



Being a Dean

Fund Raising, Special Topics and The Long Term

Howard Frank



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Dr. Howard Frank
University of Maryland

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Dedication

To my wife Jane who was an enormous help in developing these books, and more importantly, surviving the eleven years of my deanship.

Introduction

I quit four times before I finally quit. The first time I didn't quit, I had a meeting with the university's provost (the senior vice president and chief academic officer) to challenge an arbitrary decision he had made about canceling one of my projects. I went into the meeting carrying my resignation letter in my breast pocket, fully prepared to quit if he didn't reverse his position. After a heated argument, he conceded. But in return, I had to sign a document guaranteeing that I would pay \$100,000 of the school's commitment if the school couldn't raise the money needed for my project.

Here is an extract from that resignation letter:

This letter constitutes my resignation from the position of dean of the Robert H. Smith School of Business, effective January 1, 2004 . . . Unfortunately, I have become convinced that the university no longer provides the entrepreneurial or management environment that would enable me to continue as dean. In particular, I have become increasingly frustrated by actions that I consider unfair, arbitrary, micromanagement, incompetent or biased. The university's decision to block the efforts of our alums to help us in funds raising by providing an appropriate development activity at the Comcast Center is the proverbial "straw that broke the camel's back." This action has damaged my ability to lead the school, will damage our relationships with our external supporters and has damaged the morale of my staff. This self-inflicted blow, when coupled with insensitive personnel and administrative policies and budget cuts that I believe fell disproportionately on the business school, is no longer tolerable to me.

The second time I was ready to quit, but didn't, I was irate over two decisions the university had made that would cost the business school

several million dollars. Here's an extract from my second undelivered letter of resignation:

This letter constitutes my resignation from the position of dean of the Robert H. Smith School of Business, effective June 30, 2004 . . . Unfortunately, I have become convinced that the university no longer provides the environment that would enable me to continue as dean. In particular, I have become increasingly frustrated by actions that I consider unfair, arbitrary, and biased against the business school. The recent decision to eliminate tuition remission on graduate fellowships not funded by the graduate school is the proverbial "straw that broke the camel's back." This action, coupled with your direction to prepare for another 1% budget cut, will cost the business school over \$1 million. It will severely damage the quality of our MBA program, hurt our efforts to improve our external rankings, and damage the morale of my staff. This self-inflicted blow, when coupled with budget cuts that I believe fell disproportionately on the business school, is no longer tolerable to me."

This time, and after some wrangling, I was able to extract payments of \$500,000 per year for five years to offset graduate student costs. Because the budget cuts cost us over one million dollars per year, we were in effect paying for that concession out of our own funds!

As time went on, it became easier for me to write a letter of resignation over some important issue and then not quit. I don't remember what caused me to write the third letter or why I decided not to deliver it, but here it is:

This letter constitutes my resignation from the position of dean of the Robert H. Smith School of Business, effective December 31, 2006 . . . Unfortunately, I have become convinced that the university does not provide the entrepreneurial or management environment that would enable me to continue as dean. I have become increasingly frustrated by actions that I consider unfair,

arbitrary, incompetent or biased. During the last nine years I have invested my time and spirit in the service of the business school. The result seems to be frequent damaging interactions with the rest of the campus. Rules seem to be created “after the fact” that hamper my ability to lead the school. The university promotes the idea of becoming a risk-taking entrepreneurial, global university less dependent on State support but its actions are anything but risk taking and entrepreneurial. Building the Smith School has been a constant battle against the university bureaucracy that I am no longer prepared to continue.”

On the fourth try, I really did quit. The events leading to my resignation started with a series of e-mails with the provost that ended with this one, from me:

If your goal is to induce me to step down by insulting me, you have succeeded. You will be receiving my letter vacating the dean’s position as of August 31, 2007.

And here is part of that letter, one I actually delivered to the provost and to the president:

With these facts, one would assume that the Smith School is an important asset to the University of Maryland. Therefore, it has become increasingly disturbing—and then shocking—for me to discover how little help senior administrators are willing to provide, and how disliked we are for what we have accomplished. I am also troubled by the great gap between University words and actions. For example, we have been encouraged to set up graduate programs in China. The University refused to assist us in setting up these operations and even declined to assemble a “lessons learned” team to benefit other schools seeking to expand internationally.

Although we have constantly pointed out the disjunct between global requirements and the University’s domestically oriented graduate admission policies and practices, there have been no

changes. We've made it very clear that without appropriate adjustments, our China operations are at risk. There does not appear to be much concern by the administration, but I'm sure that there would be if we took unilateral actions to close these operations.

With regard to unilateral operations, it is also shocking to me that you, as Provost, are quick to take unilateral action in an area such as MBA fees, without discussing these with me or with seemingly little regard for the consequences of this action. Also, while we've operated openly with your full approval, you've accused me of "misleading (at best)" students. I also don't see a reason for your insult but since this not the first time you have insulted me (only to later apologize), I accept this as part of your normal operating style. If you wanted my resignation, you should simply have asked for it since I serve as dean at your pleasure.

This letter is my formal notification to you that I will be vacating my deanship and returning to my faculty position effective September 1, 2007 . . ."

A few days after delivering this letter I received a call from the president at my home at night asking me to meet with him to discuss my resignation. In that meeting he described what he called "a possible scenario," which went something like this:

The president's office will get petitions from students and faculty, there may be sit-ins, the newspapers will hear about it, there will be negative articles, people here will be interviewed and to defend themselves, they will say nasty things about you. It will be a mess. (Sidenote: I didn't know that he had already received a petition from our most senior faculty!) *On the other hand*, if you withdraw your resignation and resign a year from now, we will celebrate you, say great things, give you parties, and treat you the way you deserve to be treated.

My response: "I will withdraw my resignation."

Yes, I *withdrew* my resignation; but a year was asking for too much. About six months later, I submitted a new, and much longer (and nicer) letter:

Dear faculty and staff of the Smith School:

The time has come for me to announce that on June 30, 2008, I will be stepping down as dean of the Robert H. Smith School of Business.

When I joined the school in September 1997, the College of Business and Management was a small regional school with little recognition. The faculty and staff were excellent but small and overworked, and research was limited because of high teaching loads. The college's endowment stood at just \$6 million, outreach to alumni was lacking, and we needed more space.

I was contacted in 1997 by the search committee to compete for the dean's position. The position description called for the new dean to, among other things,

- Significantly enhance the recognition and standing of the college,
- Continuously improve the college's academic programs and national prominence,
- Promote change and integrate it into the enduring culture of the college,
- Attract and recruit high caliber students and faculty,
- Recognize the importance of globalization and increase participation in the global arena, and
- Appreciate the growing importance of information technology in business and education.

Ten years after these directions were set, the college, now known as the Robert H. Smith School of Business, is a very different institution. Our students are terrific and are the pride of the campus. Our undergraduates have the highest SAT scores and the highest retention and graduation rates on campus. Teaching quality is superb.

Our graduate programs are the finest in the region and among the best in the world. The MBA and PhD programs are models of excellence on campus with graduation rates and times to graduation among the best at the university. The school, in accordance with campus strategy, has expanded its presence globally with numerous partners and programs. The Smith School dominates MBA education in the region with operations in College Park, Baltimore, Shady Grove and Washington, D.C. We've decreased teaching loads for PhD students, improved their research productivity and placement and increased their stipends when compared to other campus PhD students.

The school has achieved regional, national and international prominence. All of our programs have at least one top 20 ranking. On the information technology front, our rankings are in the top five in both research and programs. The Smith School has become one of the world's greatest research schools, currently ranked #5 in the world in research, surpassing every other public business school. This has been a colossal achievement since in 1996 it was rated #68.

Financially, the school has been prospering. Its revenues have quadrupled to more than \$60 million per year. In every recent year, the school has operated at a surplus. This surplus has been dedicated to improving services and facilities for our students. The faculty has nearly doubled in size. Van Munching Hall was expanded in 2002 and is again being expanded in 2007. The original Van Munching Hall was renovated in 2005. Today, more than 90% of our students study in an expanded and renovated Van Munching Hall, with leading-edge technology and state-of-the-art teaching laboratories. The new North Wing will help bring our remaining outside classrooms into Van Munching Hall. The school's endowment exceeds \$50 million with more than an additional \$45 million of gifts already committed during the new campaign.

The Smith School example is used by the university to illustrate what an entrepreneurial institution can accomplish. President

Mote has led literally dozens of groups of state legislators through Smith School facilities, pointing with pride to what we've done and how we've done it with *minimal* state cost. Nearly all of these accomplishments stem from the efforts of our fabulous faculty, staff, alumni and friends of the school. We owe special debts of gratitude to Bob Smith, Leo Van Munching and a number of our alumni who have stepped up to the challenge of supporting the school during this critical growth phase.

While our ascent has not been flawless or mistake free, the university has benefited by the rising quality and reputation of the Smith School. Last year, the Smith School generated nearly 19% of the degrees awarded by the campus and the Smith School of Business has become a source of pride for the campus and indeed, the entire University System of Maryland.

It's certainly with mixed feelings that I am stepping down from my deanship. I look back with great pride on what has been accomplished during my tenure but I recognize that the school still has a way to go before it reaches our goal of being among the world's greatest business schools.

My plan is to begin a sabbatical on July 1, 2008 and then to return to the school as Professor of Management Sciences after the summer of 2009. The provost will be appointing a search committee for the next dean early in the fall semester. Given the school's strong competitive position, you can be sure that we will be able to attract a wonderful set of candidates for the next Smith School dean.

I have met many fine people here at the University of Maryland and am looking forward to helping the future growth and prosperity of the school and the university.

My tenure as dean was marked by extraordinary changes to the school, made all the more extraordinary because the university was a slow,

conservative bureaucracy dedicated to halting—if not *crushing*—change. So, how did I get these changes to happen? Why did I stay for eleven years? Why did I leave? What did I learn? What more needs to be done? I wrote this book to answer those questions.

My Background

I was born on June 4, 1941, in the Bronx, the youngest of two children of working class parents. I attended junior high school in one of two “special progress (SP)” classes in the Bronx, so I was able to skip the eighth grade. I went on to Stuyvesant High School, one of the three original specialized public high schools in New York City, and the one that specialized in engineering and mathematics. I was a good, but not great, student except in plane geometry, where I excelled.

I attended the University of Miami (Florida) because it offered me a full scholarship, and I graduated first in my class with a BSEE degree in 1962. By that time I also had gotten a taste of what it meant to participate in college activities; I was editor of the engineering magazine, vice president of the local chapter of the IEEE (Institute of Electrical and Electronics Engineers), and vice president of engineering student government. From Miami I went directly to Northwestern University (Illinois), this time on a fellowship. I received my MS in 1964, fell in love with graph theory, and decided to stay on for a Ph.D. in Electrical Engineering just so I could continue working in that area. At Northwestern I was recognized as one of their leading PhD students, and I completed my degree in 1965 in the minimum possible time: three years.

It was also an unusual three years. For, during that time I became good friends with my advisor. As of this writing, he is professor emeritus of mathematics at Northwestern, but back in 1964 we both dated music students and would frequently double date. I worked with him on research grants during the summers, and by the time I graduated we had already co-authored several research papers.

My plan was to go into the space industry after graduating, but my advisor contacted the head of the Electrical Engineering and Computer Sciences department at the University of California—Berkeley, and I was invited for an interview. They made me a job offer, I accepted, and

two weeks after earning my PhD I headed west to begin my career as an Assistant Professor. In 1965, I was the youngest faculty member on the Berkeley campus.

I was a very productive researcher at Berkeley, authoring about 30 papers in my first three years. It was also to be a relatively short stint, for I was a member of Berkeley's faculty only from 1965–1970. I spent 1968–69 on leave as a full-time consultant within the Executive Office of the President of the United States. That invitation came about in a strange way, and it completely changed my career trajectory.

My favorite research area was probabilistic graph theory, the study of random connection of links and nodes. In fact, my PhD dissertation had been titled “On Probabilistic Graphs and Some Application.” At Berkeley I was able to extend my research into areas of network reliability and vulnerability, and in 1967 I authored what would become a prize-winning paper: “Vulnerability of Communication Networks.” An article I had read in the *Journal of Mathematical Biophysics* led me to a technique for analyzing random graphs. The article dealt with analyzing cell damage from radiation, but it stimulated my thinking about analyzing network damage from bombs.

As luck would have it, during my first year at Berkeley I had become friends with a fellow who was visiting the school on leave from a position at the Institute for Defense Analysis (IDA). And after my friend returned to IDA, he invited me to come to Washington to give a talk about network vulnerability. Unknown to me, one person in the audience was director of a group housed in the Office of Emergency Preparedness (OEP) in the Executive Office of the President of the United States. Months later, I received a call from this director, asking me to become a consultant. I accepted on the spot! Then, after only a couple of hours into my first consulting trip to Washington, I was invited to take a leave of absence from Berkeley and spend a year at the OEP. Again, I immediately accepted the offer.

My wife, who had just finished hanging the last set of curtains in our recently purchased new home in Walnut Creek, said she was up for the adventure. We had married during my last semester at Northwestern, and our son, five, and one-year old baby daughter, would adjust to the new environment. We would put our household in storage for a year, rent

an apartment sight unseen, fly across country to a city just recovering from race riots following the assassination of Martin Luther King, and fill the apartment with rented furniture within days of arrival. Everyone at Berkeley, on the other hand, was dead-set against the idea. “You will be spoiled by the real world,” the department chair told me. “The leave will change you.” *I went anyway.*

I was promoted to Associate Professor while on leave. In 1969 I received the Leonard G. Abraham best paper of the year award of the IEEE Communications Society for “Vulnerability of Communication Networks.” Then my one-year leave of absence stretched to two when a colleague and I decided to start a company. As a Visiting Consultant in the Office of Emergency Preparedness of the Executive Office of the President of the United States, I was in charge of a small group charged with doing something important. My group studied natural gas pipelines and built a network design system that was credited with saving over \$300 million. *BusinessWeek* published an article about our work, and newspapers around the country reported the results. This led us to form a company in 1969, the Network Analysis Corporation (NAC). I moved to Long Island, New York, became a business executive, and never went back to Berkeley. The Berkeley prediction was correct: *I was spoiled by the real world.*

From 1969–1970 I was Executive Vice President of NAC. One year later, the company was broke, on the verge of bankruptcy, and it had a new president—me! I had no choice but to take over the helm when the original president (and my partner in the business) quit, saying he couldn’t go without salary for an indefinite period. I, on the other hand, stubborn and refusing to go without a fight, asked our employees to work without regular salaries for over two years. To support my family, I borrowed tens of thousands of dollars. I ended up serving as President and Chief Executive Officer of the Network Analysis Corporation for ten years, from 1970–1980. NAC grew to become a successful telecommunications consulting and network design software firm working with major commercial and government organizations. When we outgrew the mansion in Glen Cove that served as our headquarters, we moved to a brand new office building in Great Neck.

Thanks to my background as scientific researcher, however, I did not spend the decade solely managing a growing company. I was principal

investigator of NAC's contracts with the Defense Advanced Research Projects Agency of the Department of Defense. In that role, I made a number of significant contributions to the development of the ARPANet, the network that developed the technology for what eventually became the Internet. And, as NAC grew, so did my ambitions for the company. Yet, the company seemed to never have enough money or skills to become a "real player" in the Information Technology business. All this changed when I met the Vice Chairman of Continental Telephone (Contel), a \$3 billion independent telephone company that was diversifying into the telecommunications field.

Contel's interest in expansion was all I needed to set NAC's wheels in motion. I created a plan—on paper—to grow NAC into a \$100 million company once we were part of that much larger company, and I sold the plan to Contel! Simultaneously, I persuaded NAC's shareholders to be bought out by Contel. When Contel acquired Network Analysis Corporation in 1980, there was dancing in the streets . . . but not for long. The deal called for my fellow employees and I to convert our NAC shares and stock options into a payout arrangement, the ultimate value of which would be a multiple of our 1985 earnings in the company we would build. Plus, the cost of any capital that Contel might advance us would be deducted from the payout. In effect, we were now gambling on a new venture using chips equaling our ownership of NAC and betting the whole lot on the premise that we could build a profitable business in five years.

For those five years, 1981–1985, I was President and CEO of Contel Information Systems (CIS), the systems integration subsidiary of Contel. And I worked like a dog to make CIS successful. I created CIS by merging NAC with a real-time communications software company acquired in 1981 by me with Contel's money. Like other NAC employees, I owned a minority interest in the new company. So when I sold my interest in CIS to Contel in 1985, it was for a very healthy increase over what had been paid in 1980. Soon after, I decided to leave CIS and Contel; it was time to explore other possibilities. Others, whether they stayed or left, did well also.

After leaving CIS in 1985, I decided it was time to be a consultant again. So, for a year I advised Contel on strategy, acquisitions, and mergers. I also took over the operations of a failing software and time-sharing

company owned by Contel. After cutting costs, I was asked to sell the operations. So I did. I had grown far beyond my days as principal investigator, researching and solving scientific problems; the conversion to businessman was complete and irreversible.

When an executive leaves a company, he normally gets blamed for many problems in the company, even if he had not been around when the problems arose. My reputation, however, moved in the opposite direction. For example, I was credited for recommending strategies that *had* they been implemented, would have led to greater profits. As president of CIS I had proposed that Contel acquire a certain software company. We could have made the acquisition, at the time, for only \$35–40 million. Contel executives declined to act on my proposal, and were astounded when that company was acquired a year later by another telephone company for \$350 million. My credibility went up. My work in successfully divesting the failing software operation also was noted, because it had been losing one million dollars per month. My credibility went up. I was active in several highly visible Contel acquisitions. My credibility went up again. Two years after leaving Contel, and on the strength of my talents for strategic thinking and giving good advice, I was asked to join its board of directors—an appointment I held from 1987 until 1991, when Contel was acquired by GTE.

When I left Contel in 1985, I swore that I would never start another company. Unconvinced, my wife made me put that in writing. My oath lasted less than two years.

In 1987 opportunity beckoned, and I co-founded Network Management Inc. (NMI). For four years I served as its Chairman and Chief Executive Officer, starting with building the company by acquisition from \$0 to over \$50 million per year in revenues in just eighteen months. Unfortunately, the 1990 recession came along, our commercial operations suffered, and I found myself in conflict with our venture capitalist supporters. I wanted to continue to expand, while they wanted to pull back and protect their investments. We both may have been right, but I left the company in early 1991.

Tired of battling resistant Contel managers, I had operated a one-man technical and strategy consultancy, Howard Frank Associates (HFA), during the two-year hiatus between CIS and NMI. From 1985–1987 I

worked with a venture capital fund and with large companies. So, after leaving NMI, I reactivated HFA, and for the next two years, 1991–1993, I served as president of Howard Frank Associates, providing business assistance and merger and acquisitions services. At the start, I was hired to find a buyer for an Atlanta based company. This turned out to be a two-year assignment that provided me with more than enough work. During the first year, I helped the company build a business strategy and a marketing plan and worked with their CFO to put their financials into a form that would survive due diligence by potential acquirers. In the second year, I developed an offering document, found a series of potential buyers, worked with management to develop presentations, and finally sold the company for a significant premium over what had been expected. During those two years I also was tapped to teach a course at the Wharton School.

Starting in 1989 and continuing until 1998, I was a senior fellow of the SEI Center for Advanced Studies in Management at the University of Pennsylvania's Wharton School. So it was not a complete surprise when, for the 1992–1993 school year, I was invited to become Adjunct Professor of Decision Sciences there, so as to develop and teach a course to MBA students titled "Science, Technology, Change, and Entrepreneurship." In 1998, I became a member of the Board of Directors of the SEI Center.

In August 1993, fortuitous events led to my appointment as Special Assistant for Information Technology Infrastructure to the Director of the Defense Advanced Research Projects Agency (DARPA). The arrangement was complex: I was on loan to the government from the University of Pennsylvania and held the position through an assignment under the Interagency Personnel Assignment Act (IPA). In 1994, I was appointed as Director of the Computing Systems Technology Office (CSTO) of DARPA after the director of that office was removed. In 1995, DARPA got a new director, who conducted a complete review of the agency. Soon after, a reorganization was announced and I was asked to become director of a combined office. I became the Director of DARPA's Information Technology Office, where I managed a \$400 million annual budget aimed at advancing the frontiers of information technology.

