KRANNERT SCHOOL OF MANAGEMENT

REPORT TO THE BOARD OF TRUSTEES

ACADEMIC AFFAIRS COMMITTEE

David Hummels, Dean and Professor of Economics
October 8, 2015
KEY THEMES

• Changing Leadership

• Programs
  • Innovation
  • Rising Enrollments
  • Program Excellence

• Faculty
  • Research Centers
  • Rebuilding the middle
<table>
<thead>
<tr>
<th>Period</th>
<th>Dean Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-1999</td>
<td>Dean Dennis Weidenaar</td>
</tr>
<tr>
<td>1999-2010</td>
<td>Dean Richard Cosier</td>
</tr>
<tr>
<td>2010- Nov 2011</td>
<td><strong>Interim</strong> Dean Gerald Lynch</td>
</tr>
<tr>
<td>Nov 2011 – Sep 2014</td>
<td>Dean Christopher Earley</td>
</tr>
<tr>
<td>Sep 2014 – May 2015</td>
<td><strong>Interim</strong> Dean David Hummels</td>
</tr>
<tr>
<td>June 2015 – present</td>
<td>Dean David Hummels</td>
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</tbody>
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**The Interim**
- **Oct - Nov 2014:** School wide self-assessment (SWOT); Budget
- **Dec – Feb 2015:** Faculty Hiring, Connections Across Campus
- **March – May 2015:** Search Process
- **May – present:** Budget, Reshaping Masters Program Office, MBA Review
BIG IDEAS DON’T CHANGE THE WORLD...

UNTIL THEY GO TO MARKET
PROGRAMS
NEW PROGRAMS

Graduate

- MS Finance
- STEM-MBA (one year)
- MS-Econ (online)
- MS Accountancy
- MS Global Supply Chain
- MS Marketing
- MS Business Analytics and Information Management

Undergraduate

- Finance
- Marketing
- Strategy and Organizational Management
- Supply Chain Information and Analytics
- Refresh: BS Industrial Management
DEMAND FOR NEW TYPES OF LEARNING

Growth in UG Distance Learning

772% Growth
Student Credit Hours between AY11 and AY15

Growth in GR Experiential Learning

78% Growth
Student Credit Hours between AY11 and AY15

Distance Learning
Student Credit Hours

Experiential Learning
Student Credit Hours

Undergraduate    Graduate
Krannert Professional Development Center assists students as they transition from the classroom to professional careers by delivering leadership development, personalized career coaching, and job search and career management support.

The Dr. Cornell A. Bell Business Opportunity Program was established in April 1968 to increase diversity and give all students access to a world-class Management education. The program is one of the first of its kind at a major business school, and the first at Purdue.

Leadership Communication Studio helps students develop competency to converse and connect with confidence in groups of 1 or 1000.

Launching Business (Global) Leaders uses a combination of curricular and co-curricular programming to help students build a personal brand, become proficient in developing professional relationships and expand their leadership skills.

Women in Management provides scholarships to attract and retain successful women, funds research on the unique challenges of women in the workforce, expands professional connections, and creates a supportive culture.

198 Mentors
386 Mentees

>600

>100

>1000

Students participating in Professional Mock Interviews

Alumni and Professional Volunteers virtually mentoring students

1:1 appointments with the KPDC
ENROLLMENT
ENROLLMENT: MAJOR COUNTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2011</td>
<td>2,606</td>
<td>661</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>2,444</td>
<td>693</td>
</tr>
<tr>
<td>Fall 2013</td>
<td>2,511</td>
<td>769</td>
</tr>
<tr>
<td>Fall 2014</td>
<td>2,594</td>
<td>753</td>
</tr>
<tr>
<td>Fall 2015</td>
<td>2,584</td>
<td>663</td>
</tr>
</tbody>
</table>
Of the students earning minors from Krannert over the last 5 years, 79% are Science & Engineering Majors.

UG Degree Earners w/ KRAN Minor
(who are not KRAN majors)

Net CODO Students

- 2010-11: 205
- 2011-12: 209
- 2012-13: 256
- 2013-14: 314
- 2014-15: 416

- 2011: 24
- 2012: 73
- 2013: 190
- 2014: 181
- 2015: 236
RISING STUDENT DEMAND

INSTITUTIONAL EXCELLENCE

+15%  Krannert Majors
Student Credit Hours
Over the last 5 years

+18%  Other Majors
Student Credit Hours
Over the last 5 years

UG Student Credit Hours

<table>
<thead>
<tr>
<th>Year</th>
<th>Krannert Majors</th>
<th>Other Majors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>36.6K</td>
<td>26.0K</td>
</tr>
<tr>
<td>2011-12</td>
<td>37.2K</td>
<td>26.7K</td>
</tr>
<tr>
<td>2012-13</td>
<td>38.5K</td>
<td>29.0K</td>
</tr>
<tr>
<td>2013-14</td>
<td>40.8K</td>
<td>30.4K</td>
</tr>
<tr>
<td>2014-15</td>
<td>42.1K</td>
<td>30.8K</td>
</tr>
</tbody>
</table>

