introductory courses, which are required for business students before they can get into their intended majors, and are sought out by non-business students who are looking for some exposure to these key functional areas. Our recent move to sophomore admission amplifies this demand as students take the introductory courses earlier in their academic careers.

Given the rising faculty salaries in these fields, heightened student demand, and shrinking budgets in recent years, we have increasingly relied upon lecturers to teach our undergraduate introductory courses. This is unfortunate because we believe it is important for undergraduate students to experience the mindset of research active faculty as they are exposed to certain disciplines. Furthermore, feedback from our recent reaccreditation visit identified our reliance on non-tenure track faculty for our teaching mission in the BBA program to be a primary area of concern.

We are therefore requesting funding for two additional faculty members (one each in finance and marketing) from the *Madison Initiative for Undergraduates*. Additional faculty in these areas will help to mitigate delays in graduation and enrich the educational experience for our undergraduates. Metrics used to evaluate success will focus on average time to graduation and general student satisfaction as reported on standardized surveys.

Faculty to Support Non-Business Majors on Campus

Another important goal of the *Madison Initiative for Undergraduates* is to encourage collaboration across campus units for more, and better, learning opportunities for our undergraduates. Demand for undergraduate business education outpaces our capacity by such a large margin that it is not realistic to think we can meet that demand in the near term. Consequently, we believe that a better approach is to offer improved preparation for students

who are denied admission to business or who simply pursue a different major but wish to gain a working knowledge of business fundamentals to help them in their careers.

We see a great area of opportunity in serving students pursuing scientific and engineering fields who may aspire to develop intellectual property that could become the foundation of a successful business enterprise. We have already had some valuable experience with non-business graduate students in our Wisconsin Entrepreneurship Bootcamp. This program has been offered the past three summers and has drawn rave reviews from the 60 or so graduate students who have taken it each year. We would like to extend that concept to undergraduates as well. We are piloting a course of that nature this year with a “faculty by committee” approach (e.g., we are asking people to teach a few weeks each as an added duty to pilot the course but do not see this as a sustainable solution). Ideally, the year-long course would be led by a single faculty member who would take ownership of its development and rigor in the long term, and therefore we are requesting a faculty line this purpose. That faculty member could also help us expand our boot camp for graduate students. We hope ultimately to provide this course to a large number of students, possibly through distance education, and with a substantial experiential element. Our intention is for this course to be one of the most sought after courses on the campus due to the quality of its content, delivery, and ultimate impact on lives and careers. Four 50% teaching assistants, therefore, are requested to assist in course administration.

Additionally, we propose a joint position with Economics. Of the students who are not granted admission to business, 40% choose economics (like business, a high-demand major) as their alternate major. We believe many of those students would have selected finance, as it is one of our largest majors and it is most closely related to economics. This suggests that there would be substantial value for undergraduate students if the Finance and Economics departments partnered to deliver a *Financial Economics Certificate* for economics majors interested in finance.

The *Financial Economics Certificate* is tailored specifically for economics students and will be an efficient way for students to learn about, and receive credit and certification for, finance within their undergraduate curriculum. Current curriculum requirements within the economics major allow students to take three cross-listed finance courses to satisfy elective requirements. We are proposing the creation of a *Financial Economics Certificate* that would require students majoring in economics to complete the three cross-listed finance courses and three additional finance or economics courses from an approved list (see below). The listed courses could be taught either by a finance or an economics faculty member, or perhaps a joint hire. Students eligibility also would be subject to some quality metrics to be determined (e.g. economics GPA). The proposed certificate has the support of both the Finance department and the Economics department.

We are therefore requesting funding for a faculty line that would be a joint hire between Finance and Economics. This position would provide the FTE to meet the added demand and would strengthen the collaboration between the units on other dimensions such as research, building on our recent collaboration in hiring an established star, Randall Wright, from Pennsylvania last year. Metrics used to evaluate the success of our program will include student demand for the certificate; student access to courses associated with the certificate; and general interaction between Business and Economics through seminar participation, PhD committee collaboration, and similar intellectual exchanges.