DARPA's Information Technology Office was created to integrate all of DARPA's long-range information technology research. It contained the activities of CSTO, projects from DARPA's former Software and

Intelligent Systems Office, and projects from DARPA's Defense Sciences Office. Research areas ranged from advanced microsystems and operating system design, to networking systems, to speech understanding and human-computer interaction. During my time at DARPA, I helped launch the Administration's Next Generation Internet Project as well as new programs in ultrascale computing and advanced speech understanding.

I was the founder and from 1994–1996, the first director of the DARPA/DISA Advanced Information Technology Services Joint Program Office. On the first day of my work for DAPRA, I accepted responsibility for solving a difficult technology transition problem. As part of the solution, I conceived, along with officials from the Defense Information Systems Agency (DISA), a new approach to the problem. We would create an office to facilitate the transfer of advanced technology into defense operations through DISA. It would contain DISA personnel and selected DARPA projects, all operating under DARPA's entrepreneurial policies. In effect, the office would be a "halfway house" for technology.

I also helped found and direct a joint technology office between DARPA and the National Security Administration. For the first time in a long time, the two agencies began collaborative research efforts in information technology.

At DARPA I was also co-chair and then chair of the Administration's Technology Policy Working Group, where I played a significant role in national technology policy in such areas as high definition television and adoption of commercial standards for government procurement. I was a member of the Committee on Information, Computing, and Communications of the White House's National Science and Technology Council. In recognition of my accomplishments, I was awarded the Distinguished Service Medal by the Secretary of Defense (the Defense Department's highest civilian honor) for my DARPA contributions.

My four years at DARPA were very successful. Never had I worked so hard and never had I been as influential in important areas. But the work never ended. I would be at my desk by 7:00 a.m. and stumble back home to eat dinner and then go to sleep. No one should live like this indefinitely. So I decided that I would complete my four-year appointment and return to private life. Of course, this was not the whole of it; "private life," in my case, has been somewhat of a misnomer.

Over the course of my career, I have been a member of the board of directors of several corporations, including the Analytic Services Corporation (Anser), Digex, Intek Global, Network General

Corporation, Network Management Inc., and the Contel Corporation. I have been a member of the audit, personnel, and strategy committees of many of these boards. I was a member of the Board of Directors of the Macklin Institute of Montgomery College and served on the boards of the Association for the Advancement of Collegiate Schools of Business International as well as the Mid-Atlantic Association of Colleges of Business Administration, where I was its president from 2001–2002. From 2000–2003 I was Vice Chancellor for the Americas of the International Academy of Management, a global management honorary society. I have also been a member of the AACSB Maintenance Accreditation Committee and chaired or served on the AACSB accreditation teams for a number of business schools. I was a member (2000–2005) of the Federal Advisory Committee of the National Institute of Standards and Technology's Advanced Technology Program.

I have been a member of a number of editorial boards and a featured speaker at many business and professional meetings. I coauthored three books and wrote over 190 articles in trade magazines and professional journals. I am a Fellow of the IEEE and a recipient of the IEEE's Eric Sumner award (1999), and I was elected to the National Academy of Engineering in 2002.

Whew! So about now you're asking: "how did such a tired, and definitely no longer tweedy, guy get talked into returning to academe, full-time? And what sorts of problems would be challenging enough to make him stay?"

CHAPTER 1

Long Range Planning and Fund Raising

Long Range Strategic Goals

The continuing strategy of the school was to provide focus and drive from the dean's office in a constant effort to expand the school along the lines of its strategy. Creating an environment where the vision comes from the top, but bottom-up innovation is encouraged, is perhaps the key to the school's success. There's no way that a single individual, no matter how talented, can build a major academic enterprise.

Top leadership of the school, while outlining a distinct vision, would not micro-manage every aspect of implementing the vision. Providing faculty members and staff with the freedom and resources to define, extend, and implement the vision in their own areas of specialization generated many new ideas. For example, all of the school's new centers and laboratories have been faculty or department-proposed concepts. I was involved in selecting, prioritizing, and finding funding for new initiatives. The process typically proceeded as follows: one (or a few) faculty proposed an initiative. They tested the idea for feasibility with their department chairs and the dean's office. Next, they gained support in their department to make their initiative a part of the department's strategic plan. The department plan was then integrated into the school-wide plan and incorporated into the school's budget and five-year financial forecast.

To illustrate, the school created a behavioral research laboratory, proposed by faculty a year earlier, and the Center for Entrepreneurship closed a \$20 million venture capital fund, first proposed by that Center's director and staff.

As to the future of the Robert H. Smith School of Business, I believe that the school will continue to expand and articulate its vision. The school's status in the national rankings will continue to rise, with the goal of housing a top fifteen MBA program, a top ten undergraduate experience, and a top ten Ph.D. program as measured by a combination of external rankings and criteria such as research, placement, and teaching quality.

At least four of the school's academic departments will be among the top fifteen in research in the country; and overall, the school will rank among the top five in research. The end result will manifest itself in student job placements and salaries at or above those of graduates from Smith's peer institutions. The School will have a dominant regional position in a broad family of programs and activities and will have national recognition through outreach efforts geared towards executive and management development and entrepreneurship. Finally, state-of-the-art physical and technology facilities will continue to add to Smith's attraction and continue to offer the technical capabilities that support the School's agenda.

Raising Money

Deans are expected to spend significant time raising money. The dean is the chief fund-raiser and is expected to be the "closer" for major gifts. In my earlier experiences as CEO for three companies, I had become adept at generating business. I had made many sales of intangible consulting and software projects and had become an effective practitioner of the "consultative" sale, where you find out what a company needs, craft and propose a solution to meet those needs, and then close the sale.

These experiences didn't prepare me fully for the "psychic" sale, where the potential donor has no tangible need to fill. My first major proposal was rather silly. The target was an aging donor who had been a successful real estate developer. I visited him without much preparation. Soon after our initial handshake, he asked me why I was there. I responded, "I would like you to donate \$1.5 million to the business school." To the gentleman's credit, he continued the meeting. He was polite but firm in rejecting the proposal. He asked me to call him in a few months. I did but was asked to call again. After three or four such exchanges, I stopped calling.

My second effort had a different middle game but the same outcome. Again the prospect was a successful real estate developer. This fellow was delighted to see me. He invited me to lunch and we talked about his business and the business school. Lunch was repeated several times until I began talking about a donation to the school. His response was: "What has the university ever done for me?" Even though we developed a very friendly relationship, we never received a dime.

My assistant dean for development told me she had a major contributor ready to make a million dollar gift to the school. To close the deal, both the president and I would have to visit. Unfortunately, he was based in Chicago and we would have to travel there during miserable winter weather. We both made it and spent a very frustrating hour, finally walking away without a commitment. I was both annoyed and embarrassed. It was a waste of my time, but we had dragged the president there too.

I must have closed several small donations because my first semester wasn't all bleak. Then, Bob Smith made his naming gift to the business school and I became a fund-raising hero. This bought me the time to do the right things.

We had to build our development staff. Having a single development person was absurd. Other schools had fifteen, twenty, or even thirty staff. Our tiny operation was an elegant example of the university's myopic vision. Development was a centrally funded and managed operation, with the schools' development officers reporting to the deans on a "dotted line" basis. Within two to three years I expanded the development staff to five people, with the goal of building it to a ten-person organization. I paid for the additional people from business school funds. When we reached ten people, my target became twenty people.

The split reporting arrangements frequently caused stress. My management style was very different than that of the VP for university advancement. I believe in hiring excellent people, paying them well, giving them direction, and then letting them perform. This was not the way university advancement was managed. Consequently I had many arguments about my staffs' salaries. Because I didn't have the final say, my staff was underpaid and had high turnover.

We had to do many things. We had to build a pipeline of prospects. You may need ten prospects to close one deal. We needed clean data

about our alumni. The university couldn't supply this, so we had to generate it ourselves.

You don't just ask people for money. You find ways to engage them in the life of the school. Then, after they are sufficiently committed, you ask them to help in areas that have special meaning to them. Having been students themselves, most potential donors like to help students. Therefore we worked to create an alumni mentor network. The effort took several years, but its result was hundreds of alumni working with students. Many of these made donations to the school.

Significant donations began to take place. I closed several exceeding one million each. I developed the following approach. I would first meet the prospect and tell him what was happening at the Smith School. I might then invite him or her to visit us at the school. After a tour of our facilities, I would introduce the prospect to students and some of our staff. I might ask him to join one of our advisory boards. One of the first questions I was asked was usually, "What do you want from me? Do you want a donation?" My response was nearly always a variation of, "I don't know you well enough to ask you for anything. If I did ask you for money, you might give us some, but it would probably be 'go away' money and not enough."

We raised \$29 million in my first five years as dean. We raised another \$90 million in the next six years.

Mobilizing the Alumni

Strong alumni support for a university and its colleges is critical. Alumni donate money. They help students get jobs. They interview perspective students and recommend the schools' programs. They add to the reputation of the schools. I'd like to say that I found a strong alumni network, but this was hardly the case. What I found was another mess.

My first experience with alumni took place when I was invited to attend an alumni reception in New York. My wife and I decided to spend the weekend in the city. When the taxi dropped us off at the reception's location, we weren't sure we were in the right place. It was in a seedy building in a seedy area of lower Manhattan. The second floor reception area was hardly better. I returned home and sent a critical e-mail to the university's vice president of development, copying our new president, who had

joined us a month earlier. It was clear from the V.P.'s response that he didn't "get it." (A few months later, he was fired. Our new president did get it.)

Alumni relations in the business school were no better. We shared an alumni director with the University Office of Alumni Relations. The director didn't report to me, and there was no budget for the position. With no resources, nothing was being done. Our alumni were never contacted. It was as if once they graduated, they had never existed.

Engagement and integration of the alumni into a powerful support network for the school would be the school's greatest challenge. The university and the business school started late in cultivating alumni. The University's Alumni Association was not founded until 1988. Building an alumni network would be a multi-year process. It would take both marketing and promotion and many additional dollars. I discussed this problem with the new Vice President of Advancement, but I could never get any additional money. I decided that if Smith were to become the powerhouse that I envisioned, we would have to do it ourselves.

We began the process by transforming a rather mediocre newsletter into a full-fledged, handsome magazine. We sent the magazine to every graduate with an address in the university's database. Getting correct addresses was itself a monumental problem because the database was poorly maintained. We also began building an Office of External Relations. Over the course of my tenure, the office grew from one person to more than twenty.

One activity was event management. As our commitment to external relations grew, so did the number of receptions, seminars, lunches, dinners, and other meetings. At the start, the sponsors of the meeting were responsible for organizing and managing administrative aspects such as registration, catering, and facilities management. Some meetings were managed well but others were mismanaged because the sponsors were amateurs. To deal with this problem, I centralized management of important events within the Event Management Group. They did a terrific job with a few dedicated people, and we went from being able to manage meetings with a few dozen people to ones with hundreds of attendees.

Today, 30,000 active members of Smith's alumni association mentor current students through an organized program of professional shadowing and ongoing communication. They participate in an online network

whose goal is to maximize the value of the Smith School experience by enabling students to interact with alums in discussion groups and other networking events. They run leadership programs for our freshmen and participate in the life of the school. The job, however, is not complete. It will be another decade before alumni are fully engaged.

The Foundation

The business school had a private foundation operating as a 501C3 corporation for the benefit of the school. It was managed as an arms-length corporation with a separate board of directors. The foundation was a source of considerable antagonism from the university administration because we were the only school with such an entity. I don't know how or why it originally was established, but because of the university's bureaucracy, it gave the school flexibility that other schools didn't have. It also generated hostility and jealousy because most people thought the foundation had many millions of dollars of assets. It didn't. It had a tiny annual budget, and its principal activities were supporting an MBA student investment fund with about \$800,000 of assets and being the financial agent for our Executive Programs Office.

Before I arrived, the school had infuriated the university by giving small (about \$5,000 each) payments from the foundation to two assistants in the business school, contravening university human resources procedures. I was told this was to compensate them for administrative work for the foundation. In spite of the complaints about the foundation, it was a valuable resource. Because the university's billing and collection procedures were inept, we ran executive education through the foundation. Therefore, the foundation's financial base expanded as our executive education revenues expanded, and it began to accumulate assets.

When the managers of our entrepreneurship center (named the Dingman Center for Entrepreneurship) came to me with a proposal to start a venture capital fund, I was an enthusiastic supporter. The center wrote a proposal to the US Small Business Administration (SBA) for matching funds. The proposal was the highest ranked proposal of the year, and the fund was awarded a \$10 million loan. To secure the loan, the fund would have to raise \$10 million of equity from investors.

The successful proposal had the following differentiating concepts:

- Invest in underprivileged areas,
- Assist companies with marketing, technical, and business issues through student advisors and consulting grants,
- Use MBA and engineering students as program managers,
- Operate within the business school facility,
- Teach a venture capital course to students.

In addition to the \$10 million loan, the fund was awarded a \$3 million matching grant for consulting assistance. Again the fund would have to raise \$3 million to receive the match. The business school foundation was a prospective investor. The foundation board evaluated the proposal and decided to invest \$500,000.

Quite independent of the foundation's investment decision, the university insisted on greater and greater controls over the foundation's activities. They insisted that an individual from the university approve every check that the foundation would write. (Whether or not the university had the legal authority to impose this control was never resolved because the university refused to address the concerns of the foundation's president as expressed in a letter to the president of the university.) As an officer of the university, I was duty bound to follow the university's directions, even though I thought them heavy-handed and misguided.

Even though the foundation board had approved the investment and committed to an initial \$50,000 capital call, the new requirement was a stumbling block because the individual put in charge insisted on answers to a series of questions that I considered outside of his scope. The issue came to a head when the foundation made a \$50,000 wire transfer. We received a scathing e-mail from the vice president of university advancement. I was furious and responded with this letter and e-mail (I've changed names):

Re: Oversight of Robert H. Smith School of Business Foundation

This memo is in response to your January 17, 2003 memo. It's unfortunate that you wrote your memo without calling me first

to discuss the topic because your letter has factual misstatements, serious errors of omission and is personally insulting. We have exhibited complete candor and openness at the regular weekly reviews with Mr. Jack. To state that a serious violation occurred is unfair and irresponsible.

On December 13, 2002, the Smith Foundation received notification of the SBA's final sign-off of the New Markets Growth Fund. As part of this sign-off, all papers were required to be signed and returned to the New Markets Growth Fund no later than December 18, 2002, with the initial capital call due on January 7, 2003. It was during this time that Mr. Jack expressed concern about the investment. The President of the Foundation and another Board member then spoke with Jack. Mr. Jack understood the need to sign the Board approved subscription agreement. Further, Mr. Jack was informed that the Board was also requesting a written legal opinion before the next capital call. On December 23, 2002, the Smith Foundation received notification that the first capital call deadline had been extended to January 10, 2003 due to the holidays. The wire transfer could have been made before December 31st, but was made on January 9, 2003 to best manage the Foundation cash.

The signing of the subscription agreement required the Smith Foundation to meet its financial commitment. If we had not honored the capital call, the \$20,000,000 Venture Capital Fund closing would have been seriously impaired, a very damaging impact on the Business School and the University.

In addressing Mr. Jack's concerns about the Fund, we requested and received verbal assurance from the law firm that the arrangements are in compliance with State conflict rules. We also requested a written opinion to this effect (see attached memo) [not included here]. Mr. Jack received a copy of this memo on January 3rd.

The initial capital commitment of \$50,000 is part of a \$500,000 investment of the Smith Foundation in the New Markets Venture Fund. The Smith Foundation Board reviewed this investment for over one year. Substantial due diligence was conducted on this investment to determine

if it was appropriate for the Foundation in terms of the Foundation's purpose and investment criteria. The Board on March 5, 2002, unanimously approved the investment in the New Market Growth Fund.

Campus has been aware from the outset that this was a project that the Dingman Center was pursuing. At the outset of this activity, Dr. Ronald Spiral and I met with the president to understand his concerns and to make sure that our approach was consistent with University policy. As a matter of fact, the president was present with Senator Sarbanes in May 2002 when the Federal Home Loan Bank Board presented the Dingman Center with a check for \$250,000 for the Fund. At all times, we have conducted our activities with full knowledge of the University and have continuously kept the president and the provost apprised of the progress of the New Markets Venture Fund.

While the Smith Foundation Board may appreciate an outside perspective on the Fund investment, the review and interpretation of the Fund was taken very seriously and with extreme care and fiduciary responsibility over a long period of time. For the Smith Foundation not to honor this financial commitment at this time because of some concerns (a few days prior to closing) from an outsider with limited knowledge and facts would be less than prudent on the part of the Foundation. Further, the issues raised in your letter are not related to the Smith Foundation's investment but rather Business School operations and activities. They go beyond either yours or Mr. Jack's authorities. Also, Mr. Jack is not an officer of the Smith Foundation and has no legal authority to sign checks.

Finally, I find receiving and writing letters like this to be offensive and should I continue to receive them, I will act appropriately.

My letter did not close the issue. I received another from the same vice president.

I am glad to have received your e-mail/letter. I have little doubt that the arrangement between the Smith School Foundation and the New Markets Venture Fund is fair and square, though it is essential for Mr. Jack's questions to be addressed fully. The action that prompted, indeed required, my letter, was the uncontestable fact that, contrary to the explicit understanding between the College Park Foundation and the Smith School Foundation, a disbursement of \$50,000 was made by

the Smith School Foundation without prior review by the College Park Foundation's CFO. There is or there is not prior review. In this instance, there was not. Hence, we needed to take action to ensure that disbursements under the same conditions do not happen again.

I responded with another belligerent e-mail:

You are just outright wrong. Mr. Jack was told that the disbursement was going to be made and that it needed to be made to meet the call notification. His comment was "I understand." If he had disapproved, he should have said so at the time, before the due date so the matter could have been dealt with, if necessary, on appeal to higher authorities.

The president's instruction in his letter of November 7 was that "the change does not unnecessarily impair Smith School operations and programs." To not make this payment would have been a serious blow to the Fund and seriously impaired an important program.

As I indicated in my letter, Mr. Jack's questions do not relate to the Foundation. They relate to the relationship between various parties in the business school and the New Markets Growth Fund. As far as I know, neither Mr. Jack nor you are in charge of the business school or in charge of academic affairs. To step in at the last moment and foul up such an important effort is simply unacceptable. It cannot continue.

Mr. Jack also has no authority to sign Smith Foundation checks and independent of what I might be willing to do, I have no authority to allow him to sign checks. This authority can only be granted by the Foundation's Board of Directors, which is a 501C3 corporation with legal corporate governance requirements.

Finally, this letter/e-mail process is very destructive. When you sent me your surprise letter on Friday, you placed a damaging and unjustified accusation on the record. I was forced to respond to set the record straight. I will not be conducting further correspondence regarding this matter.

We then discussed the issues raised by telephone. But the exchanges were now part of the record, with the provost and president being copied throughout the exchange.

Surrounded by Incompetence

I received the following memo from my senior associate dean:

The Masters Program Office is having a terrible time with the various idiosyncratic billing arrangements with the students. The Bursar's Office is getting everything wrong, bills need to be constantly hand-checked, all 50 bills sent to the Baltimore students were wrong. Another person slipped through with tuition remission despite instructions to the contrary. Students are very frustrated and form poor impressions of the school.

The head of my Masters Program Office sent me a memo summarizing complaints for our students about the University's Financial Aid Office. A few extracts should suffice to give a picture of that office:

"I found out after six months that my application was incomplete because no verification of my citizenship could be found. No one had mentioned this to me."

"Every time I tried to connect to a representative, the voice mail says 'all circuits are busy' and returns me to the menu. After three times, I get a 'Good Bye' message and get disconnected."