Other Major Student Credit Hour Comparison 2011 vs 2015

<table>
<thead>
<tr>
<th>Major</th>
<th>2011</th>
<th>2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>7.4K</td>
<td>9.5K</td>
<td>29%</td>
</tr>
<tr>
<td>Science</td>
<td>3.5K</td>
<td>4.7K</td>
<td>35%</td>
</tr>
<tr>
<td>Exploratory Studies</td>
<td>1.3K</td>
<td>2.1K</td>
<td>69%</td>
</tr>
<tr>
<td>Pharmacy, Nursing &amp; Health Sciences</td>
<td>2.9K</td>
<td>3.5K</td>
<td>20%</td>
</tr>
<tr>
<td>Liberal Arts</td>
<td>2.9K</td>
<td>3.4K</td>
<td>14%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1.8K</td>
<td>1.9K</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>6.2K</td>
<td>5.6K</td>
<td>-10%</td>
</tr>
</tbody>
</table>
Students on Course Waitlists

Over the 2014 – 2015 academic year

- Krannert Majors
- Seniors

Credit Hours Per Faculty
At Purdue

<table>
<thead>
<tr>
<th>College</th>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krannert</td>
<td>640</td>
</tr>
<tr>
<td>College Median</td>
<td>293</td>
</tr>
<tr>
<td>College Range</td>
<td>151-396</td>
</tr>
</tbody>
</table>

73% larger average class size compared to Top 20 Undergraduate Business Programs.
PROGRAM EXCELLENCE
PROGRAM RANKINGS

INSTITUTIONAL EXCELLENCE

➢ MBA Program
   ➢ #3 – One Year ROI, Businessweek

➢ Human Resource Management
   ▪ #1 – MS in America, Eduniversal

➢ Production/Operations Management
   ▪ #3 – UG USNWR
   ▪ #7 – GR USNWR

➢ Quantitative Analysis/Methods
   ▪ #6 – UG USNWR

➢ Supply Chain Management/Logistics
   ▪ #3 – worldwide, Eduniversal
   ▪ #9 – UG USNWR

➢ Economics
   ▪ #13 – MS Financial Engineer

➢ Marketing
   ▪ #15 – MS Financial Engineer

➢ Management Information Systems
   ▪ #19 – UG USNWR
PROGRAM RANKINGS

INSTITUTIONAL EXCELLENCE


UG USNWR

MBA Businessweek

MBA USNWR

PURDUE
KRANNERT
SCHOOL OF MANAGEMENT
RANKINGS: KEY CHALLENGES

1. Resources
2. Student quality and placement
3. Research leadership
4. Faculty recruiting / retention
Businessweek MBA Rankings Data

- **Top 20 UG**
  - Core Class Size: 48
  - Budget per FTE: $573K

- **Krannert**
  - Core Class Size: 83
  - Budget per FTE: $398K

- **Resources**
  - Average Operating Budget: $226M
  - Average Operating Budget per FTE Faculty:
    - 1-10: $1.4M
    - 11-20: $94M
    - 21-30: $65M
    - 31-40: $53M
    - Krannert: $40M
Undergraduate Direct Admit Program
  • Now one-third of entering class
  • SAT scores 100 points higher than class average

Student quality metrics have slipped in the Masters programs, reflecting intense competition for students.

Placement has also fallen off; reliance on international students facing VISA restrictions has hurt numbers.

Solutions
1. Significant investment in Masters Program marketing, recruiting.
2. Strategy: aggressive return to our roots (STEM undergrads)
3. Strong placement emphasis on recruiting firms with global scope.
Create research centers that become anchor points for
1. Critical mass of externally recognized excellence in select areas
2. Engagement, across campus, and with corporate sponsors.
   • Translational research.
   • Experiential opportunities for students
3. External fundraising
   • Emphasis: faculty led efforts.

Centers:
- Existing: Dauch Center for Managing the Manufacturing Enterprise
- In the works: Women in MGMT, Information & Analytics, Healthcare Management, and other Functional and cross-Functional Areas.
Krannert has failed to retain faculty who should now be at peak productivity.

We will aggressively recruit to fill that gap with highly productive, leadership-minded, mid-career faculty.

This year: 6-8 senior hires.

Another 6 lines held in a strategic reserve.