Financial Economics Certificate:

Cross-Listed Courses which qualify for elective credits for the economics major:

- FIN/ECON 300 Introduction to Finance
- FIN/ECON 320 Investments
- FIN/ECON 325 Corporate Finance

Finance Courses

- FIN 330 Derivatives
- FIN 365 Markets with Frictions
- FIN 457 Entrepreneurial Finance

Economics Courses

- Econ 464 International Trade and Finance

Business Scholars/Honors Program

The Business Scholars program was begun more than a decade ago to create a pipeline of high merit undergraduate students interested in business. Our recent move to sophomore admission has significantly reduced the need for that pipeline. We note simultaneously that an important program for high-merit students on campus, the Honors Program, has not had much traction within the School of Business. Instead the Business Honors program has been operating as an 'add-on' to the Letters and Science Honors program which enrolls students as freshman. No business courses are offered with a specific honors designation.

With these conditions in mind, a taskforce was formed in Spring 2009 to review both the WSoB Scholars and Honors programs. After input and feedback from a wide set of constituencies, the taskforce recommends that the Business Scholars and Honor programs be reconfigured to provide a transformative experience for our best and brightest undergraduate students. The major tenants of their proposal are:

Business Scholars

- As high merit and URM freshman are recruited/admitted directly into the WSoB undergraduate program they would be enrolled automatically into a First-Year Interest Group (FIG).
- The FIG would be taught by an accomplished faculty member within the WSoB community.
- As sophomores these high merit and URM students would be strongly encouraged to enroll in the business honors program

Honors Program

- The WSoB honors program would consist of three year-long seminars, one each for sophomores, juniors, and seniors.
- Each seminar would build upon the prior seminar as well as core business material in each stage of a student's education, with the intention of providing a learning context above and beyond the standard WSoB undergraduate curriculum. Likely content would include exposure to faculty research.

- The senior year seminar would consist of real-world applied projects conducted by a cross-functional team of students. In essence, this would be a capstone course intended to draw upon and integrate the fundamental undergraduate business course work.
- Instruction within these seminars would be conducted by a team of faculty and instructional staff who have demonstrated excellence in teaching.
- Development of the FIG and seminar curriculum, coordination of the instructional team and administration/oversight of the applied projects would be done by a dedicated academic staff person.

Our specific resource request from the *Madison Initiative for Undergraduates* for these programs are:

One full-time faculty member (field TBD)
 One full-time academic staff position,
 Cost of class materials.

Metrics for evaluation of program success include ability to admit the very best high school seniors from Wisconsin who are interested in business; the extent of demand for the Honors Program; and improved reputation for our Business programs through both the FIG and Honors Programs, as evidenced from rankings, admission performance, etc.

Additional Academic Advisors

We believe that our advising office has done a superb job of working with a large and diverse student body, and yet we also continue to strive to improve our programs. Recently, for example, we have begun a group advising process whereby students will meet with both academic and career advisors within our specific program areas (finance, marketing, accounting, etc.). The intention is to achieve both a sense of community by drawing together students with similar interests early in their career while also providing advice more efficiently. This effort, named “Academic Career Essentials” or ACE, will connect closely with our program “A Major Decision” in which we host students who have not yet declared a major and offer information that will aid in that decision.

We have observed that a large proportion of student advising needs are nearly identical across students. By providing group advising, we can answer those needs once rather than repeatedly. As a result, our advisors’ time will be freed up for the more unique one-on-one needs of our students. The focus on early information regarding individual majors is expected to improve student ability to graduate on time as well.

While these group advising efforts ought to help alleviate some of the strain placed on our advisors, we do not anticipate that it will be sufficient. All five of our current undergraduate advisors are heavily burdened with student demands. A recent UW-Madison report by the Academic Planning and Analysis group in the Office of the Provost detailed the state of undergraduate advising on campus. According to that report, all five of the WSoB undergraduate academic advisors have greater than 600 assigned students. Moreover, of the hundreds of advisors on campus, our five advisors are considered among the eight with the highest student load.