"I have recently gone through the process of applying for a student loan. It took me a while to find the right building on campus and the right office. When I reached it, I was given the wrong information and the wrong form."

In another memo, our international students detailed the problems of the International Education Services (IES). They detailed a series of poor policies, including stringent and inflexible requirements, user-unfriendly practices, dictatorial personnel, and excessive response times to student questions.

Every month I would participate in a "Deans' Council" meeting with the provost and all of the deans on campus. We would have periodic complaint sessions. The Procurement Department was the number one

villain. It seemed that no one could get this department to work for them. As an example, I sent the provost the following:

Procurement has turned into a nightmare. Nearly every day I hear about cases that would turn our hair gray (if both of us didn't have that color already.) Today I was told that Procurement is holding up payments to the Washington Post for our Part Time Program advertising because we didn't have sole source justifications and hadn't gone through a competitive procurement for the ads. Something needs to be done to get control of what is now a process out of control. (I also understand that the b-school isn't the only one being driven crazy. I'd be glad to come over to talk to you about this.)

The poor quality and high cost of campus dining was the second most hotly discussed subject. There appeared to be a campus policy mandating that everyone use Dining Services. No one could find anything in writing about this policy, but that didn't matter. Later, I would undertake a project to oust Dining Services as the business school's sole caterer.

The business school had a revenue sharing arrangement with the campus, but I couldn't get my forecasts to agree with the money we were getting from the campus. After complaining vigorously, they conducted an audit and found mistakes in their allocation processes.

I found that we were sending another school money for no understandable reason. When I finally found the right paperwork, it turned out that that other school should have been sending us money. I wrote a memo about my findings to the dean of the other school. In my memo, I pointed out that I wouldn't be sending them any more money, and that they owed us about \$500,000, but I would forgive their debt. That dean complained to the provost, and I had to explain my actions to him. I never heard about the issue again except when the other dean would grumble something about our unfair action.

The university personnel office had many policies that made it more difficult to operate. It seemed that every time any school in the State of Maryland was caught doing something improper, the university added a policy to keep it from happening at our university. For example, because

someone had once falsified their resume, new professors had to present signed resumes before they could be paid. A copy of a signed resume would not suffice. Payments were frequently delayed after a new assistant professor arrived on campus because we didn't have an original signed document.

Multiple copies of expense reimbursements had to be submitted and signed off. Many individuals and every expense required a receipt, no matter how small. The amount of paperwork was immense. The system operated as if everyone were a crook and the paperwork was the only way to keep them from stealing.

The university's controller and finance department insisted that we cast all of our finances in terms of our state budget and that every element of our state budget be balanced. They could not understand that for an operation in which the state budget was less than a third of total expenses, this was not possible. Nonetheless, we were forced to spend weeks recasting financials into meaningless forms.

The following speaks for itself. I received this e-mail from one of my staff. (I've changed names to protect the guilty):

Here's the wire info..... once you read this you'll know why taxes are what they are and why we try not to wire funds.....

The current PO (which expired June 30, 2007) only has \$9K on it, so we're able to process only three invoices. Debra (campus A/P lady) needs to sign off on it and she's out sick, expected back on Friday, when she'll sign off and then send it to Judy (campus wire lady). By next Wednesday, we can ask Judy (campus wire lady) for the transaction information to pass to you for tracking.....

In the meantime, we've asked Brian (campus procurement guy) to increase the expired PO to cover the other invoices. He is out until Monday, but I don't anticipate any problem increasing this PO (since he's been working with us on the new PO.....) once he increases the PO, it will go to Debra (campus A/P lady, who is presuming back from being sick) to sign off and then to Judy (campus wire lady, who hasn't gotten sick from campus A/P lady) to process. Then a few days later we can ask Judy (campus wire

lady who is hopefully still with us) for the transaction information to pass to you for tracking.....

The \$50K for the Business Plan Competition is on Brian's desk (campus Director of Procurement guy). This has now been put on a separate PO, so once Brian (campus Director of Procurement guy) signs off he will give to Debra (campus A/P lady, who was sick, but presuming is now back from being sick and hasn't become sick again because she came back to work too soon) to sign off, then to Judy (campus wire lady who is hopefully still with us, in spite of time passing and hasn't become sick from working with Debra—campus A/P lady) to process. Then a few days later we can ask Judy (campus wire lady who is hopefully still with us, in spite of time passing and hasn't become sick from working with Debra—campus A/P lady) for the transaction information to pass to you for tracking.....

So, if this summary hasn't made sense in terms of a timeline as to when you'll be receiving funds, now you know why we try not to wire funds.....and then try to track and confirm that they actually were processed.....

The university's undergraduate operation worked continuously to subvert the admittance policies that they had approved. The provost would admit unqualified students because he thought we were being too hard on them. Other deans and administrators would complain about our "elitism." We would be constantly pressured to teach more classes to non-business students even though I made it very clear that we didn't have the teaching capacity to do so. We had made an agreement to offer our undergraduate program at another campus at Shady Grove, Maryland. We agreed after the university offered us compensation for each student taught. We received a budget increase and were to get annual payments. The budget increase disappeared the very next year after a budget cut, and I had to fight for each annual payment, some of which never came.

While we were constantly working to keep too many undergraduate students from being admitted, the graduate school took inordinate

amounts of time to admit qualified graduate students to our programs. They proved especially inept when it came to international students and international programs. Here's part of a memo I wrote to the provost complaining about this problem:

The Smith School launched its first track of Executive MBA students in 2003 in Beijing at the University of International Business and Economics. About 60 students were in the first track. The second track, started in 2005, had 38 students and the current track, started in 2006, has less than 15 students. Smith launched an EMBA track in Shanghai in mid-2005 and is recruiting for another track in Shanghai. The school has not been able to enroll more than 20 students in Shanghai for its program despite the continued success of its major competitors.

Admission cycles and TOEFL requirements have been major elements in the diminishing number of students. Flexibility in TOEFL requirements as well as MEI administered testing in China initially facilitated admissions. This is no longer the case. However, competitors such as the University of Southern California and INSEAD are able to admit students "on-the-spot" in China based on their academic records and oral interviews. It takes the Smith School 6–9 months to go through the University of Maryland's admissions process.

The school had a similar experience in Tunisia, where it began an Executive MS program in 2006. The school had more than 30 appropriate applicants but the Graduate School admitted fewer than twenty students. Many of these applications took 6–9 months to process.

Everywhere, in every place, we were surrounded by incompetence. There were some energetic, competent university staff, but the majority were lazy, unimaginative, and without initiative. When faced with an aggressive business school that would not accept the status quo, they were hostile and negative. We became the bad guys, and few outsiders had anything nice to say about my staff or me.

Campus Competition

The campus had a strange arrangement of its educational offerings. Courses offered during the summer and during the one-month “winter-mester” between the fall and spring semesters were under a completely different management structure. They reported to a dean of continuing education. That office was also attempting to sell programs to corporate and government organizations.

The financial arrangements with this office were very one sided. Only about 20% of the profits were returned to the school teaching the courses. On observing this, I decided that the business school would not use precious faculty resources for 20% of the profit when we could teach courses off campus for 100% of the profits. Each year our summer school revenues decreased. One day, I received the following offensive e-mail from the provost in response to one of my continuing requests for more money:

Your students are done a disservice by the failure of the Business School to offer summer courses, and this lack of offerings also negatively impacts our undergraduate retention and graduation rates. You complain about lack of campus support, which is certainly debatable, but you refuse to take advantage of one of the largest revenue sources used by the colleges. Departments like computer science, for example, use adjunct faculty to teach their lower level summer school courses and they make out like a bandit.

I responded:

In other words, we should work harder to retain a benefit that we already have?

I do not have additional faculty to teach summer courses. We are stretched very thinly across our multiple part time MBA programs and these revenues are the only difference between total mediocrity and us.

How about giving us a more equitable base budget in line with the total number of credit hours we teach? (Sorry to put it so bluntly but I am becoming totally fed up with what I consider the inequitable treatment of the business school.)

And then sent him another e-mail to follow up.

I just noticed that in your e-mail, you refer to retention and graduation rates and that the business school is negatively impacting the university's rates. The data I have shows us with rates substantially exceeding the university's averages for four, five and six year graduation rates. Also, as you may know, we make every effort to provide sufficient course coverage to allow our students to graduate without taking summer courses. Finally, I've been led to believe that our retention and graduation rates are among the highest of all of the colleges so I'm wondering if your remark is more than just an offhand comment.

There was no response to my e-mails, but I subsequently learned that the provost received about 50% of the profits from summer school courses, so he had a built in incentive to get schools to teach in these programs. It must have really annoyed him that I was a profit-oriented manager and wouldn't play his game.

To make matters worse, the continuing education office was attempting to sell business education programs to corporations without our knowledge. They would recruit our faculty and pay them a stipend to teach in their programs in direct competition with us. We found that they were advertising completed projects on their website that actually had been done by the Smith School. At one point, they attempted to bid an executive business degree to a government agency. Fortunately, the provost caught this (he wasn't all bad) and sent it to me. I vetoed the proposal. I put a stop to this practice by prohibiting our faculty from teaching in their programs. Of course, I made another dean an enemy in the process. Later, the office was reorganized and their efforts to compete with other schools ceased.

A Fun Project

One of my favorite activities was working with Bob Smith. He was the school's true benefactor and I began calling him Saint Bob. He would visit the school every month or two to meet with me and to have lunch with a group of students, faculty, or staff. I would structure these lunches

so that Bob would get in-depth briefings about one aspect of the school's activities. Lunches included meetings with endowed professors, new hires, assistant professors, PhD students, MBA students, undergraduate honors students, and the staffs of our various academic and administrative departments and centers. Each briefing would include a discussion of the group's current activities and strategic goals. Bob would conclude each lunch with a powerful statement of his support for the school. He would always ask me "How can I help?" I always had an answer.

After one lunch, we walked through the original Van Munching Hall, and I pointed out areas that had become shabby when compared to the new South Wing. Bob asked me to put together a plan to fix this.

A month later, we again walked through Van Munching Hall, this time with a list of refurbishments and changes. Back in my office, I gave him a list of the cost of the changes, totaling about \$2 million. The changes included elements like upgrading the technology in all original classrooms, upgrading lighting, new carpets and ceiling tiles, and painting the building. After each item on the list, Bob would volunteer to pay about one half of the cost, I would match his offer, and we would stand up and shake hands. By the end of the meeting, Bob had volunteered about \$1 million and I had matched it with another \$1 million, all at no cost to the university, which is responsible for facility management and maintenance. It was a fun day.

Thinking that I might offset part of the school's \$1 million commitment, I submitted a proposal for classroom upgrades to the university. It was rejected.

We proceeded with the refurbishment. Each month, Bob and I would walk through the building and review the changes in progress. Six months later, we had completed the project at no cost to the university. It was another of the many examples where we had attempted to enlist the university's help, were turned down, and moved ahead on our own.

More Fun Stuff

Being dean was a heady experience. A large sign, "Welcome Dean Howard Frank," greeted me on entering Van Munching Hall on the first day of my deanship. My wife and I watched a football game from the President's

Suite at the football stadium. The announcer broadcasted the same “Welcome Dean Howard Frank” message to the stadium. I was treated with deep respect wherever I went in the university.

I loved talking to students. I remember meeting with a group of students from our honors program. Our goal was to discuss ways to improve the program to make it more attractive to students. When they walked out of my office an hour later, I was elated. “I only wish,” I said, “I could have as intelligent a conversation with my own children.” It was at that moment that I decided I would stay as dean beyond my original five year commitment.

I am a sports fan. Maryland had a fine basketball team whose coach was a business school alumnus. (We won the national NCAA championship in 2002.) I invited him to be a guest at many of our alumni receptions, and one year he was keynote speaker at our graduation ceremonies. I reciprocated by attending numerous basketball games. The atmosphere was electric, the games were fine, and our guests were loyal supporters.

The university’s athletic director sent me a chair from the floor of the Final Four in the year we won the NCAA basketball championship. I kept the chair in the most visible spot in the dean’s office and would proudly point it out to new visitors.

We had a new football coach who turned around a mediocre team in his first year as coach. I met him several times and volunteered to assist in recruiting. By accident we met on a plane going from Washington to New York and spent an hour talking about his educational philosophy. This convinced me that he was genuinely interested in academics, and as a result, my associate dean and I crafted a plan to make the business school more receptive to student athletes. As I would say many times, “business and athletics are very much alike. You have to know how to pick yourself off the ground and get back into play. Student athletes who can complete our academic programs will make great business people.”

The coach invited me to be on the sidelines during home football games. It’s a fun but hard way to watch a game. You have to run up and down the sidelines to see plays, always taking care to not be run over by a fast moving TV camera vehicle. By halftime, I was exhausted and went

home. (The fact that we were being annihilated on the field and it was pouring had something to do with my early exit.)

My wife and I also traveled with the team to North Carolina State, where our team pulled the game out in the last minutes of play. Neither of us (or any of the other Marylanders at the game) could speak after the game because we had cheered so loudly when we won. I was great fun and a reward for being dean.

The many parties, performances, banquets, dinners, and celebrations were entertaining. There were nice people, reasonable food, and good entertainment. At the beginning I attended every event because I wanted to demonstrate that I was involved in the life of the university. Individually, each was fun, but cumulatively they started to become a drag.

My favorite times of the year were the Smith School graduation ceremonies at the end of the fall and spring semesters. Twice a year, my senior staff and academic department directors would meet for a brief lunch at the basketball arena. We would then parade into the arena to the applause of our graduating students and their parents, relatives, and friends and parade onto a large stage. I would preside over the assembly. I would first welcome the crowd and then introduce undergraduate and MBA speakers. Next would come our commencement speaker, usually a prominent alum who would give a five to fifteen minute talk.

In my first semester as dean, I was the commencement speaker, and in my last semester, Bob Smith was the speaker. Ordinarily, Bob did not like to give graduation talks. "What can I say that is original?" he would ask. He did this one because it was my last. After the speaker would come the granting of the degrees. Students would march to the stage, where I would shake their hands and hand them a ceremonial scroll. We had nearly 1,000 graduates in the spring, so I would shake a lot of hands. At the end, I would give a short speech, close the ceremony, and the graduation stage party would march out.

I loved the ritual. The excitement of the group was tangible. My hand would be sore from shaking all those hands, but my spirits would be soaring. Better yet, the ceremonies would mark the end of the semester and the vacation time to follow.

Friends of the Library

I love books and have a major collection of science fiction and fantasy first editions. I mentioned this to the Dean of Libraries and gave him a personal tour through my collection when he visited my house for a Halloween party. A few months later, he asked my wife and me to join the board of directors of “Friends of the Library,” a volunteer group organized to support the library.

We were delighted to do so. Other members of the board included several prominent book dealers, collectors, and library staff. Since the board met at members’ homes as well as at the library, we offered to host a board meeting at our house, to the enjoyment of everyone attending.

When asked to become the chairman of the board, I accepted without delay. Being board chair was not a big deal. It meant running the board meetings, being a guest speaker at a few events, such as the annual library gala, and being present or speaking at some library functions. I was a reasonable but not great board chair. My primary allegiance was to the business school, and I couldn’t devote much time to library fund raising.

One day, without notice, the entire organization disappeared. We were no longer notified of meetings (if there were any), there were no more friends-sponsored events, and no one told us about any changes. The organization was there one moment and gone the next. It was very strange, but as I was discovering, not uncharacteristic of university life—but I still wonder why no one told me of changes to come.

We Invade the World— Part 1: Beijing

It started simply. We received a letter from the supposed representative of a distinguished Chinese university. The letter asked if we would like to explore a possible association with that institution.

It doesn’t take a great intellect to know that business is global and that a leading business school should also have global connections. So, a few months later two of my associate deans departed for China to meet the representative and to visit the interested school.

When they returned, their trip report was disappointing. The targeted university knew nothing about us and the supposed agent was not their

representative. But all was not bleak. They had met administrators from another well-known university. These people did want to start a relationship.

A plan and partnership emerged over the next year. We, Smith, would teach an Executive MBA program in Beijing. We would send a faculty member to China every month to teach a single course. Under this schedule, a student could complete the EMBA in eighteen months.

We would share revenues on a 50/50 basis. The Chinese school would be responsible for marketing and administration. We would be responsible for the curriculum and for teaching. The University of Maryland EMBA degree would be issued to students completing the program. Maryland admission criteria would be used to admit students.

Our president signed a Memorandum of Understanding, and the Chinese submitted the proposal for approval by the Chinese Ministry of Education. The proposal was approved, and we began operations. Our problems also began.

We sent people to China. We also needed to hire support people in China and pay salaries. It turned out that the university was incapable of sending a money wire transfer to Beijing. Admission applications didn't get approved. The graduate school didn't recognize many Chinese undergraduate universities, so graduates of these universities didn't meet Maryland standards. All students needed to pass English language proficiency tests. Only approved Maryland testers could test Chinese students, and these tests had to be administered in person. (Video conferencing was not acceptable!) We had to fly the testers to China, slowing down the testing process, delaying admittance, and increasing our costs.

In spite of these problems, we enrolled a first class of about sixty students. Cultural problems with our Chinese partners emerged. Chinese professors occasionally served as adjuncts for our courses when the topics included Chinese economics and markets. We were accustomed to getting student feedback about teaching quality via a course rating system. When attempting to ask our students to rate their Chinese instructors, the Chinese dean was violently opposed. "Chinese students do not rate their instructors," he told me. When we proceeded with the ratings anyway, the dean fired the individual administering the rating system. He told me "if I find out that she is put on the Maryland payroll, things will go badly for you."

Other problems emerged. Students were being rejected by Maryland that the Chinese considered excellent. It was taking too long to accept qualified students. Competition in Beijing was taking students away. A student could apply to another respected EMBA program, such as one offered by the University of Southern California, and could be interviewed in a day and accepted on the spot. We could not compete.

The second group of students enrolled in our program. Although there were fewer than forty individuals, we decided to increase our activities in China. We would hire our own people, assume responsibility for marketing and promotion, open a physical office, and expand in China. Boy, were we dumb!

We Invade the World—Part 2: Shanghai

We would open our own offices in Beijing and also expand our program to Shanghai. This meant that we would need staff in both cities. Rather than go it alone in Shanghai, we decided to partner with a China-based operation, the Maryland Center for China, which also represented the State of Maryland in the State's efforts to build trade between China and Maryland. We would locate our Shanghai office on their premises. In effect, they would be our general contractor, marketing the school, meeting with potential students, and handling our cash flow. (We were not licensed to send money out of China.)

Meanwhile, relations with our Beijing partner deteriorated. Their payments to us slowed. They constantly reminded us that we could only do business in China with their participation since that was our authorization from the Ministry of Education. Student recruiting of the third track had less than twenty students. We delayed the track for two months and then kicked it off in parallel with our first track in Shanghai.

We weren't entirely insane in launching our Shanghai program. Our largest expense was in sending faculty to China. With two programs, a professor could go to Beijing, teach a course, and then fly to Shanghai and teach the same course. Our net travel costs per course would therefore be lower since we would share the cost of international business class airfare across two courses.

The Maryland Center quickly discovered the inability of the university's graduate school to admit students. This problem, never corrected in spite of all of our efforts, would prove the ultimate demise of our international efforts.

We Invade the World—Part 3: Tunisia and Zurich

Smith was becoming recognized as an up and coming business school. We were promoting our international efforts and soon began receiving letters from many non-US schools proposing partnerships. Two that we pursued were a new school in Tunisia and an established operation in Zurich.

The Tunisia proposition was straightforward. We would offer an MS in Information Systems. They would market and recruit students using Maryland graduate student requirements. We would teach the classes and award the Maryland degree.

The partnership failed. We couldn't get enough students admitted for it to be financially viable. Along with the slowness of the graduate school in admitting students, a new problem emerged. Maryland does not recognize a three-year undergraduate degree. Unfortunately, many European schools are on a three-year schedule. Such students were automatically rejected.

