GWSB:
Outlook for the Future
February 11, 2011
The First 100 Days: Assessment, Comparisons, and a Business Plan
Shaping the Vision

Intersection of Business and Politics

Sustainability, Social Responsibility

Global/International

Leadership and Ethics

Ethics
An Organizational Deep Dive

The Main Components

- Current State of Affairs
- Organizational Restructuring
- Development of Current New Initiatives
- The University Deal
- The Development/Philanthropy Plan

We know how strong businesses are run and how assets are protected—indeed, we teach that to our students—but GWSB has not always maintained best practices and the highest standards when it comes to internal checks and balances. With this plan, backed by strong guidance and exemplary guardianship over the next five years the School will embrace and enforce academic excellence, contributing to its own standing and that of the University. It will develop its reputation as a thought leader, showing by example where the future path of business education lies. It will develop cutting-edge initiatives that will grab attention throughout academia and generate revenues for the University. It will work to climb in the business school rankings. However, the School’s ability to succeed at this ambitious agenda is contingent upon the University’s commitment to its future.
Roadmap for Success

GWSB Roadmap for Success

Current State of GWSB
- 57th Graduate Ranking
- 34th Undergraduate Ranking
- Innovative specialized programs
- Good online presence
- $4.5MM budget deficit
- Culture of particularistic funding
- Culture of entitlement
- Lack of transparency
- Underfunded

Components of Change
- Internal Restructuring
- New Initiative
- New Pillars of Thought Leadership
- New Investment From University

Future State of GWSB
- top 20
- increase revenue for University
- closer ties with the rest of University

Path to Success
Problems and Comparisons

$4.5MM budget deficit
  - $1.6MM, $2.6MM, $300K
Culture of particularistic funding (special deals)
Transparency problems
Seriously underfunded

Weak Endowment

Underfunded Faculty

Total Endowment

Salary Numbers

Administrative Investment*

* Expenditure per faculty member
Rankings Breakdown (US News)

US News & World Report Ranking Criteria and Weight

- Mean GMAT: 16%
- Mean Undergrad GPA: 8%
- Acceptance Rate: 1%
- Peer Assessment Score: 25%
- Employment Rate at Graduation: 7%
- Employment Rate 3 months after graduation: 14%
- Mean Starting Salary and Bonus: 14%
- Recruiter Assessment Score: 15%
Re-Structuring and Investment
Summary: Fundraising and outreach are critical responsibilities of the School. Over the next five years, the delivery of dynamic programs will be strategically intertwined with the work of the GWSB Office of Development and Alumni Relations. The addition of 10 new endowed chairs is a top priority. New campaigns will also be undertaken to encourage philanthropy directed at our research institutes and to support our students and career center. The biggest single effort will be a $50 million naming gift for the School. In total, the initiatives, organizational restructuring, and revised funding formula incorporated into this business plan support our development goal of raising $75 million to $100 million over the next seven years.
GWSB New Initiatives
Off Campus Initiative

• Currently SB is offering over 10,000 credits in off-campus programs
  • Third largest in terms of off-campus credit offerings following GSHED and SEAS but probably highest in revenue generation due to significantly higher tuition rates of our programs
  • Hoping to more than double that number over the next 5 years
    – Possibly moving programs and departments to off-campus locations
    – Offering new distance education programs including the general MBA program
Online Education

• Capitalizing on current prominence in online education (Healthcare MBA and Specialized Master’s in Project Mgt)

• Offering more programs in distance mode
  – Expanding MSPM-distance
    • Target: 200 additional students
  – Offering MBA-distance
    • Target: 500 students
  – Offering MSIST-distance
    • Target: 200 additional students
International Initiatives

• Why are we falling behind? (and how far behind are we?)

• What is the plan?
  – A faculty committee
  – Narrowing the focus
    • Regionally
    • Substantively
  – Building the economic model
  – Support (philanthropic and university)

Task Force Chair
Prof. Rob Weiner
The GWU Executive Education Solution

• Campus-wide—Interdisciplinary and leveraging the special skills from across schools
• Very focused on specialization and customization
• Diverse experience in this space
  – Lockheed, Creative Leadership, Federal Contracting
• Mixed media
• Multiple campus venues
Trends in Executive Education

• Partnerships
  – Excellence in marketing, customization and cutting-edge delivery all require partnerships today
# Executive Education
## Custom, Non-degree, and EMBA

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Assumptions for Academic Costs</th>
<th>Assumptions for Admin Costs</th>
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<tbody>
<tr>
<td># of portfolio companies</td>
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<td>Lifecycle of company/fund</td>
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<td># of employees per company</td>
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<td>Program Fee</td>
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<td>Academic Costs</td>
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<td>Admin Costs</td>
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<td>GW Share</td>
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<td>Mekong Growth Rate</td>
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<td>Other admin costs $50,000</td>
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<td>Marketing direction $100,000</td>
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<tr>
<td></td>
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<td>Academic direction $100,000</td>
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<td>Business direction $100,000</td>
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<tr>
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<th>Total Academic Cost $1,650,000</th>
<th>Total Admin Cost $900,000</th>
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<tr>
<td>Cost inflation</td>
<td>10%</td>
<td>Cost inflation 10%</td>
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<table>
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<tr>
<th></th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
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<tr>
<td>Revenue</td>
<td>$2,700,000</td>
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<td>Academic Cost</td>
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<td>Admin Cost</td>
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<td>$990,000</td>
<td>$1,089,000</td>
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<td>$1,317,690</td>
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<td>Profit</td>
<td>$150,000</td>
<td>$435,000</td>
<td>$802,500</td>
<td>$1,271,550</td>
<td>$1,865,265</td>
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**GW Profit**

- Y1: $150,000
- Y2: $435,000
- Y3: $802,500
- Y4: $1,271,550
- Y5: $1,865,265

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*Image of George Washington on the right side of the page.*
THE STAR EMBA PROGRAM

Our goal is to provide you with an experience that fits your needs, works with your schedule and helps you build on your special talents and skills. Together, we will help you create a strategy that takes your current success to the next level and helps you become a business leader. We look forward to being a part of your team. — Doug Guthrie, Dean of the George Washington University School of Business

Example of a Specialized EMBA Program
Evergreen Solar plans to close its main American factory, in Devens, Mass., seen here in September, and lay off 800 workers.

By KEITH BRADSHERPublished: January 14, 2011
Evergreen Solar plans to close its main American factory, in Devens, Mass., seen here in September, and lay off 800 workers.

By KEITH BRADSHER

Published: January 14, 2011
Conclusions

• GWSB is on a path to being a top-20 business school in the world within 7 years

  – More importantly, perhaps, GWSB will be the most significant and relevant business school in the capital of the world’s largest economy

  –

• Doing so will require significant expansion in terms of programs, students, and revenues