We ran one track of the Tunisia MS. I then cancelled the program in spite of the rather lofty projections of some of my staff. I never did understand why Tunisia was strategic to the school, and since it wasn't, I was unwilling to continue to invest money in what might eventually become a marginal operation.

Zurich was very different. Its business school, a private commercial business, had been operating for some time. It had a variety of partners but had recently ended a partnership with a US school and was looking for a new one. They made the following proposal. Courses would be offered in both Zurich and the US. Zurich would recruit students, we would offer a dual degree (Maryland and Zurich) for completion of a combined program. Our faculty would teach courses in Zurich and at Maryland. This seemed like an excellent idea. We would be paid on a per student basis and our expenses would be reimbursed. The partnership would give us a base in an excellent location and would extend our reach.

We also envisioned that students from Zurich and the US could take courses in China, thus creating a global footprint for Smith.

It turned out that the University of Maryland did not believe in dual degrees, even though I showed them examples of dual degrees being offered by the world's best universities. We revised the approach to offer two degrees based on completing the requirements of a Zurich degree and a Smith degree. We executed a Memorandum of Understanding and launched the program.

All sorts of problems emerged. Swiss students were taking classes before they had been admitted to the program by the Maryland graduate school. Students were being told by Zurich that they were admitted to the program even though our graduate school had not processed their applications. The graduate school was rejecting students because graduate school personnel didn't understand the Swiss educational system. The Zurich people didn't understand the Smith education requirements and refused to respond to our demands that they adjust the program to meet our requirements. The same delays experienced in China and Tunisia were again taking place. This time, however, the problems were even more serious because there were numerous applications and not enough graduate school staff to process them.

A bitter battle over the contents of a course being taught in Zurich in German but used as part of the Smith degree emerged. We were adamant that the course must be taught in English and also meet our academic specifications. They ignored us. After the Swiss dean suggested that we cover up the fact that the course was being taught in German, I concluded that the partnership was impossible. I sent the Zurich school a letter terminating our agreement in accordance with its terms. Zurich stopped paying our bills and sent us a letter claiming that they had been damaged by us. We negotiated for months with no overall resolution. In the end, we followed the terms of the original agreement until the agreement expired. When the end date was reached, the program was discontinued.

About the same time, having graduated all of the students enrolled in our China programs, we ceased program activities there. We had invaded the world, experienced the euphoria of early success, become frustrated by our inability to serve an international base, and had finally decided to retreat to our own home shores.

Strategic Planning Retreats

Each November, the top 30–35 faculty and staff would retreat for a strategy session to discuss topics vital to the success of the strategic plan. We would form study groups in September to address key topics, discuss their findings at the retreat, and assign follow-on activities requiring more study.

I managed this process, created the agenda, and picked the study teams. Each retreat began with a set of “Axioms” (directions that were to be accepted as gospel without debate).

Axioms for the Retreat

Growth

Pursue the goals of regional dominance, and national and international prominence through growth. Growth in:

- Programs (size, number, scope, and reputation)
- Faculty (number and depth in each academic discipline— increase the “bench”)
- Facility (annex, technology, and physical improvements to original wing AND off-campus sites)
- External relationships (number and quality by region and industry for alumni, corporate partners, other departments on campus)

Change

Understand the competition in the marketplace and the changes necessitated by its dynamics. We must responsibly but aggressively challenge convention in our programs, curriculum, and views of business education to maintain a proactive approach to change.

- Importance of effecting change through pilot projects and experimentation

- Continually assess the extent to which our products and processes meet our needs, goals, and market expectations

Thought Leadership/Research Excellence

Pursue excellence in the generation and dissemination of knowledge, in keeping with the campus goal of becoming a top research institution. We must leverage the central tenet of research prominence in both traditional and novel ways to enhance all facets of our programs and outreach.

- Importance of aiming at the best and most competitive research outlets and forums
- Increased emphasis on potential impact of the research themes
- The need for integrating the expertise of and research accomplishments of our faculty with marketing the Smith brand
- Importance of leveraging cutting-edge research for enhancing our curriculum
- The use of Centers as enablers of the research mission and contributors to an intellectual climate that is unique to the Smith School

Integration of Technology

Integrate technology in innovative and boundary-expanding ways to deliver on the expectations created by the branding campaign. We must assume a visible leadership role in using technology to push conventional boundaries and to prepare students for the challenges of technology change and adoption.

- Use of technology broadly across the curriculum
- Gain respect for reliable and consistent delivery
- Create a playpen for prototypes and experimentation
- Continue to enrich the technology-curriculum link
- Expand partnership with technology firms as both clients and suppliers

Innovation and Entrepreneurship

Create, foster, and sustain a climate for innovation and entrepreneurship.

- Importance of a structure and established expectation to innovate in curriculum, programs, outreach, technological tools, and applications
- Continue to generate new product or process concepts

Linkages and Teamwork

Constantly explore and seek mutually enhancing relationships among various units or operations of the Smith School in such a way as to enhance the overall intellectual capital and asset base of the Smith School

- Create internal and external processes for sharing and communication
- Build new partnerships in pursuit of entrepreneurial goals

Each retreat would open more questions than were resolved. Here are some questions from one early retreat.

- Should we begin to gather school wide metrics such as citations, editorial boards, editors and associate editors, etc.?
- Should our promotion program give more emphasis towards corporations and executives? If so, what should we reduce?
- Is there enough faculty research funding for major research projects? Should these projects be funded by external contracts and grants or should the school fund some of these? If the school, how much and what process should be used for awards to faculty?
- Is there sufficient emphasis in the annual faculty merit review on impact rather than number counting for publications? How can high-impact books and articles aimed at disseminating research to a broad business/practitioner audience be better recognized?

- What requirements for PhD students can be reduced to give students more time for research and publishing?
- Can we distinguish halo/brand from quality in competitors?
- What research culture/product are we turning out?
- Should we have a specific target (e.g., 10%) for PhD student placement in top institutions?
- Should we create a composite b-school ranking (from the major publications) for specific Smith school quality targets?
- What is the ideal student candidate profile? How can we integrate this ideal profile into the selection process?
- Should we create specific teams of undergraduate students (e.g., an IT Corps) to help departments and faculty transition towards e-Smith?
- How shall we integrate our research center and executive education plans to take our intellectual property to market?
- What part of our courses should be on the web (more than just syllabi)? Should there be a plan of what we are going to do, by when, and why?
- What should be the plan for faculty mentorship of our undergraduate Freshman Scholars Program?
- How do we package our cross-functional research accomplishments to leverage our promotion and reputation-building activities?
- What cross-functional themes should we promote at the school (rather than department) level?
- What mechanisms are there to pool resources to support cross-functional research?
- How do we coordinate our cross-functional concentrations? Should there be lead departments, centers, or faculty?
- What academic purpose do the concentrations serve?
- How do we reduce and rationalize our concentrations and elective offerings?
- What electives and concentrations should we support at our various locations?
- What is the impact of our cross-functional concentrations on placement?

- What is the relationship between our centers and the curriculum offerings and how do we package these for maximum advantage?
- How do we define the Smith brand?
- What is the marketing strategy to build the Smith brand?
- What are the top 50 corporate prospects for sources of capital?
- How shall we integrate our research center and executive education plans to take our intellectual property to market?
- How do we package our cross-functional research accomplishments to leverage our promotion and reputation-building activities?

Study teams would address many of these questions during the school year, and others would be the subjects of future retreats.

I decided we should devote one retreat to benchmark the Smith School against our competitors. We would study the best five to seven business schools whose quality we believed we could meet or exceed. To choose the benchmark schools, I asked each of our department chairs to identify our ten top competitors. Our senior administrators took the same challenge. I then chose seven schools that were on both top ten lists.

Every program would analyze each of the competitor's programs. Our undergraduate office would analyze their undergraduate offices; our graduate program offices would analyze theirs; and each academic department would examine the other's academic departments. We would also examine their finance and administrative efforts, their promotion activities, their career centers, and their IT operations. The study groups would report their findings at the retreat and recommend improvements to our programs gleaned from our competitors.

The schools we benchmarked included USC, Carnegie Mellon, North Carolina at Chapel Hill, NYU, and the University of California at Berkeley.

CHAPTER 2

For Our Good

The Smith Fellows Program

Many insights emerged from the retreat. One, in particular, produced a transformational concept for our undergraduate program. We concluded that the University of North Carolina at Chapel Hill (UNC) and NYU had superior undergraduate programs. North Carolina had far fewer students (a total of about 550) and NYU funded its undergraduate activities at levels far beyond Smith's. Both schools, therefore, could provide many more resources to their undergraduate student than we could.

Rather than accept the current reality as a long-term limitation, I decided to create an entirely new concept for our program. We couldn't reduce our student body to North Carolina's size. We were nearly four times larger. However, our scale had a strategic advantage: UNC had smart students. We had smart students but many more!

We could probably never equal NYU's financial capabilities, but we were proving that we could raise a lot of money. In the next few years, we could target our funds raising efforts to the undergraduate program.

Money could give us the ability to build a large number of improvements and options for our students. We would create a "Smith Fellows Program," where every student at Smith could get a special experience. Each student would be invited to join one or two tracks of thirty to thirty-five students to study a special area. There would be as many as thirty tracks. For example, thirty students would be paid \$5,000 per year to work as research assistants for faculty members. Another group would be given specialized training in the use of financial software. A third, smaller group, would manage an investment fund under the guidance of a faculty member.

In essence, we would be building a number of small colleges with the Smith School. Our size would allow students to have many options throughout their academic careers, and we could offer a far superior set of options to those of any small school.

I committed the school to the new program. Being an optimist, I requested assistance from the university. After all, this was a major educational advance, in line with the university's strategic goals. We crafted a plan and sent it as a proposal to the university. Here is what we proposed.

The Smith Fellows Program

Competition for the best and brightest students among top-ranked business schools is extremely high. The Robert H. Smith School undergraduate program has achieved excellence but needs to expand its range of distinctive and quality programs in order to move from excellence to greatness. Special programs currently offered by the Smith School, such as Quest and Business Honors, reach only a small fraction of the highly talented freshman class entering each year. *The goal of the Smith Fellows Program is to provide a special program for **all of our directly admitted freshmen and sophomores** and then to offer these students, as well as **all UMCP internal and external transfer students**, special programs during the Junior and Senior years.* The Smith Undergraduate Program is currently ranked #20 by *U.S. News and World Reports*. Our objective for the program is to be among the top 10 undergraduate programs in the United States.

In his September 13, 2004 address to the University, "Taking Stock: State of the University," the President stated:

"I strongly believe that every student should have the opportunity for a special program experience. We're not quite there yet, but we'll be there soon . . .

My personal view is that international experience should be a high priority for all our students. In 2004 one cannot be fully educated without an understanding of the values and circumstances of

other cultures that can only be acquired through first hand experience. There is no replacing being there.”

The Smith Fellows program will begin in the freshman year with the Smith Freshman/Sophomore Fellows Program during the Academic Year 2006/07. *All freshmen* directly admitted to the Smith undergraduate program (approximately 300 per year) will be included. These students will participate as a cohort in a broad range of academic and co-curricular activities that will enrich their education and create a strong bond of community among the members of the class. During AY 2005/06, courses will be redesigned and a variety of aspects of the new Fellows Program will be tested.

The Freshman Fellows will be introduced early in their academic careers to the distinctive features of Smith School’s approach to business education and research. Students will gain an appreciation of cutting-edge research and development in the rapidly converging business and technology fields. This will link directly to the vision of the university as the leading research university in the region. Going beyond the traditional research apprenticeship model of faculty-student interactions, shared experiences will be designed to bring faculty and students together, so that students can be exposed to the principles and values of scholarly research, and the role of faculty in translating their research findings into business practice. In this way, the notion of research is demonstrated within the business environment and students will appreciate why business practice is both the source and beneficiary of research conducted by the top business schools. The experiential components of this key theme will range from single events to year-long projects (examples listed below include film series and field trips that highlight faculty-student shared experiences.) Further, a significant number of students will be given the opportunity to gain international experience in keeping with the President’s objectives.

As part of the Freshman/Sophomore Fellows Program, the Smith School will redesign its current academic program, expand undergraduate advising, and develop a group of co-curricular activities such as summer orientation, film series, field trips, monthly socials, an emerging leaders

retreat, service projects, special career training and events and international study trips. The introductory BMGT 110 course will be revamped completely and will include two new core topics: Business ethics and the impact of technology on business practices. In this way, the Smith School will place additional emphasis on two themes in which it continues to pursue a leadership role.

During the sophomore year, the Smith Fellows will be introduced to the *Junior/Senior Fellows Program* with the goal that all students will have the opportunity to participate in one or more special opportunities for which they are qualified. The goal of the Junior/Senior Year Fellows Program is to offer all students at least one special experience. To achieve this goal, existing programs will be expanded or modified and new programs and initiatives will be launched. These include:

- Doubling the size of the Smith School Honors Program.
- Moving from its current experimental stage to full-scale implementation of the Smith Technology Scholars Program.
- Initiating a Smith Faculty Research Fellows Initiative.
- Completing the revision of the General Business Major and implementing an Entrepreneurship Track within it.
- Introducing a Smith Six Sigma Fellows Program.
- Moving from ad hoc international field trips to a full scale International Fellows Program, possibly in conjunction with the current revision of the International Business Major.
- Continuing and expanding the Smith Talent Acquisition and Referral System (STARS) for mentoring and recruiting minority high school students.
- Creating focused special experiences in each of our academic departments, laboratories and research centers.
- Creating a unique Junior/Senior Transfer Student Honors Program with honors level courses and scholarship support.

Requirements and Financial Support Needed

The creation and full-scale implementation of the Smith Fellow Program will require substantial resources. We propose to fund the majority of the costs of the program from the Smith School's operating budgets and development activities. We are requesting university support in two areas: 1) the hiring of two faculty in AY 2006 and an additional two faculty in AY 2007 and 2) the hiring of one undergraduate advisor in each of AY 2006 and AY 2007. This would require base budget increases of approximately \$300,000 in each of AY 2006 and AY 2007.

Freshman/Sophomore Fellows Program

1. Tenure Track Faculty (2) for Freshman/Sophomore Program: \$250,000
2. Academic Advisor (1): \$50,000
3. Faculty Director Overload: \$25,000
4. Travel funds for student trips: \$50,000 per year.
5. Additional Scholarship Support for DirectAdmits: AY '07: \$100,000; AY '08: \$200,000; AY '09: \$300,000; Long Term: \$1,000,000 per year.

Junior/Senior Fellows Program

1. Tenure Track Faculty for Expanded Honors and Entrepreneurship Programs (2): \$250,000
2. Funding for Smith Technology Scholars Initiative: \$125,000 per year for student support; \$250,000 per year for staff; \$125,000 per year for technology and data support.
3. Funding for 50 students for Smith Research Initiative@ \$5,000/ student: \$250,000 per year
4. Additional Academic Advisor: \$50,000
5. Travel funds for the Smith International Scholars Program: \$50,000 per year.
6. Staff member for STARS program: \$50,000
7. Scholarship Funds for the Transfer Student Honors Program: \$100,000 per year.

Smith Fellows Program Financial Requirements

Area	2006	2007	2008	2009	Goal
School	125,000	750,000	750,000	750,000	750,000
University (Base Budget)	2 Faculty + 1 Advisor \$300,000	2 Faculty + 1 Advisor \$300,000			
Annual Contributions	350,000	250,000	250,000	250,000	100,000
Scholarship Endowment + Operating Funds					20,000,000

**Appendix: Details of the Freshman/
Sophomore Fellows Program**

1. *Eligibility:* All students directly admitted to the Robert H. Smith of Business as freshmen will be designated as Smith Fellows.
2. *Academic Program:* All courses “F”-version, restricted to BMGT – 14 cr.
 - a. BMGT 110F (or BMGT 101F) – Keystone – 3 credits – 1st semester
 - i. Course review and revision to include information systems, logistics and supply chain management and incorporating experiential learning opportunities and field trips. An innovative approach to business ethics and the role of business within society will also be incorporated.
 - ii. Ideally, 4 sections @ 60 students/section plus one CPS/BSE section @ 80 (serving 40–60 BMGT majors) to cover the cohort.
 - iii. Fridays – schedule 2-hour “discussion” sections staffed by graduate assistants.
 - b. UNIV 100F (or BMGT 100F) – Home room – 1 credit – 1st semester
 - i. Staffed by undergraduate advisors, with registration corresponding to advising assignments plus concurrent with BMGT 110 section.

- ii. Four 2-hour sessions/semester to address UNIV 100 issues plus registration/advising with remaining time dedicated to review sessions and to co-curricular activities.
 - iii. Scheduled time facilitates joint activities, field trips etc.
 - iv. Enrollment would be for all business students (optional for BMGT majors in College Park Scholars or University Honors because students in CPS and University Honors enroll in another UNIV 100.)
- c. BMGT 367F – I credit – Ideally 5 sections of 60
- i. Offered to Smith Fellows in 2nd semester of the sophomore year, with special career programming such as etiquette program, communications and job skills training.
3. Special co-curricular programming:
- a. Develop two-day summer orientation program, with special programming on second day, and kick-off full program day ending with the Freshman Convocation in 1st week of the semester
 - b. Develop special co-curricular program opportunities, such as:
 - i. Film Series – associated with UNIV 110/BMGT 110. Hold receptions following with faculty commentators. The Smith School Gateway Club (a group of 30–50 undergraduate students) would be involved in these activities.
 - ii. Field Trips:
 - 1. DC Culture Vultures – Smithsonian: Sackler-Freer & National Art Galleries; get a docent, 1st semester
 - 2. Service project – end of spring 2nd semester
 - 3. New York field trip – perhaps multiple destinations: stock exchange, museums/art galleries, advertising agencies—given programming opportunities – 3rd semester
 - 4. Special career event – Etiquette dinner plus – networking reception – 4th semester
 - 5. Monthly socials – Hosted by Gateway Club
 - iii. Freshman Emerging Leaders Retreat – 2nd semester (good basis for service event end of term)
 - iv. Speaker Series
 - v. International Study Trip(s) for course credit

We didn't expect to get much support from the university. I'm not even sure anyone at the university level read the proposal. So when no money came, we launched the program using our own funds. The launch took two years. By the third year, the program was in full operation with close to twenty-five tracks in the Junior and Senior years.

The Smith Fellows Program appears to be a revolutionary new concept in undergraduate business education. Our students love it. And our faculty loves the program too. This program will take the undergraduate program to greatness.

I, personally, was committed to the program. I had been planning to complete my second 5-year appointment as dean and then step down from the deanship to join the faculty. Ten years as dean was more than enough. But as the Fellows Program emerged, I decided that it needed a committed dean to guide it through its initial years. Therefore, I told the provost that I would like to extend my appointment for another 5-year term (even though I intended to serve only two additional years.) This meant that I would have another 5-year review.

CHAPTER 3

The Business School Within the Context of The University

Breaking the Campus Catering Monopoly

Many universities have outsourced their food services operations to commercial suppliers. Maryland has not. It operates a campus catering business. The food is poor but expensive. Their staff is slow and inefficient.

Because my usual lunch fare was a tuna fish sandwich eaten at my desk, I was unaware of the poor but expensive food until I heard deans complaining at our monthly deans meeting. I became more aware after we contracted with them to install and operate a lunchroom in the South Wing Addition to Van Munching Hall. The addition was completed on schedule, but eight months later, the lunchroom had not yet opened. I decided that I needed to rid us of the campus operation.

I asked my associate dean to send the following memo:

To Director of Dining Services

According to the Memorandum of Understanding entered into between the Department of Dining Services and the Robert H. Smith School of Business last spring, the Facility was to be opened on “. . . approximately July 1, 2002.” The Facility includes that area referred to as “Rudy’s Café” in room 1517.

Eight months have expired since the promised time for opening the facility. We have made numerous verbal and written requests of you and ACE as to the time when the facility will be opened. We still have no idea when the facility will open. The delay is

having a negative impact on the School. I remind you that we are paying for much of the financing of this space, which is not yet operational.

This is to notify you that unless the Facility, and in particular Rudy's Café, is fully operational by March 31, 2003, we will consider Dining Services to be in material breach of our agreement and will proceed to take advantage of other options for use of the space as a dining facility.

The Café, along with an "Executive Dining Room" opened a few months later. Students and faculty used the Café while the Executive Dining Room was used to provide catered lunches and dinners for our EMBA program and for special events. The situation might have remained that way for years had not Dining Services been so poor. We would ask them to put bottled water and soda in six rooms. They would send us a bill for \$1,000. Our MBA students, who were having an evening social on the business school's lawn, were chased away by the police after Dining Services called police to report that the students were serving beer.

I directed my associate dean to write another memo. It included the following paragraphs:

1. You called the police on our MBAs which I find to be personally offensive, sneaky and cowardly. There is no difference between their using bottles and cans in the restricted and monitored area from what goes on at Saturday tailgates which I made clear. If the harassment continues, I will make that point all over campus, to friends I have in the State's Attorney's office, to neighbors and friends of mine who serve on the Board of Regents and to friends I have in the Legislature.
2. Our staff tells us that your prices tend to be outrageous and confiscatory. An example is a charge of \$1,000 for water and sodas at a relatively small and short reception. I believe that person went elsewhere.
3. We have no intention of using dining services other than as required under our current contract with you.

It is unfortunate that I have to be this blunt but that is the way it is. Have a good weekend.

There was no progress, so I issued a directive to the school:

You are not to use Dining Services for any School events (other than those in Rudy's or the Executive Dining Room) without the express written permission of the Dean's Office.

I then directed that we write another memo to Dining Services exercising our rights to buy out their ownership of Rudy's Café and the Executive Dining Room for the value of their capital investments in the facility, as specified in their contract with the Smith School. In the commercial world, such a transaction would have concluded our association. In academia, nothing is so simple. Weeks later, we received a response that they had taken the issue to the provost and the university's finance committee. We would be allowed to buy out the facility, but in addition to the capital investments, each year we would have to pay the university their lost profits on the operation.

I then demanded what I really wanted—the food service rights to the Executive Dining Room and the rest of the building. They could keep Rudy's (I really didn't want to run a Cafeteria), but I wanted the right to use external caterers in other areas of the school. They accepted this “compromise.” It cost us nothing except that another campus group now hated us. We had liberated the school!

Launching the EMBA

The school had at one time investigated the possibility of launching an Executive MBA (EMBA) program. It had decided that the market was too small to make this worthwhile. Early in my deanship, our Executive Programs Center would again raise the topic. At that time, the center was not well managed and I was reluctant to allow the center to offer any degree-granting program, since these require both rigor and control.

Several years passed. I replaced the management of the center (twice) and believed that I had hired the right people to run executive education. The EMBA was back on the table, and I agreed to the program.

Launching a new degree program requires a number of steps. Various university committees must approve the degree proposal. The Board of

Regents must approve both the degree and the proposed tuition. These steps could take a year or more. The program would then have to be marketed, students enrolled, and finally, courses could be taught. This could add as much as another year.

My operating style, once a decision had been made, was “do it now.” We decided to begin marketing the program before the program had been approved. I instructed the staff to include a few caveats in our marketing materials such as a footnote indicating that the “tuition was tentative.” In their enthusiasm to get the program going, my caveats were either forgotten or ignored. We began television advertising and solicited applications through a website. Once again, the provost chastised us (this time deservedly).

As I learned to my dismay in August, you are now advertising on your web site and in other media your proposed new Executive MBA program, which has not yet been formally considered or approved by the campus. When we spoke about this at our meeting on August 8, I told you specifically that the program could only be advertised as “pending approval”, and that all those expressing interest in the program should be informed of its non-approved status. Your web site and your other forms of advertising, however, continue to omit this qualification.

What’s worse, your web site advertises a program which will consider applications from individuals who do not have an undergraduate degree, in direct conflict with campus policy applying to all graduate programs.

In addition, your web site and other advertising states a tuition of \$67,500 for the program, a figure that has not been approved either by the campus or the Board of Regents, who must approve all such charges for University programs. There is not even any agreement between the Smith School and the campus on revenue sharing should such a tuition rate be approved by the campus and the Board of Regents.

I directed my staff to make the appropriate changes and responded to the provost:

All offending information has been eliminated. In particular, the program and start date are marked pending approval, the tuition and application fee sections are no longer there. There is no reference to admission without an undergraduate degree and what had been previously called an application is now listed as “statement of qualification.” This should solve all of the earlier issues and still allow us the flexibility to move forward without committing anyone.

The program was approved and the Regents confirmed the proposed tuition. I negotiated a revenue sharing agreement with the campus. They would take 5% of our revenues. We would keep 95%. Admissions for our first EMBA track went well, and we admitted about thirty students for the program. The program, designed to be taught Friday-Sundays over eighteen months, would generate over \$1 million in revenues the first year and close to \$2 million in the second year. It would also become the model for our future offerings in Switzerland and China. Today, the EMBA is a respected, mature program having been ranked in the top twenty-five by the *Financial Times*, the *Wall Street Journal*, and *Business Week*.

Overloads Everywhere

Teaching with tenured or tenure track professors is expensive. Half of a professor’s effort is expected to be research. Therefore, professors have low teaching requirements at elite business schools. The typical, research active professor at the Smith School teaches three courses per year. New hires are often given a one-course reduction during their first year at Smith. An assistant professor’s primary focus is creating a research portfolio worthy of tenure. Also, recent graduates are inexperienced teachers, making it difficult for them to teach in the MBA program. MBA students are very demanding and rip inexperienced teachers apart.

Our expanding part-time MBA programs placed great demands on our teaching capacity, especially on the associate and full professors. Each new track would add seventeen courses to our teaching requirements. In steady state we were teaching seven part-time and three full-time tracks as well as one to two Executive MBA tracks and courses in

China and Switzerland. We were hiring about ten new professors per year. This added to our capacity, but we had to meet our needs through “overloads.”

An overload is an extra course taught after a professor has taught his or her normal teaching load. The faculty member is paid 10% of his nine-month salary for this service. It’s a nice way for a faculty member to earn extra money, and it’s great for the school because a 10% payment is a relatively inexpensive way to acquire course coverage.

Authorizing overloads required an extended series of transactions. An overload document was created. It had to be signed by the faculty member, reviewed by my assistant dean for administration, approved by me, and then sent to the provost’s office for his approval. Because all of these steps had to be completed before the extra course was actually taught, I was constantly asking the provost to approve late overload requests.

One day, I arrived for my monthly meeting with the provost. I had no significant issues to discuss and didn’t know of any that he had with the business school. I was shocked when he jumped all over me. I am paraphrasing the following: “Do you know what you’ve done? You’ve paid \$2 million dollars to faculty without university approval. You’ve violated university policy and created a scandal. If anybody finds out, the president could be fired!”

The provost then dropped in front of me a list of professors, dates, and overload payments. The provost added: “No wonder your faculty loves you. You’ve bought them. I want to see every overload approval for every extra dollar you’ve paid. And, if you make any up, I will fire you!”

I was shaken. I knew that the provost had approved every overload payment. So why was there an issue? While \$2 million is a large number, our total faculty payroll was over \$25 million, so \$2 million was a relatively small percentage of the total.

What had gone wrong? Why was this being brought up now when we had been paying overloads for years? My guess was that like many other issues at Maryland, things had been ignored until someone had noticed the magnitude of the activity. Then, they panicked.

I returned to my office, called my assistant dean, swore her to secrecy, and worked out a timetable to put the required documents together. Over

the next week, she assembled a carton of overloads. I reviewed every one. Every overload had been properly executed and signed by the provost. The school had done nothing wrong.

After we sent the package to the provost, I met with him again. He said that we needed to put limits on faculty payments. We agreed to limits as a percentage of a professor's nine-month salary. He didn't raise any issues about our package, and the scandal talk was not repeated. I stated that I had a complaint. I said that I had been insulted by his insinuation that I might make up overload documents. He apologized!

I walked out of his office angrier than when I walked in. What a crummy way to deal with people.

Relations with Other Parts of Campus

We were disliked or hated on Campus outside of the business school. Much was driven by jealousy. Much was driven by the mistaken notion that we were consuming an unfair percentage of campus resources. Part was because we had the best students, with the highest graduation rates. We also had the best facilities. You couldn't find a favorable opinion anywhere. Every battle I had fought created a new detractor, but the way I saw it, if I didn't fight, they would walk all over us.

Everything we did was treated with suspicion. I had heard many negative comments about the school in general and me in particular. It came to a head in a report prepared by a committee commissioned to review my second five-year term as dean. They wrote: ". . . the Smith School has become incredibly isolated from the rest of the campus in terms of following policies and procedures. They frequently want to do things in ways other than the accepted campus procedure, claiming that they require an exception because of their unusual situation.

"The pattern is that the Smith School does something without asking campus advice as to the best way to do it. Consequently, a great deal of time and effort must be spent to fix the problem the Smith School has caused. This is typical of their 'go it alone approach' in administrative matters in general. We were told by several persons that 'when something comes over from the Smith School, we give it especially close scrutiny.'"

The many negative comments in the report led me to write a rebuttal:

To the provost:

I am in receipt of the Report of the Committee to review my performance dated April 27, 2006. I appreciate the efforts that the Committee expended to create this report and am in agreement with many of its conclusions and recommendations. I would, however, like to correct some misstatements and misunderstandings made either by the Committee or the individuals that they interviewed.

The Committee stated

“During the years of financial exigency, the dean abruptly severed cooperative ties with several of the colleges. The program with Arts and Humanities and the relationship between the Dingman Center and the Clark School are two examples that surfaced during this review.”

In reality, in the 2003 academic year, the school executed a three-year agreement with ARHU regarding the Business, Language and Cultures Program (BCL). The agreement called for a one-year notification period in the event that either party wished to terminate the program. In early 2004, we notified ARHU that we would be terminating the program approximately 18 months from that date. This notification was hardly abrupt and our reason for termination was not financial but rather the poor quality of the program and lack of preparation of ARHU students for business courses because they were not taking the prerequisite core business classes. At the meeting in which we informed ARHU of our intent to terminate, we suggested alternatives and have jointly designed two replacement programs that will be launched in the coming academic year.

The Committee’s reference to the Dingman Center also misstates actual circumstances. During 2002–2004 working relations between the Center and the Clark School deteriorated because

of several personnel factors. Because of my own dissatisfaction with the Center's performance, in Spring 2004, I replaced the management of the Center and restructured its operations. This restructuring has been a tremendous success and today, there are both engineering and business students active in Dingman Center activities.

I know of no other cooperative programs or cooperative efforts that we have severed or modified although an attempted program with Life Sciences under a former dean failed to materialize because of lack of interested students. Indeed, programs like Quest, the MS in Telecommunications, and our joint appointments with ISR and UMIACS are thriving.

The Committee, in Appendix 9, reports statements by several deans such as

“He has captured an unreasonable fraction of resources of the university for his college.” . . . “He takes what he can and never gives back.”

I find a statement like this completely inaccurate and unfair. First, the business school has not received any material increase in funding from the campus since I have been dean. Funding was added to field the Shady Grove undergraduate program but this funding disappeared during the budget cut period. Indeed, our revenue growth has been self-generated and during the three years of budget cuts, the business school's budget cuts were on its total revenues, and were more than two times the average cut to other academic units. This helped other units retain more of their base budget, a fact not known or accepted by other units. Also, the business school received a total of \$50,000 (of about \$10 million) of one-time funds from the Provost and APAC to help various schools absorb the budget cuts leaving more support for the other colleges.

I have also attempted to be a good Campus citizen both as a dean and as an individual. I served on the board and as president of Friends of the Libraries for several years. Additionally, my relationship with Robert H. Smith has helped the university generate substantial gifts for the Performing Arts Center as well as other non-business school activities. I could

detail a list of activities I have been involved with for the Campus but I don't think that such a list would be useful.

I must add that I am deeply disappointed by the stated opinions of my colleagues and am especially taken aback by statements about "lack of trust" and "integrity" since I do not believe there is any basis in fact for these comments. I do recognize that their beliefs are real to them and that a conscious effort is needed to realign them for the good of the Campus.

Sincerely,
Howard Frank
Dean

Despite the negative comments from elsewhere on campus, reviews from the Smith School were very positive and my record of accomplishments was extraordinary. The committee voted "unanimously and enthusiastically" to reappoint me another five-year term.

I met with the provost to discuss the report. He informed me that he and the president agreed: **They would not offer me another 5-year term.** It was clear that they were fed up, not with my performance, but with my style. They no longer wanted someone who would rock the boat.

On my part, I was fed up with the university—its bureaucratic processes and procedures; its president who said the right things, but when you asked for help, gave you only air; its provost, whose erratic interference caused frequent conflicts because I wouldn't accept his micromanagement; jealous backbiting deans and inept staff who slowed us down whenever we tried to do something new.

I would be happy to leave, I thought, but since I still had nearly a year remaining on my current appointment, I said I didn't want to be a lame duck. The provost offered to extend my appointment by one year and announce to the university at large that my appointment was being extended. In the announcement he wouldn't mention the term length. I accepted his offer.

This was an obvious gimmick to get rid of me without seeming to have fired me. I didn't realize at that time that I would need to keep secret the terms of my new appointment. I would have to pretend that I would be in the job up to five to six more years even though I would be leaving in less than two.

Early Termination

The school had negotiated the following agreement for MBA tuition with the university. The university would keep the bulk of full-time MBA tuition payments. The business school would keep 75% of payments that exceeded a specified number of students. We would keep the fees paid by full-time students. The business school would retain tuition and fee payments from its off campus part-time MBA programs.

Tuition rates were approved annually by the Board of Regents and were submitted about a year in advance. Fees were considered to be a local matter. The goal of fees was to cover the cost of doing business, so every year we would submit a proposal for the next year's fees to the provost. The proposal would include a cost justification for the fees. Our fees were lower than our costs and didn't cover the full cost of offering the MBA programs.

Because the cost to the student was the sum of tuition and fees, it was irrelevant to them whether we increased fees or tuition. On the other hand, we would keep all of the fees but virtually none of the tuition for full-time MBA students. Year after year, I had been following a strategy of increasing fees but not increasing tuition. Year after year my proposals for tuition and fees were routinely approved. This changed when I received the following e-mail.

Howard:

I will not approve your request for MBA/MS student fee increases. This is because a) the requested increases are enormous (generally around 18–60%) and b) these are really tuition increases, but you are requesting them because, unlike a tuition increase, you don't have to share the revenue with the campus.

My response:

Are you referring to both the full and part time increases? As you know, the part time program is completely self-supporting; we don't share the tuition with the campus and are making major facilities investments in DC (\$1.5 million in facilities alone) as well as have additional expenses in both Shady Grove and Baltimore. We are also extending career services to part time students and investing in additional technology.

As for the full-time program, we are bringing on line a \$19.5 million facility of which 25% will be dedicated to the MBA students. The campus

is not paying anything towards this investment and the business school is responsible for \$13.5 million in cash.

I failed to add that the overall cost of the part-time program is not going up by 18–60% but only one component of the cost is going up by this amount. The actual total cost of the program would be going up by 7.8% in Shady Grove, 6.0% in Baltimore, and 6.5% in D.C.

Another e-mail was waiting for me the next day:

You have played this game for many years, with the result that for a full-time MBA student at College Park total fees now exceed tuition by a good margin. For example, for an In-State, full-time, College Park MBA student taking 15 credit hours in a semester, tuition for that semester is now \$7227 and total fees are \$8630. The tuition alone is approximately twice the College Park graduate tuition figure for in-state students, and that is the only charge that is shared with the campus. The remaining fees you propose are as follows:

Student Charge (an interesting name!) – \$358 per credit hour – up 25%

College Park site fee (a site fee at College Park?) – \$169 per credit hour – up 25%

MBAA Club Activities Fee – \$225 – up 28.5%

Other fees you have requested are:

Shady Grove site fee – \$130 per credit hour – up 60%

Baltimore site fee – \$100 per credit hour – up 41%

For 2007–08, you propose to raise \$11,270,254 by fees alone. Did you request a tuition increase for 2007–08?

I tried to maintain my cool with this reply:

This conversation should have been held before this e-mail exchange but here's the answers to your questions and concerns.

Since we get no operational \$ from campus for the MBA programs or service improvements, we have been funding these through the fees. You question an MBA site fee in College Park. Not counting the cash the school paid for the South Wing addition in 2002, we've been paying \$1,900,000 per year in debt service per year in College Park. We also paid \$2,848,000 for technology, \$1,933,000 for our Career Center,

\$2,339,000 for our MBA office and \$944,000 in MBA scholarships (of which \$500,000 comes from the campus.)

We are also investing \$1,500,000 in DC for facilities and about \$400,000 for Shady Grove/Baltimore facilities. In addition, we spend close to \$2,000,000/year to market the school and the programs, which result in the revenues being generated by the part time program.

We calculate that it costs us about \$36,000/year to educate a fulltime MBA student. That is, if we retained all of our full-time tuitions, we would break even on full-time out of state MBA students and lose money on every in-state full-time student. We do not retain all of our MBA tuition and we do not receive any state support for in-state students and of course, the university retains the standard graduate rates for the full-time program.

In-state MBA students receive substantial services beyond the typical campus graduate student at no cost to the university. These include career services, student team rooms and lounges, and access to state of the art technology in the labs. The funds for this have to come from somewhere. To date they have been coming from the MBA fees which as of yet are not yet equal to the cost of providing these services. By the way, the MBA Club Fee is not retained by the Smith School but rather is given to the MBA Student Association which is an elected body that provides cultural and social services to MBA students (e.g., running an Asia week and supporting the nearly 20 MBA clubs like the Black MBA Association, etc.)

You are nearly correct in our expectation for fee revenue in 2008. Our actual projection is \$10,327,149. The \$11,270,255 that you refer to is our **forecast of costs** is \$11,270,255.

We have not requested a tuition increase for the coming year.

You point out that we have followed the same strategy regarding fees for many years. You are correct and therefore your turning down the fee increase comes as even more of a surprise **since you have NEVER mentioned or discussed with me that you had any problems or issues with this strategy.** In fact, each year we have pointed out that the fee increase strategy was being followed to bring our costs in line with the revenues of the program. No one has ever expressed problems with this strategy.

Moreover, the total proposed College Park full time MBA fee increase comes to \$106 per credit hour or \$2862 per student per year. If this full

amount had been implemented as a tuition rather than a fee increase, according to our differential tuition plan, the campus would keep 25% or \$715 per student per year. **The total \$ lost to campus, based on our expected number of full time students would therefore be, at most, \$171,005.** Therefore, I sincerely request that you revisit your decision based on this additional information.

From the provost:

Actually, you have not requested a tuition increase since 2005. The reason I have decided to reject your proposal this year is that your requested increases were so large that I decided to go to your web site and see what the total fee for MBA students really was. For the first time I realized that the tuition you are advertising for the program, and from which you are paying for campus services, is actually less than the total fees charged. This is (at best) misleading to students and a blatant attempt to avoid paying the campus its due share of MBA tuition revenues.

You may appeal my decision to the President if you wish, but I will not forward your request with my approval.

To the provost:

The following table is directly from our full time MBA Program website:

How is this misleading?

You have approved every fee increase including the **100%** increase in fees in 2004 that were specifically discussed with you and the President in order to help offset the State budget cuts.

Our fee requests clearly lay out the costs they are set to recover and the distribution of fees between the part and full time programs. You have been fully aware of the school's budget model and the efforts and resources we have been expending to improve student placement, etc. These have been encouraged by you and you have even complimented me on our successes.

If your goal is to induce me to step down by insulting me, you have succeeded. You will be receiving my letter vacating the dean's position as of August 31, 2007.

College Park Credit Hours	In-State Tuition	Out-of-State Tuition	Total Fees**	Total Tuition & Fees	
				In-State	Out-of-State
1	\$803	\$1,323	\$1,058	\$1,861	\$2,381
2	1,606	2,646	1,585	3,191	4,231
3	2,409	3,969	2,122	4,521	6,081
4	3,212	5,292	2,639	5,851	7,931
5	4,015	6,615	3,166	7,181	9,781
6	4,818	7,938	3,693	8,511	11,631
7	5,621	9,261	4,220	9,841	13,481
8	6,424	10,584	4,747	11,171	15,331
9	7,227	11,907	5,468	12,695	17,375
10	7,227	11,907	5,995	13,222	17,902
11	7,227	11,907	6,522	13,749	18,429
12	7,227	11,907	7,049	14,276	18,956
13	7,227	11,907	7,576	14,803	19,483
14	7,227	11,907	8,103	15,330	20,010
15	7,227	11,907	8,630	15,857	20,537
16	8,030	13,230	9,157	17,187	22,387

From the provost

I will look forward to receiving your letter.

I was furious. "What crap," I thought. I didn't need this and I wouldn't take it. I crafted my letter of resignation, showed it to my wife, and before sending it, I met with my academic department chairs and key administrators, gave them copies of my e-mails with the provost, and informed them that I would be resigning. They all were shocked and encouraged me to change my mind. I wouldn't and swore them to secrecy. I mailed my resignation to the provost and the president.

A few days later, I received the call (at home in the evening) from the president that I described at the start of this book. In the end, I would not resign at that time. My actual resignation would take place the following

academic year. The provost also approved a somewhat modified fee proposal, and in a few months, everyone but me seemed to have forgotten the incident.

Our provost, on the other hand, would be leaving the campus in a few weeks to become the president of another university. Each year, at the end of the spring semester, it had become a tradition to have a dinner among the deans and the provost. We would be having our final dinner a few weeks after our argument. During dinner, we circled the table, with each dean giving a toast to the departing provost. I opened mine with the words, "I was thinking about how I could express my regard for him, but I decided to come anyway!"

A Parting Gift

I didn't expect that my last year at Smith would be very interesting. One year is not enough to start major new programs. I would take a less visible role on campus, essentially minding my own business. The comments of the deans as reported in my second five-year review had actually hurt my feelings, and I didn't want to have anything to do with them. I would restrict my travel and lay low. It didn't quite work out that way.

Every year or two Bob Smith would ask me the same question: "What can I do for the school that would really make a difference?" My usual response was: "Let me think about it for a month or two. I will get back to you."

In my final year, Bob again asked me "the question." I repeated the question at our bi-weekly Executive Committee Meeting. One department chair volunteered: "I'm not sure what we should do but whatever it is, it should help one area to leap forward above our competition."

This response started me thinking. The Smith Fellows Program was well in hand, so adding additional resources there would not be a great leap forward. Our Masters Programs required enormous resources, and anything that we added there wouldn't make a substantive difference. Our PhD program on the other hand, while very good, was relatively small (about one hundred students). Adding money there could make a big difference. It took me less than two months to create a proposal and sell it to Bob Smith and the university. In February 2008, we issued the following press release.

The Robert H. Smith School of Business at the University of Maryland today announced a \$12 million PhD program initiative that will significantly enhance the school's ability to retain and attract the world's best and brightest students. The initiative, one of the most ambitious in the United States, increases annual doctoral stipends by 45 percent to \$32,500 and provides research and travel support. Philanthropist and school namesake Robert H. Smith, a 1950 graduate, contributed \$6 million toward the program, matched with funds from the University of Maryland and the business school.

The University is very grateful for Bob Smith's generosity. "The Smith School of Business is already internationally renowned, and this latest gift will give the students in it even greater opportunity," said University of Maryland President C.D. Mote Jr. "The University of Maryland is very fortunate to be collaborating on this initiative with Bob Smith. Together we are investing in a program that will significantly create educational opportunities for students planning a future in research."

"The Smith School is investing in its PhD program at a time when PhD programs are in crisis from a lack of sufficient resources, and business schools likewise suffer from a lack of talent to fill faculty positions," said Howard Frank, dean of the Robert H. Smith School of Business. "We hope to set an example by changing where the bar is set so ultimately, more and more talented students will consider entering an academic career."

The shortage of qualified business school faculty is so severe the Association to Advance Collegiate Schools of Business (AACSB) created a Management Education Task Force that, in its 2003 study *Management Education At Risk*, declared unless decisive action is taken to reverse declines in business doctoral education, academic business schools, universities, and society will be faced with an inevitable erosion in the quality of business education and research.

The Smith PhD Initiative includes a number of components designed to offer its doctoral students an unprecedented degree of compensation, resources and benefits. These include:

- *Super-stipends*: Incoming PhD candidates will benefit from a \$32,500 annual stipend and subsequent \$1,000 increases each succeeding year. Stipends for graduate students currently in

the program will increase to average more than \$25,000 per year. Additional stipends will be available for students who advance to candidacy and those who publish papers in A level research journals.

- *Dissertation support office*: A dedicated office with a professional editor and English-language training resources will assist the production of effective dissertations, teaching and communications training.
- *Research support*: Doctoral students will gain from year-round support to facilitate research and fifth-year fellowships for top students in order to increase research output and improve placement prospects.
- *Increased travel budget*: Students will be encouraged to more actively exchange knowledge and ideas with \$1,500 per year available for travel and conferences
- *State-of-the-art facilities*: PhD students will enjoy a dedicated suite and offices in a newly completed wing of the Smith School's Van Munching Hall, opened January 2008. The PhD space was funded by William A. Longbrake, a 1976 doctoral alumnus now vice chair of Washington Mutual.

The Smith School's PhD program, ranked No. 6 in the United States and No. 13 in the world by the *Financial Times* (2008), has grown in both numbers and reputation over the past decade. The program attracts a global and very diverse group of PhD students. Currently 95 students represent 17 countries; about 69 percent are international and about 46 percent are women. Students regularly present papers at national as well as regional conferences and have papers accepted in major academic journals. In the past five years, 99 percent of Smith's Ph.D. students have been successfully placed directly after they graduate—about 80 percent as tenure-track assistant professors at accredited universities, and the rest as researchers in private or government organizations.

We coupled the press release with an e-mail campaign that delivered the release to thousands of professors at the top thirty business schools. No one in memory had made such a dramatic announcement. We were, if only for a little while, business school stars.

People

I worked with many wonderful people at the business school. The people I hired were super-competent and aggressive. The Smith environment was a superb training ground, and many left after a few years for promotions at other universities. In this way, my assistant dean for development became the vice president for advancement at a southern university. My associate dean for executive programs became deputy dean of a business school and after a few years, became president of a liberal arts college. Three of my senior associate deans became deans of business schools. (One of these was Maryland.)

Two of my staff—my assistant dean of finance and administration and my associate dean for undergraduate studies—stayed with me for the duration of my appointment. Both became allies, comrades, and friends. Without them, it would have been difficult to transform the school from mediocre to excellent.

My assistant dean for administration and finance tamed the financial management of the school. She replaced non-performing staff, hired a new crew, built financial controls, worked with me to build a sophisticated financial model of the business school, and managed the huge day-to-day transaction flow. She also managed the construction of the school's North Wing. Outside the business school, she put up with the obnoxious administrative university staff and absorbed insults directed at both her and me.

My associate dean for undergraduate studies joined me as an assistant dean early in my second year as dean. She too had a stiff spine and absorbed frequent insults from the university staff. She loved students and through a dedicated effort, helped transform the undergraduate program. She built a student club structure and an undergraduate student government. She was my partner in building the Smith Fellows Program and worked hard to recruit faculty and alumni mentors. She was my third eye and third arm, alerting me to university attempts to corrupt out standards and diminish our efforts and defending the program against these attempts.

I had four senior associate deans during my eleven years at Smith. All had been academics before they moved into the dean's office. They all

worked hard to adapt to their new roles as managers, and I was fortunate because all were smart, good-natured, and well meaning. It was amusing to watch their attitudes toward faculty evolve from being one of them to viewing them as “them.”

I built several significant staffs including information technology support, promotion, and development. All had fine managers.

Students are people too. In the beginning, our undergraduate students were a troubled lot, with most of my contact being negative. They would appeal to me when all of their other appeal routes were exhausted. I only reversed a single decision of my subordinates, and as I explained: “You are correct in your decision, but this person is so miserable that I don’t want her around. She brings down other students, so give her what she wants and get her out of here as quickly as possible.”

If there was a student waiting to complain, a parent was probably waiting in the wings. On one occasion, mother and daughter spent an hour complaining that my associate dean had insulted her by telling her, that if she couldn’t take the pressure, maybe she should drop out of the business school. Throughout the hour, the twenty-one-year old student never stopped snuffing or crying. I was polite, but at the end, I couldn’t resist. “You know what her problem is?” I asked the mother. When she answered “No,” I responded: “YOU! Why are you here? She needs to grow up and handle her own problems.”

My negative experience with undergraduates became positive as the students improved and became part of the new Smith School culture. After a while, the students loved the Smith School and I loved them. It was great fun to interact with these smart, mature individuals.

On the other hand, I found our MBA students to be demanding, self centered, and selfish. We had a few dedicated ones, but many students were critical of our efforts and would panic if a magazine ranking dropped. We had happy undergraduates but discontent MBAs. Balancing the MBAs were our PhD students who were treated well at Smith and responded by being very supportive of the school.

The campus outside of the Smith School was a different world. We would joke that we should build a moat around the school and populate it with alligators to keep outsiders away. (Outsiders probably joked that we should burn the Smith School down after building the moat.) Mutual

distrust was the order of the day. After our first provost left to become president of another university, I could never count on the provost's words and actions to be honest and unbiased. The president said good things in public, but he didn't act to fix the system. I didn't trust the vice president for advancement who restricted my development staff's salaries and never came through with funding for the business school's development efforts, even though he got credit for our successes. In addition, the university was cavalier about the Smith School's donation prospects. They had no problem poaching our prospects to donate to other university projects even though we were forbidden to poach other's prospects. Business school alumni would be invited to serve on university boards and to support the president's pet projects without asking our permission.

University staff was the worst. Many were "lifers" who had joined academia for an easy life. They had joined the university when it was a mediocre state institution but hadn't adapted to the new Maryland. Consequently, they rebelled against the brash entrepreneurs from the business school. They slow rolled our projects, complained about our actions, and sabotaged our efforts. With the exception of a few people who were nasty to everyone, they smiled at us in public and sneered in private.

My colleagues, the other deans, were a mixed lot. There were a few good ones and from my view, a lot of bumpkins. While outwardly pleasant, they were a self-serving and hostile lot. I didn't see many leaders and was frequently surprised by their lack of management skills.

One dean vetoed a name change for one of our majors because "one of their programs might want to use that name in the future." It took two years to work out a very awkward compromise. We had to set up a university-wide major with the name we wanted. The Smith School could then offer a track under the overall major. It was a ridiculous arrangement but the only one possible. (Eight years later the offending college has still not offered that major.) That same dean told me "he nominated me for provost because then I would cut the business school's budget."

Others would say nice things to me and complain about me to the provost. I shared a few strategies for working around university policy. Within days, this was reported to the provost and I was admonished. The deans were jealous and uneducable. No matter how hard I tried to correct their beliefs about our lack of university funding, they were unable to

see the truth. I could not count on them to honor past agreements, even if those agreements had been written and signed by their predecessors. The deans continued to hold the position that the business school had an unfair share of campus resources so they were entitled to violate and abrogate agreements.

One such violation was particularly egregious. We had executed an agreement with a college to teach specialized courses to our Shady Grove students. Money was transferred, but the other school never delivered the agreed number of courses. After continued complaints on my part, the provost made the matter worse by transferring additional business school money to the other college because, he said, “they need the money more than we did.”

The End

I submitted my final resignation in August of my final year. This would give the university enough time to appoint a search committee for a new dean, conduct the search, and have a new dean in place when I departed. Because dean searches at Maryland are public, I informed the Smith Community of my resignation. This meant sending an e-mail to the staff and faculty and making many calls to members of my boards and supporters. I did not mention that I was serving on a one-year agreement that would end the following June no matter what I announced. I had to rebuff many pleas that I change my mind and stay. In reality, I was so fed up with the university that I wouldn't have stayed if given that choice. It was a quiet year. With the exception of the PhD initiative, I didn't start new projects.

Several of my senior staff declared that they would leave when I did. Two departed quickly, and I had to work to fill their slots. The major issue involved my replacement. The university selects deans through a public search process. Deans have little or no influence over the selection of their successors. I had a favorite candidate—my senior associate dean. I had recruited him from a major university and made him a department chair a few years later. After his appointment to senior associate dean, I had mentored him for a dean's position.

I thought he would make a fine dean but kept my views to myself. Once the other candidates were known, I gave detailed analyses of them and then declared my full support for him. I was elated when he was selected as the next dean of the Robert H. Smith School of Business.

As predicted by the president, I had a grand send off. There were receptions and parties. The president gave a fine speech about the wonderful things I had done for the school. My staff created a hilarious DVD entitled "Farewell to Dean Howard Frank." An undergraduate scholarship endowment was created in my name. Business school employees turned out in hordes to wish me well.

On the last day of June 2008, I left my dean's office for the last time. I had no regrets.

CHAPTER 4

Lessons Learned

Thought Leadership¹

What is your vision of the fundamental purpose of a business school?

The purpose of a business school falls within three main missions:

- Generating leading research—a business school needs to be on the forefront of creating new knowledge. This is one of the hallmarks of a true, major global business school.
- Creating great business leaders—a leading business school is one that creates business leaders who can leverage new tools, who can adapt to change, and whose thinking encompasses the world. These are the characteristics that will drive success in today’s global, digital economy.
- Offering a return on investment—every one of our students will have a career that lasts many decades. Business schools need to think in terms of providing students a high return on investment, not just for the initial job upon graduation—but over the course of a career. Part of our responsibility is to teach students how to learn, adjust and adapt.

What are your goals for your school? How do they stem from/correlate to the mission statement of the entire institution? How do you ensure you meet these goals?

Our goal at the Smith School is very simple—to be one of the great business schools of the world.

¹From an interview with Dean Howard Frank published in “Business School Leadership Strategies,” edited by E. Fournier (Aspatore, Inc., 2006)

The extraordinary technological developments of the last decade are spawning new rules of economic engagement. The fundamentals of business are being transformed in every market, in every industry, in every nation. Those who understand how to create, manage, and leverage assets across boundary less organizations, using the tools of information technology and telecommunications, are the new barons of industry.

The impact of technology on the business environment has been felt in all aspects of business. Like businesses, business schools in the new millennium must transform their knowledge and research base, curricula, and modes of delivery. At the Smith School, we are in the midst of this transformation, with a vision of becoming a model for business education and knowledge advancement for the 21st century—and the next, great global business school.

What does it take? It means generating truly cutting-edge research, and creating great business leaders with students that go on to have fabulous careers.

The University of Maryland is a major research university and its goal is to become one of the top 10 public universities in the country, so the Smith School's goal of creating one of the truly great global business schools is entirely consistent and supportive of the university's mission.

How does management in the education field differ from managing in other industries?

Management in the education field is simultaneously both very similar and very different from management in other industries. The similarities lie within the fundamentals. For example, leadership is leadership. Vision is vision. Good management is good management. A key difference is that within a business school the primary productive resource—faculty—are quite independent of the institution. By default and by tradition, senior faculty members associate more with the profession than with the institution. Senior faculty members also have tenure—they don't have the traditional kinds of associations and accountability that an employee in a commercial organization does.

As a result, senior faculty members are very independent. Good management within a business school necessitates the alignment of faculty's interests with that of the institution and then creating a model where the

faculty is working quite independently in a distributed fashion towards central goals. Every skill that you had before is required but you have to overlay on top of that a whole new set of constraints and operations.

Managing in a university environment is like being the CEO of a subsidiary of a large organization. You have many policies and constraints that fit within the parent organization and you must figure out how to meet the school's goals within that framework.

How do you measure success for your school? What benchmarks do you use?

Measuring success is fairly standard throughout the business education industry. All deans use a rather conventional set of objective benchmarks. We examine:

- Research ratings by department and for the school as a whole
- External rankings average for the school which does not have a lot of correlation with quality but it does have a fair amount of correlation with outside recognition
- Student completion and job satisfaction
- Student salaries and job histories
- Amount of donations and alumni giving

What are the most challenging aspects of being a dean for a business school? How do you overcome these?

I think the most interesting aspect of being dean is the fact that there are literally not enough hours in the day for the variety of demands on your time. You work with faculty. You work with students. You work with alumni. You externally represent the school. You work on strategy. You work on finance. If you divide up the day and ask, what is the job of the dean, you should be spending 50% of your time on each of these areas.

As a result, you need to be satisfied with being able to touch everything. You also need to be able to build management and administrative mechanisms that encourage the delegation of responsibility and management much like a conventional commercial organization.

At the Smith School we address this with a very unusual management structure—a parallel senior staff structure. I built a corporate-like

environment within the business school, where talented senior executives, who are talented in their individual areas, work in parallel with the academic structure.

What qualities does a dean need to have long-term success?

The qualities a dean needs to build long-term success are the same qualities that any senior executive needs.

- The most important quality of any senior executive of a reasonably large organization is health and energy. You need to be able to run until you drop and then get up and do it again. If you don't have health, vitality and a high level of energy you can't get the job done.
- Vision and communications skills are also important
- Having a reasonable set of management skills, which are different than vision and leadership, are helpful.
- You also need a degree of luck. Given a choice between being lucky and being smart I'll take luck. You hear the expression "people make their own luck" and it's true. Unlucky people don't see the opportunities that are randomly occurring. Lucky people see them and grasp some of them. You can't grasp all of them. You can't count on luck as being there exactly when you need it, which means you have to work hard in parallel with that. But if put yourself in enough opportunities there will be random things that occur that you can use.

How do you keep your edge as a dean of a business school? What resources do you find most useful in your position?

You keep your edge as dean by being an optimist. If you are a pessimist you shouldn't be a dean.

You also need a clear understanding of strategy and finance. You cannot drive the organization without an understanding of financial management.

What strategies or methodologies have you developed or use on a regular basis that make you a successful dean?

I am an entrepreneur. What does that mean? I like doing things that haven't been done before. I am happy when the environment is changing. So therefore I look at being dean as a wonderful intellectual challenge. Most people do not like managing in academia. In fact there is a misnomer that the words management and academia usually don't go together.

I always listen without killing the teller of bad news. It is vitally important you are able to understand reality—no matter how hard it is. As a leader, you may project the vision of everything as wonderful, but you have to be able to see it as it really is. You have to talk to the people who know—students, alums, and faculty—in the trenches. You have to listen to them because otherwise you will never understand what is really happening.

We have a successful continuous strategic planning process that enables us to link financial planning into strategic planning, so that our financial decisions are based on a vision of where we want to go.

How important is it to receive feedback from professors, students, and alumni? How do you get this feedback and how do you incorporate it?

You have to get feedback from your employees, not your managers. You have to hear what your managers are saying. It's not because your managers aren't believable. But every manager who works or reports directly to you has a vested interest in looking good and will filter information that comes to you.

You have to elicit feedback in a way that is not threatening, so you ask questions that are designed to encourage information but not put people on the spot. So for example, if I am trying to determine the caliber of faculty, I ask students what are their favorite classes, what are the best professors they've ever had. What are their least favorite classes? If I ask enough students I get a clear picture.

What is the best piece of advice you have ever received with respect to heading an institution?

The president of a university who had been dean of a business school before that told me to come see him for some tips when I told him I was becoming dean of a business school. He said, "Here's something that you

should keep in mind. Everybody's going to ask you for money. And here's what you should do when they ask, you should say, 'that's very interesting,' as you put your arm around them and walk them to the door. 'Why don't you write it up?'"

This is the most memorable advice I have ever gotten.

How has the role of the dean changed in the past few years?

How has the education industry changed? How has the business education industry changed in particular?

The role of a dean has become very much the role of a CEO—not the role of a caretaker, which was what the role of a dean was decades ago.

The educational industry is changing in remarkable ways. The development of continuous education models, part-time models, online models, and of global education are all in process. Business schools are all at the forefront and the role of dean in the educational business is tied to a market place that is changing faster than academia can possibly react to. Academia is a slow-moving, slow-reacting kind of business.

How do you expect the role of the dean to change in the coming years?

I expect the role of dean to be as dynamic and changeable as the past but more so. A dean needs to be an entrepreneurial, global manager.

If you could offer the three golden rules of being a dean for a business school, what would they be?

- Have a good sense of humor—if you don't you will hate it
- You have to be continuously optimistic
- You have to be aggressive—otherwise you will get run over by everybody in sight. You will get run over by your faculty, you will be run over by the university, you will be run over by the marketplace.

Thriving in the Educational Marketplace

How can you, as a school, strike the balance between a center for intellectual growth and a profitable institution that will be able to welcome others in search of such growth?

As a market-driven, commercial manager, I don't believe you can operate without a profitable financial structure. Creating a high value generating business school requires financial wherewithal, and this should be the top priority. Create a profitable, fast-growth institution and then you can create intellectual growth and capital.

How does a business school make money? What are the areas that generate the most revenue? What ancillary areas develop significant revenue streams (apparel licensing, sports TV/radio fees, etc.)?

Our most significant revenue streams come from our educational programs and in particular from our graduate education—MBA, part-time MBA, Executive MBA, and non-degree programs.

What are the most expensive elements of operating a business school (payroll, facilities, technology, etc.)?

The most expensive element of operating a business school is payroll. For example, the Smith School's budget this year is roughly \$65 million and our payroll is over \$30 million of that. The next most expensive element of operating a business school includes a group of items that have comparable costs of about \$2–3–4 million each annually—running offices such as the MBA office or career management center, technology, facilities and marketing communications.

What factors go into determining tuition?

The Smith School is a state school so the university via the Board of Regents sets undergraduate tuition. The Board of Regents is appointed by the governor and is influenced by the State legislature so it is as much a political decision as one involving meeting the needs of the university, and is intensely political and has nothing to do with the cost of actually providing education. The business school's graduate tuitions are market based but must be approved by the Regents.

What factors drive it up or down?

I have never seen tuition go down! If you look at the various costs built into running an institution, faculty salaries have been going up on average of about 4–5 percent annually for some time. Other costs that contribute to tuition increases are tied directly to inflation, while others such

as heating and building costs have increased much faster than inflation. These are the same factors that drive any business's operations. But they only go up—they don't go down.

How do you build the school's endowment? How is this money then invested?

The way we build the school's endowment is by asking our alumni to support various projects for the school. The money then goes into an overall university endowment fund and is invested by professional managers. The monies donated for the business school are dedicated to us and, of course, can be used only for the purposes for which they were given.

When I first came to the Smith School we had a \$6.5 million endowment. We have had a substantial number of gifts over the last five to seven years totaling approximately \$100 million with close to half having gone into endowment.

Financial support from our alumni, including transformational gifts from Leo Van Munching, Jr. '50, and Robert H. Smith '50, have allowed the school to make a giant leap into a leadership position in the digital economy. The Smith School was named in honor of Mr. Smith in 1998, when he provided an endowment of \$15 million, the school's largest gift ever. Since then the school's stature and size have undergone a dramatic transformation with the addition of world-class research centers, top-flight faculty and increased student quality.

What are the long-term goals for this money, in general terms?

You can't think of managing an endowment in general terms. You have to think in specific terms to meet the agreement between you and the donor and the school.

How do you go about fundraising—setting goals, executing, how important is fundraising and how do you set forth a successful plan?

Successful fundraising entails thinking in terms of what is truly important strategically for the school. The answer in general terms is pretty obvious:

- People
- Facilities
- Wherewithal to deliver first-class education

As far as people, there are two kinds—faculty and students. For faculty you want endowed positions. For students you want scholarships. We are constantly investing in facilities. Since I've arrived here we will have built over \$60 million in facilities and so a part of our fundraising goal is to pay for those facilities.

The distribution between these areas is determined by discussions among our senior managers with the number one priority given to what we think it is realistic to generate in each area and then to what the school's needs are.

Fundraising is essential. If you look at a major public business school there is no difference between it and a private business school in terms of cost structure. If I am going to compete for faculty I am going to compete for the best faculty and they can go to either a public or private school. We are going to pay them the same as if they went to the top private institution. If I am going to build a building the fact that it's sitting on University of Maryland ground doesn't make it any cheaper to build than if it were sitting on Harvard or Wharton ground. Nobody cares about public versus private when we are heating the building.

So if you look at the life of any major school, fundraising is one of the critical ways of achieving goals. There are really only three ways you can get money. You can earn it. You can steal it. Or someone can give it you. And since we are not in the business of stealing money someone must give it to us or we have to earn it. So how do you go about fundraising? The execution of it is actually quite systematic and sophisticated—it is marketing. You build a marketing plan. You look at who your potential donors are. You actually meet with them. You put a marketing organization—which in a university setting is a development organization—in place and call on people continuously for years and build individual relationships.

What role do the trustees play in the financials of your school?

The Board of Regents has a very significant role. They set an environment that is even more important than the specific financial role they play in setting tuition levels. They are key influencers in how people view public education.

From a financial standpoint, what do you believe constitutes a successful institution?

I think there are only two directions—up or down. I don't believe in flat. Flat is a non-viable direction. If you look at the pressures of managing a business school—you always need more, you always need better. This all costs more money. With money I can solve all of the other issues. Mine is definitely a commercial private sector view of the educational marketplace.

I think that the most important thing to recognize is that if you are at the upper end of the business school environment there really are no significant differences between public and private schools other than some of the constraints in which you operate. We have a procurement structure that's specified by the state. So that's definitely a constraint. We have certain things like undergraduate tuition that are set much lower than the cost of providing education versus private schools which can recover their costs with tuition. So there really are differences, but the actual operations of the schools, for first-class public and private schools, are really technically the same. So I don't think in terms of public schools as our competition. Our competition is the best business schools in the country.

What drives the recognition/popularity of an institution (for the public, for prospective students, etc.)? What about your institution, in particular?

- History—part of what drives recognition of an institution is having been around a long time and having a strong alumni base.
- Marketing
- Producing world-caliber research in volume—that generates academic respect which then goes into generating public recognition

CHAPTER 5

A Sobering View of Academia

The University Environment

- The university is an archaic structure with positions reporting to positions but hardly anyone taking direction.
- Management rarely exists. That's why they call "managers" "administrators." In the commercial world, administrators push paper but do not manage. When you call someone an administrator, you haven't said a nice thing. In the academic world, the term "manager" is considered a derogatory term.
- Academic financial planning and management is an illusion. This fact is made even more bizarre in public universities, where the state can act to reduce university budgets without regard to earlier plans, promises, or institutional needs.
- People management is a tautology. It is neither practiced nor appreciated.
- The system protects and rewards the weak and punishes the strong.
- The business school is an oasis of capitalism in a desert of socialism.
- There are two cultures at work. A democratic faculty culture without management and an administrative culture without management or democracy.
- Nearly all view the environment as a zero sum game, so it's in others' interests for you to have less.

- No one outside your school has your best interests in mind. Others will not consider your interests at all when acting on their own agendas.
- A written agreement is worthless. A verbal agreement does not exist. A deal sealed by a handshake is an act of lunacy.
- You have a better (although still slim) chance of having deals honored by your peers than your superiors.

Personal Behavior

- Ethics and integrity are an abstraction. People will agree to something to stop you from talking about it. They will have no intention of honoring the agreement.
- A deal is a deal until it is convenient for the other party to ignore it.
- Trust at your peril. It's better to not trust, verify, and be prepared to strike back.
- Don't base premises on promises. A promise is simply a means to get you to drop the subject. When it comes up again, the promise will turn out to be an illusion.
- Most people think that it is perfectly proper to steal unlicensed software from Microsoft because "Microsoft already makes too much money."
- Constant vigilance is a good approach.

Managing Relations

- At some point, you will be blindsided and hit. When you get hit, you must immediately hit back.
- Hitting back harder is worth a pound of prevention. It may keep you from being hit a second time. However, prepare to be disliked or hated for striking back since this is not part of the academic culture.
- Trap, rope, and hogtie; don't try to reason and convince.
- Instead of fighting the impossible battle, delay and obfuscate.
- Being a team player is a good idea, but recognize that most people are not on your team.

- You are not paranoid. They are out to get you.
- It's difficult to separate sheer incompetence from laziness or malevolence.
- Your opposition will follow almost any approach other than confrontation.
- Don't expect a call back if the topic is unpleasant.
- They will promise to send it to you but never will.
- The system tolerates rude behavior. Politeness is not a standard.
- Speaking out, eccentricity, "venting" etc. etc. are all condoned JUST SO LONG AS IT'S NOT confrontational in a way that would alter the environment.
- Maladjusted people have a home here.
- Character assassination is tolerated.
- If you allow it to happen, it will happen. And it will happen to YOU.

Managing Change

- It's difficult to start new good things but nearly impossible to kill existing bad things.
- Strategy is planning until Friday night.
- Change is the enemy. When you want to change something, there will be at least a small group who react as if the change meant the end of the world.
- Because changing the system is virtually impossible, find the holes and seams in the system and work through or around them.
- Be prepared for new rules to be created that will thwart your efforts to work around the seams and holes in the system. These rules will be especially crafted to prevent your actions but will be portrayed as "always existing" and "nothing new at all."
- Radical change, if thought to be radical, will be rejected out of hand. You will be asked to benchmark what other (peer) schools are doing with the notion that if they aren't doing it, you shouldn't be either.

- Major changes must be made in small, almost invisible steps.
- The status quo, and inertia, its principal tool, is divine.
- The only way to move the business school quickly forward is to force other parts of the campus in the right directions. They will not go quietly and you will end up with many adversaries and enemies.
- Prepare to be disliked.

University and Business School Finances

- Most business schools (especially publics) are considered cash cows by campus administration and receive less than the average university financial support. However, to compensate, they have greater than the average number of students.
- The larger business schools have found ways to generate substantial additional revenues to support themselves. Few if any faculty or staff outside the business school understand this, and they think that the business school is benefiting at their expense.
- Success in revenue generation will be rewarded (i.e., “no good deed goes unpunished”) by reductions elsewhere in your budget.
- People will ask you for money (with a straight face) for totally absurd and unreasonable things. They will try to take if from you at the end of the academic year without asking.
- Budgets are a fiction. You will be assessed unbudgeted costs at year-end without consultation or planning. Nonetheless, you will be expected to operate deficit-free even though no one can give you an accounting of your total expenses.
- One way to measure success is by the size of the deficit you can generate without being fired.
- Promises for future money will not be kept. This, however, will not prevent others from expecting you to honor all of your pledges.
- If someone from another unit sends you money by mistake, keep it. He or she would not return it to you if it had been your mistake.

- A non-business school committee will not grant you money.
- Don't try to audit the books. They will not balance.
- Don't ever expect an accounting of any other unit's expenses, even if this is part of a cooperative deal and promised to you.

Other Deans

- Don't try to confuse them with the facts. This merely prolongs the conversation.
- Most deans appear to be nice people, but “niceness” can be a façade.
- No matter what they say, they don't have your interests in mind, but they hate the fact that you don't have theirs.
- All deans expect equality, except when it means reducing their resources.
- If you protect your own interests, you will be considered a bad campus citizen. You will be perceived to be a mercenary. This perception will not be changed no matter how generous you are.
- There are enough competing interests among groups of deans that the only viable approach is to change nothing.
- Any act of graciousness on your part will be viewed as suspicion. Therefore, you must develop a somewhat obvious hidden agenda that can be deduced and accepted.
- Deals you make will be forgotten—either by the deans you make them with or their successors. Their successors will have no written records or understandings of the original terms, even if you carefully documented them at the time.

University Governance

- University policy exists because it exists.
- Facts are irrelevant.
- Faculty Senates are the home of the inept and the den of the terminally boring.

- If you want to kill something, refer it to a committee of faculty or staff who will study your proposal in great depth and then tell you why it is a bad idea.
- When senior administrators don't want you to do it, they will refer you to a committee.
- Committees, when evaluating a proposal, will ask you for "benchmark" data; i.e., which of your peers are doing what you are proposing. Being the first in anything is not a positive attribute.
- Even if the committee agrees with you, the member appointed to document the agreement can delay it indefinitely. In this case, there is no recourse since the subject will always be referred back to the one responsible for documentation.
- If you have an idea that is perfect for your school but not applicable to others, it will be rejected because everyone should be treated equally. If you try to apply it to everyone, it can't be passed because you must gain consensus first.
- Consensus cannot be achieved on any issue worthy of seeking consensus.
- If it's your idea (as a business school dean), it must be a bad idea because you don't have the other school's interests at heart. The fact that they don't have yours is not relevant.

The Development (Funds Raising) Process

- The university directs development and pays for it except when it is for the business school, in which case it expects to direct development but not pay for it.
- Your leads are your leads but can be reassigned when convenient.
- Your major, most visible alumni will be recruited to serve on university initiatives and will be asked to donate to other projects. If you object, you are not a team player.
- Objecting to poaching of your prospects is like preemptive jury challenges—you get a certain number and then are out of luck.

- Poaching is a cardinal sin—except when it is done to the business school or the president does it.
- The central staff is chosen because of their lack of imagination and initiative. The role of their senior administrators is to keep them this way.
- If you invest your own resources to expand your development activities, the university will reduce its support by at least an equal amount.
- When asking for future support, you will get unequivocal statements about the importance of what you are doing and its impact on the university. The support will never arrive.

Time Management

- There will be frequent opportunities to be forthright and candid in public. Doing so will save you the time from serving on many university committees.
- Some university committees (e.g., the Finance Committee) have deans on them. If asked to serve on such a committee, don't be impressed. It is merely for show. When serving, ask a lot of good questions. You will not be asked back.
- The phrase, "That's an interesting idea; why don't you write it up?" can save you all sorts of time.
- If you don't have a hidden agenda, get one. Don't propose what you really want since you will not get it. Propose something far more extreme and settle for your desired outcome.

The Faculty

- A faculty member is special kind of human. "Not everybody can get along with faculty."
- The more you do for a faculty member, the more he or she will expect.
- There is an inverse relation between faculty support and faculty satisfaction.

- Business faculty members are frequently the highest paid faculty on campus. Whatever their salary, they think it is inadequate. (Example: faculty member who wants the extension of his summer support guarantee three years from now because he is becoming an associate editor of a journal and is worried about his “productivity.”)
- Most deans think of and refer to their faculty as children.
- Whatever teaching loads and faculty support a school has, faculty and department chairs will report better conditions at other schools. The deans of those other schools will not confirm these reports.
- Aberrant individuals will be accepted, tolerated, or ignored, even if they are really crazy.
- Crazy faculty will be assigned to teach undergraduate courses, where they can drive their students crazy too and do the most harm.
- Really incompetent faculty members have permanent homes with little stress or pressure. When they retire, their colleagues may even vote to grant them “emeriti” status.
- Most faculty members come to top business schools to do research. They consider teaching to be overhead and believe that university life would be perfect (except for salary, parking, secretarial support, travel accounts, and other support factors) if there were no students.
- The expectations of junior business faculty are directly proportional to the quality of the schools from which they graduate.

The Staff

- Staff satisfaction decreases with length of time in service.
- There are two kinds of staff: “gung ho dynamos” and the terminally bored.
- The university performance appraisal and pay policies are designed to treat these two classes as indistinguishable from one another.

- The best way to retire on the job is to work in an academic department in a staff position. The senior faculty or department chair will be reluctant to impose reasonable performance standards, and the junior faculty will accept the status quo as normal.
- There are some reasonable staff in other parts of the campus. Find them and make them your allies, but do not expect to find them in positions of authority.
- University staff (e.g., personnel, academic affairs, accounting) make and administer university policy but do not have the faintest idea about the impact of their rules on the operations of the academic units.
- Don't expect numbers given to you about anything to be the same whether given to you by two different people or by the same person on two different days. In addition to being incorrect, at least one set of numbers will not even add to 100% or to the listed total.
- It's more important to staff that things be done according to policy than be done the right way. Policy will always trump efficiency.
- Staff hired from the non-academic world will have a difficult time adjusting to the academic world. They will have to accept irrational administrative policies, inept personnel management systems, archaic business processes, and lack of drive and incentive in their colleagues from other parts of the campus.
- A staff meeting will never take less than an hour to accomplish what should be a twenty-minute job.

University Administrators

- The president is treated as a godlike figure. After a while, he or she believes that this is normal and true.
- The president of the university has no idea of what goes on in the bowels of the organization.
- No one is willing to tell the president "no" or to reveal the ugly truths about the operations of the institution.

- The president makes decisions based on how it might look on the front page of the local newspaper. The right thing to do is a second order consideration.
- The provost is the number two administrator on campus. It is a miserable job because the only real powers of the position are the ability to say no and the ability to transfer money from one school to another. The provost, like any group executive, does not make things happen but can keep them from happening.
- Provosts feel perfectly entitled not to honor the agreements of their predecessors.
- A good provost can be a great asset to an aggressive dean by not getting in the dean's way.
- Deans must be patient with provosts because the provost's job is to prevent the business school from having more than other schools. Therefore, most provosts and business school deans maintain an uncomfortable truce, especially since the provost can unilaterally punish the business school without regard to fairness, equity, due process, or other accepted standards of behavior.
- Most business school deans think and speak of their provosts as the evil enemy. A dean expects that if he supports a particular issue, his provost will be against it (and vice versa.)
- You can be sure that when the provost interprets the application of university policy with respect to the business school, the result will penalize the school.
- The provost's staff will be highly negative towards the business school and block the school at any opportunity.

The Rankings

- Business schools are blessed and cursed by a variety of magazine and business newspaper rankings.
- Virtually all agree that the contents of these rankings lack substance and in some cases are outrageous or ridiculous. Nonetheless, virtually all deans proudly announce positive movements in any one ranking.

- Many rankings ask deans to rank other schools even though they have no idea what other schools are doing. This does not prevent them from expressing their opinions.
- A dean's opinion of a school is related to its nearness to his or her school in the rankings. That is, the closer two schools are to one another, the lower the respective opinions of their deans about one another. The same rule applies to schools geographically close to one another. Most are comfortable in saying nice things about Wharton or Harvard, which is why, Wharton and Harvard remain highly ranked.
- Students, faculty, and alumni treat rankings as gospel, even when they know better.
- Many of the publishers of business school rankings are more interested in changes in the rankings among schools than in the fairness or accuracy of the rankings. Change creates sales.
- Schools lie or distort data they report to the trade press for use in rankings. Many deans do not see an ethical problem in this.

Students

- Students choose schools based on location, rankings, finances, and their abilities to be admitted. Performance of the university's sports teams is another important factor.
- Once admitted, student expectations and satisfaction are highly correlated with their ability to get a job.
- You can't get undergraduates to read the text, and you cannot please the average MBA student no matter what you do or no matter what tuition you charge.
- Students would enjoy business school a great deal more if they didn't have to take courses, go to class, take tests, or do homework.
- To attract top students, you must promise them the world. After they enroll, they will become disappointed because no one can deliver the world.
- Once you do a poor job in an area, most students will never perceive that you are doing a good job no matter what else you do or how much better you become.

- The better you do in an area, the greater the expectation students will have for future improvements and the greater their disappointment that you are not delivering.
- Business students have a difficult job perceiving the academic institution as a business and have an even more difficult job in correlating their expectations for service with tuition paid.
- Every applicant to the business school believes that he or she would make a perfect business student, regardless of their grades or qualifications. They understand and appreciate the need for standards but expect special consideration for themselves.

Alumni

- Athletics and academics are co-equal in the memories and value systems of alums.
- Dissatisfied graduates can make excellent alums since their expectations have been set so low.
- Alums are proud that the school has high standards but expect special consideration for their own children and relatives when they fail to meet admission standards.

Parents

- Parents want their children to stand on their own feet but have no compunction about calling the dean when their students don't get the grades or treatment they think they deserve.
- Parents blame the school when their child is too drunk to attend class.
- Every parent thinks that his or her child is a special case and deserves special consideration.
- Parents emasculate their children by fighting their battles for them but expect that administrators and faculty should treat their children as grownups.

APPENDIX 1

The Smith School Plan

The Robert H. Smith School of Business University of Maryland ascent to the top the plan for 1998–2003 vision and strategy

Executive Summary

The Robert H. Smith School of Business is implementing a strategy that will distinguish itself as one of the nation's best schools for business learning and knowledge advancement. To achieve this, the School has two strategic foci. The first is across-the-board elevation of the quality of our academic areas and centers through research, teaching and outreach. The second is differentiation around the creation, management and deployment of knowledge and information. By the year 2003:

- the School will be viewed nationally and internationally as the center of excellence for business research and skill acquisition in the area of knowledge and information management;
- graduates of the School will be differentiated because of their immersion in a learning environment that prepares them for future leadership, and stimulates skill development in creating, growing and managing, business organizations of the 21st century;
- the School will have developed cross functional expertise in telecommunications, electronic commerce, supply chain management, financial engineering, entrepreneurship, global business and knowledge management, and the management of technology, by drawing on its core competency in knowledge management and information systems;

- the School will have expanded partnerships with other colleges of the University of Maryland to seize and respond to cross-disciplinary opportunities and requirements in the marketplace;
- the school will achieve national recognition in highly targeted outreach programs (executive education, management development and entrepreneurship);
- the School's status in the national rankings will be augmented and solidified with the goal of advancing in the ranks of the nation's most highly rated business schools;
- resources and infrastructure in the school will be selectively enhanced to remedy deficiencies and achieve balanced excellence in each program;
- the resources available to the school will enhance faculty and staff recruitment, development and retention, ongoing innovation and quality improvement in our programs, and a supportive and stimulating work environment for all members of the Robert H. Smith School of Business community.

This plan outlines tactics in six strategic areas needed to achieve the school's vision. These are research excellence, academic program distinctions, cross-functional education and research, information technology as a core competency, marketing the school, and increasing resource support.

Vision

“With the advent of the information revolution—or the third industrial revolution (call it what you will)—skills and knowledge have become the only source of sustainable long-term competitive advantage . . . For more than a century, the world's wealthiest human being has been associated with oil. . . But today, for the first time in history, the world's wealthiest person is a knowledge worker . . . The nation's most profitable companies are those with a lock on some form of knowledge.”

—Lester Thurow, *Harvard Business Review*,
September-October, 1997, pp. 96–97

The stature of the Robert H. Smith School of Business has advanced dramatically over the last decade. Several measures support that assertion:

- the MBA program has been recognized in the top 25 national rankings three times in the last decade (*US News*);
- the MBA program is very attractive to potential graduates—it has tripled in size over the last decade while simultaneously enhancing student quality;
- the quality of our full-time MBA students is ranked as 16th in the country in terms of student selectivity (*US News*, 1998);
- the undergraduate program is ranked 20th in the country (*US News*, 1997);
- several of our academic areas are recognized among the top ten in their respective fields (entrepreneurship, logistics, management science, and information systems);
- the recently completed University of Maryland Graduate Program Review ranked the business MBA and Ph.D. degrees in the “established excellence” category;
- demand for our graduates is unprecedented—the number of on-campus corporate recruiters serviced by the Robert H. Smith School of Business Career Center doubled between Fall 1996 and Fall 1997;
- our centers are increasingly the “partner of choice” to all segments of the region’s business community.

Given its recent successes, the Robert H. Smith School of Business is poised to join the ranks of the most eminent business schools in the country. How should a business school advance knowledge and prepare its graduates for the newly created economic structures of the next century? The answer hinges on identification of the primary source of wealth in the foreseeable future. As Lester Thurow aptly states, it will reside in intangible assets—knowledge and information.

In a recent *Harvard Business Review*, Philip Evans and Thomas Wurster predict that “Over the next decade, the new economics of information will precipitate changes in the structure of entire industries and in the ways companies compete” (*HBR*, September–October 1997, p. 71).

Those who understand how to create, manage, and leverage intangible assets across boundaryless organizations, using the tools of information technology and telecommunications, will be the next barons of industry. New market forces and organizational forms have emerged. They create non-traditional opportunities for competitive advantage, new sources of value and methods of asset valuation, new strategies for reaching and retaining customers with unprecedented reach to global markets, the pre-eminence of intellectual property, national and international economic policy and ethical dilemmas never encountered before, and emergent centers of global excellence without regard for countries' traditional economic power base.

The rapidity of technical and knowledge changes, and the volatility of sources of market advantage will require the future leaders of global businesses to be highly adaptive and receptive to new and complex information. These accelerating changes also necessitate development of new theoretical models for understanding, evaluating, and affecting the efficient and fair practice of business in the "third industrial revolution."

These are the challenges for business schools of today yet, in general, the schools are lagging. For the most part their students emerge with inadequate preview and preparation for this new order, and on the research and application front they have been slow to develop models of knowledge-based business processes, e.g., financial accounting models for intangible assets (*Wall Street Journal*, November 3, 1997), value chain deconstruction in the age of direct connectivity (Evans and Wurster, HBR, 1997), or a global system of intellectual property rights (Thurow, HBR, 1997). The challenge to business schools is to catch up and deliver in these key areas. This is precisely the vision of the Robert H. Smith School of Business: to advance business thinking and education for this new economic order.

The Robert H. Smith School of Business— The Next Five Years

One way of articulating a vision for the next five years is to take a snapshot of the school, as we wish it to be, in the year 2003. The key elements are as follows:

- The school, through its portfolio of programs (research, curricula, and outreach), will be viewed nationally and internationally as a center of excellence for the advancement of business knowledge and critical competency in the management of knowledge and information. It will be known for targeted sources of academic distinction that support the overarching theme of knowledge and information management (e.g., entrepreneurship, management of technology, telecommunications and information technology, supply chain management, electronic commerce, etc.);
- the school, as part of a strong research university with a strategy of inter-unit collaboration among business, engineering and the sciences, will have expanded partnerships with other colleges to capitalize on opportunities and requirements in the marketplace;
- graduates of the School will be differentiated because of their immersion in a learning environment that prepares them for future leadership, and stimulates skill development in creating, growing and managing, business organizations of the 21st century;
- the school's status in the national rankings will be augmented and solidified with the goal of ranking among the nation's top programs at both undergraduate and graduate levels;
- resources and infrastructure in the school will be selectively enhanced to remedy deficiencies and achieve balanced excellence in each program;
- the school will achieve national recognition in highly targeted outreach programs (executive and management development, entrepreneurship);
- the resources available to the school will enhance faculty and staff recruitment, development and retention, ongoing innovation and quality improvement in our programs, and a supportive and pleasant work environment for all members of the Robert H. Smith School of Business community.

Strengths of the Robert H. Smith School of Business

Is this vision realizable? The answer depends on the distance between where we are today versus where we want to be, and the extent to which present advantages can be leveraged into the future vision. Accordingly, how do we view the present strengths of the Robert H. Smith School of Business in relation to this vision?

The established reputation for outstanding faculty research and Ph.D. program excellence in several areas of the Robert H. Smith School of Business can be leveraged into high quality research and graduate programs, provided there is leadership and support for the new foci of research, and recruitment of outstanding faculty in these areas.

The national rankings of the MBA program already garner attention for our programs, attracting outstanding students and some measure of corporate recognition. The rankings are not a single monolithic concept but are comprised of specific numerical parameters which reflect the success of the educational programs and which will be affected by the school's strategies and action plans. For example, the five highest components of the *US News and World Report* MBA rankings are: academic reputation (25%), average GMAT (16.25%), corporate reputation with recruiters (15%), median starting base salary (14%) and percent employed three months post-graduation (12.25%).

These parameters represent reasonable educational goals that are addressed by the school's strategies. With regard to these elements of the rankings, we currently place as follows in *US News*, 1998: academic reputation (#36), average GMAT (#17), corporate reputation (#44), median starting base salary (#39) and percent employed three months post-graduation (#21). Therefore, we can achieve among the very best by improving our recognition with deans and recruiters (through the quality of faculty and academic programs) and by increasing the job attractiveness of our graduates. Since having quality academic programs is related directly faculty quality, adding senior professors and endowed chairs will be crucial to moving upwards in the ratings.

The undergraduate rankings and innovative cross-functional "boutique" programs (TQ, Business Honors, College Park Scholars) increasingly attract outstanding students and external recognition for the

programs. Several cross-functional programmatic strengths are already emerging within the Robert H. Smith School of Business and with other units on campus (e.g., logistics and supply chain management, telecommunications, international business) and can be readily leveraged into broader programmatic emphases that are consistent with the vision.

Our centers have achieved significant regional and even national recognition for their sources of excellence, suggesting that the prospects for national stature and enhanced business activities for the centers are very promising. The school is characterized by highly entrepreneurial thinking and a tradition of innovation, such as revenue sharing initiatives, differential tuition, geographic diversification, and flexible degree portfolios responsive to the needs of different market segments. This tradition will facilitate the transformation into a new operating model.

The school has a large and successful alumni base and corporate network, with the prospect of significant private giving. This year's record, as the best fundraising year ever culminating in the naming gift by Robert H. Smith, suggests momentum as we enter the active phase of the comprehensive campaign.

There are barriers to achieving the vision and, unless removed, they hamper our ability to move forward. We are at a disadvantage in competing for outstanding new faculty hires with the top schools because of too few distinguished endowed chairs and research professorships. A central determinant of rankings in *US News* is placement indicators. However, our MBA and undergraduate placement measures do not match the caliber of the student body. We will need specific, targeted efforts to improve these indicators. The external community's general impression of the Robert H. Smith School of Business (referring here to both academic and corporate observers) under-represents true program quality. The school must increase its promotional activities to achieve the recognition that it currently deserves and to then raise the level of its recognition to the level that the school will achieve in the next five years.

Strategies to Realize the Vision

The school will design and implement a new business school model around the creation, management, and deployment of knowledge and information. This includes the following cross-cutting content innovations in our

curriculum, drawing on virtual research groups within the school and linkages with other disciplines on campus:

- Telecommunications
- Management of technology
- Electronic commerce
- Financial engineering
- Supply chain and logistics management
- Global business and knowledge management
- Entrepreneurship

The school will introduce innovative undergraduate and MS cross-functional programs to attract top quality students and to enhance placement through market responsiveness to uniquely trained students. Internal (students) and external (alumni and members of the business community) stakeholders will be closely engaged to provide input and feedback around design of the programs. Included among the programs is a new accelerated MS in business for life sciences and computer sciences undergraduates, the recently approved College Park Scholars program on Business, Wealth, and Society designed jointly with Economics, and an undergraduate citation in entrepreneurship open to all sophomores from across campus. These distinctive programs will: (a) attract high quality undergraduates; (b) retain strong graduating seniors for an additional year on campus to broaden and enhance their career prospects through a combined degree with business; and (c) attract a broader recruiter portfolio to the business school because of the availability of a new “breed” of graduates with joint degrees, thus enhancing placement prospects for *all* business graduates.

We will hire and retain top tenure-track faculty, with a key goal of building excellence in emerging thematic emphases. Targeted hires will accelerate the school’s progress in implementing and obtaining distinction through the strategic shift to a business school focused on knowledge and information management. Using the opportunity enabled with the Robert H. Smith endowment, “stars” will be hired in areas of strategic need. Initially, stars will be sought for the information systems, and the

PepsiCo Chair in Marketing. Our goal is to add seven endowed chairs and twelve endowed research professorships to the faculty. These endowed chairs and professorships provide funds which supplement faculty salaries thereby enabling the school to hire exceptional faculty who are at the top of their fields. In addition to increased salaries, such positions are a significant mark of academic distinction and are crucial to top faculty recruitment and retention.

Undergraduate and MBA placement statistics will be strengthened through an organized campaign to attract corporate recruiters, and through programs to enhance career mentoring for both graduate and undergraduate students. We will provide customized referral of graduates and utilize multiple channels for placement including advisory boards, a “Career Associates” program and target well placed alumni in companies that fit the desired profile. Promoting the new concentrations and school’s focus on the information revolution will increase the attractiveness of graduating students.

External and corporate recognition for the Robert H. Smith School of Business will be increased through strategic marketing of the sources of distinction in the school—the new business school model and corporate-oriented programs that advance core competencies in the creation and management of knowledge and information. The school will implement a comprehensive strategy to engage alumni and the business community and to market its sources of distinction, including hiring a senior marketing director to deploy the strategy. It will increase academic and professional activities and communicate these activities with public relations activities targeted at deans and recruiters.

The school will increase strategically targeted financial support for top quality Masters and Ph.D. students. At the Masters level, financial aid is critical to preserve the quality of the student body and, thus, an important determinant of the rankings. To attract outstanding Ph.D. students and maintain the vibrancy and excellence of our graduate research program, the financial support package offered to prospective Ph.D. students will be enhanced.

We will improve our stature in the rankings by focusing on the previously stated goals of enhanced placement and student career skills,

strategic marketing, and leadership in curriculum innovation. Continuous improvement processes are part of the culture of the Robert H. Smith School of Business and will be used to achieve critical improvements in students' learning and development experiences. These focused improvement activities are targeted, coincidentally, at the areas with the greatest potential for upward movement in our ranking components, and will result in improved and solidified rankings.

We will generate additional revenues through innovative programs leveraging existing strengths and launching new partnerships with other units on campus and elsewhere, to support implementation of the above strategies. We will pursue the Robert H. Smith School of Business goals for the comprehensive campaign with vigor.

The campaign objectives for the Robert H. Smith School of Business are endowment funds for faculty chairs and professorships, the MBA Career Center, student scholarships and financial aid, and the Center for Technology, all of which are central to realizing the vision for the Robert H. Smith School of Business. "Star" researchers cannot be hired without the funds and status of endowed chairs and professorships; placement results at the MBA level, a critical input factor for rankings, are enabled with the resources of an endowed center; attraction of a top quality and diverse student body depends on the availability of financial support at the undergraduate and graduate levels; and the Center for Technology provides the technical means for supporting the content shift of the Robert H. Smith School of Business to a focus on managing knowledge and information.

External funds are also essential to solve the school's shortage of space, a situation that will significantly limit the school's ability to advance forward and attract top students and faculty unless remedied. With endowment and other sources of support, the Robert H. Smith School of Business plans to add a wing to Van Munching Hall, to accommodate the space requirements for its expanding programs and client usage. The primary uses for the new wing will be additional classrooms, expanded executive and management development facilities, larger Career Management services at both undergraduate and graduate levels, and faculty offices to accommodate the growth in the school's size.

Tactics for Academic Years 1998/9 to 2002/3

Research Excellence

To support research excellence, the RHS School will create an infrastructure that enables and stimulates prolific, top quality research.

Action goals include:

- guaranteed full 20% summer research support for all productive faculty
- reduced course load for junior faculty at least once pre-tenure
- recruitment of 7 new endowed chairs thanks to the RHS endowment and the PepsiCo chair. Areas include Information Systems, Accounting Systems, and Marketing (PepsiCo Chair in Consumer Research)
- the award of 12 research professorships to outstanding researchers who are current and future members of the School
- attraction of the most promising new faculty at all levels through competitive recruitment packages
- retention of productive faculty through aggressive salary actions
- post-tenure reviews and feedback for tenured faculty
- meaningful 3-year reviews and contract decisions for junior faculty
- active mentoring and support of junior faculty in each area to position them for promotion and tenure
- attraction of top quality Ph.D. students through more lucrative fellowships/scholarships and minimal teaching requirements
- expanded infrastructure for information technology-related research including hardware, labs, software, professional and para-professional support, implemented through a Center for Information Technology

Academic Program

To move forward in the rankings, the RHS School will sustain its educational distinctiveness, innovation and high quality.

Action goals include:

- launching and marketing an innovative MBA program that incorporates cross-functional business solutions and flexible program options; reflects stakeholder (business and student) input in design
- enhancing the input quality and placement successes of the Masters population by targeted increases in scholarships and financial aid
- improving the quality of the UG population through improved pedagogy, boutique programs that attract top students state-wide and nationally, and selective admissions
- improving pedagogy through teaching enhancement interventions and IT support of learning.
- shoring up permanent faculty/student ratios to enhance the quality of teaching and learning

Cross-Functional Strategy

To distinguish itself in research and education, the RHS School will develop cross-functional expertise in knowledge and information management and flows.

Action goals include:

- creation of mechanisms to support team-teaching without penalty
- establishment of research incentives (e.g., a targeted research pool) to launch and sustain collaborative, inter-disciplinary research
- hiring faculty who can add research and teaching strength beyond a single functional area
- offering extended funding opportunities for selected research activities that are particularly well aligned with the school's strategy
- targeting new elective development in cross-functional content areas

IT as Core Competency

To enhance its distinction as a leader in knowledge and information management and flows, the RHS School will aggressively use information technology tools.

Action goals include:

- establishment of Center for Information Technology, including infrastructure for support of IT-related research (see above)
- selective development and delivery of distance education activities in its academic, certificate and executive education programs
- expansion of the portfolio of executive and management education programs to focus on IT content, clientele, and advanced IT learning tools
- selective development of new courses, simulations and applications in non-IS areas that highlight IT, e.g., accounting systems, finance trading floor and simulations, hi tech marketing management
- support of the integration of information technology into the curriculum of a wide variety of UG and Masters courses

Marketing the RHS School

To achieve the recognition it deserves, the RHS School will engage in intense and focused activities to publicize its distinctions and expand its alliances with the business and corporate world.

Action goals include:

- creation of area advisory boards to advance business partnerships, research opportunities, financial support, and student placement
- seeding research centers in selected areas that exploit and advance faculty expertise in the area, and serve as a focal point for external recognition and business partnerships

- systematically integrating all marketing efforts across areas, programs and centers into coherent themes and image
- expanding presence in the Baltimore *and* Northern Virginia region, especially through the Office of Executive Programs (Baltimore) and the Dingman Center (Northern Virginia)
- enhancing placement outcomes (see measures) by targeted partnerships with well-paying corporate recruiters matched to student profile, and through interventions to improve student job search skills

Resource Support

To realize the above strategies, the RHS School will generate the requisite human and financial resources.

Action goals include:

- hiring non-tenure track faculty as “super” teachers across all programs to assume a higher teaching burden, and provide course load relief to faculty
- establishing higher teaching loads for faculty no longer active in research
- raising additional resources to fully finance new wing to Van Munching Hall
- leveraging current programs into new programs and revenue streams that enhance the brand name through high delivery quality, yet add substantial new resources given costs, e.g., Baltimore, Accounting MS, Life Sciences/Computer Sciences joint MS, Center for Management Excellence
- maximizing the returns from new programs and activities through creative financing and partnership arrangements e.g., computer leasing, new self-based revenue approach as new model for campus
- creatively using RHS naming gift for endowed chairs and strategic priorities of RHS School
- raising additional new private funds to support faculty research, center launches and student financial support

- utilization of more efficient delivery (e.g., distance education) and management (e.g., outsourcing and leasing) mechanisms
- receipt of additional faculty and staff lines from the university
- introduction of new sources of revenue while minimizing the “net new” burden, e.g., through higher market pricing of existing programs, repackaging courses into certificate programs or concentrations, and modularized delivery to facilitate scheduling flexibility.

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Howard Frank

Howard Frank, Ph.D., is a professor of management sciences at the University of Maryland. From 1997 to 2008 he served as the dean of the Robert H. Smith School of Business, doubling the size of the school, increasing its revenues four-fold, and leading the school to the top ten in the world of research. Dr. Frank has also served as director of the Defense Advanced Research Project Agency's Information Technology Office, and as the Chief Executive Officer of three technology companies. He has been a member of the board of directors of public, private, and non-profit corporations. Dr. Frank is a Fellow of the Institute of Electrical and Electronic Engineers, and a member of the National Academy of Engineering. He was awarded the Distinguished Service Medal, the Defense Department's highest civilian honor, by the Secretary of Defense.



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