

20 March 2017

To: Faculty, Staff and Students of the UBC Sauder School of Business  
From: Robert Helsley, Dean  
Re: Report of the External Review Committee

## Introduction

The Provost has asked me to provide a formal response to the report of the external review committee that visited the UBC Sauder School of Business in January 2017. This memorandum contains both my own comments on the report, as well as comments that I received from others in the school after the report was shared with faculty, staff and students.

To begin, let me express my thanks to the reviewers and to everyone who participated in the review. Special thanks are due to Herbert Rosengarten in the President's office for his careful stewardship throughout the process.

## General Comments

The reviewers were given very broad terms of reference, and had an extremely busy schedule over three days. As a result, the review report is understandably selective in its coverage. For example, one colleague expressed disappointment that the report includes few detailed comments on academic programs or teaching. However, the reviewers indicate that they feel that they developed a solid understanding of the strengths and challenges facing the school, and I agree. Overall, I found the process to be thoughtful and respectful and the report to be balanced and constructive.

The reviewers organized their comments into two large categories – strengths and challenges. I will address these categories in turn.

## Strengths

The report identified the following as strengths of the school:

1. Research excellence
2. New workload policy
3. Culture within the school
4. Relations with the university community
5. Financially sound
6. Faculty Advisory Board
7. B.Com. program

These are all important elements of the school and its activities, and I am pleased that they were identified as areas of strength. I will make just two comments about this section of the report. First, if I were to add any one thing to this list, it would be the quality of the staff in UBC Sauder. They are one of our greatest assets as an organization, and their professionalism and dedication are critical to all of our successes. Second, regarding the new workload policy, the report implicitly credits me, as the Dean, with “establishing this structure.” In fact, credit for establishing this policy lies with the faculty as a whole, who debated and accepted the policy, the division chairs, who vetted the policy extensively, and the faculty members who developed the initial draft of the policy and the associated list of key publication outlets. I would, in particular, like to recognize and thank Senior Associate Dean Darren Dahl and Professor Keith Head for their leadership on this initiative.

## Challenges

The report also identified a number of challenges that should be addressed to position the school for “even better performance” in the future. Many of the reviewers’ comments are more in the spirit of observations than recommendations, and some of them do not seem to require a response. However, I try to comment on elements of each of the challenges in the discussion that follows, with some consolidation of related points.

### 1. The budget model (The external environment and A severe imbalance among programs)

The reviewers note that the school operates under several important constraints, including regulated below-market domestic undergraduate tuition and mandated domestic undergraduate enrolment.<sup>1</sup> We have tried to manage the growth and development of the school in an optimal manner subject to these constraints, and I would argue that the generally sound financial position of the school over the past few years indicates that these efforts have been successful. However, as the reviewers note, the fiscal health of the school is heavily dependent on revenues from international tuition and executive and professional programs, and, as a result, there are significant risks inherent in the budget model. Critical among these are: (1) the possibility of future decreases in demand from international students, (2) continued pressure on executive programs from austerity policies in China and changes in the competitive landscape, (3) the cyclical nature of real estate markets and the resulting cycles in the demand for professional real estate education, and (4) the possibility of increasing competition from online providers. Mitigation strategies

---

<sup>1</sup> It is interesting to note that the reviewers come from institutions with very different financial models. Students from the EU generally do not pay tuition at the Copenhagen Business School, while domestic undergraduates in the business program at Ivey pay approximately \$25,000 per year in their two years in the program, roughly 4 times undergraduate tuition at UBC Sauder. Desautels, maintains very low undergraduate tuition for students from Quebec, but charges a premium to domestic students from other provinces in Canada.

for these risks include building the international brand and reputation of the school, diversifying our executive and professional programs by geography and subject matter, investing in the in situ student experience, and exploring possibilities for our own online program offerings. These are all elements of the school's strategic plan.

The reviewers note that UBC Sauder has a large (and distinguished) undergraduate program, and that the constraints discussed above lead to subsidies toward domestic undergraduate students. They also observe that funding these subsidies may become more difficult in the future. The fundamental issue is unsustainably low domestic undergraduate tuition. This is a long-standing problem, and one that impacts other parts of the university as well. We will continue to work with the executive and the Deans of the other Faculties to search for ways to address this issue. Regarding the imbalance between undergraduate and graduate programs, we expect the growth of the Bachelors plus Masters of Management (B+MM) dual degree program to help address this over time, and also contribute to the fiscal health of the school.

## 2. Challenges in executive education and professional programs

The reviewers state that Executive Education appears to compete at the low end of the market, and not draw on the school's strength in research faculty. In response, I would note that the unit must be sensitive to the market, and open enrolment programs have historically been a staple of the market in Vancouver. In recent years, the focus of the unit has shifted "up market," toward custom programs and longer executive programs. Also, increasing faculty engagement has been a key strategic goal of Executive Education in recent years. However, several colleagues expressed strong support for the recommendation that Executive Education needs to reconsider its strategy in light of the changing landscape, especially for international programs, and in light of the transfer of programs from Continuing Studies.

## 3. The Internal Budgeting model is not well-understood

The reviewers note that there does not seem to be a common understanding of how costs are allocated to programs or how much money individual programs make or lose. This is a very fair criticism, and we are currently working to develop a consistent model of individual program budgets.

#### 4. Management Structure

The reviewers note that managerial responsibilities are relatively concentrated in the Dean and the Senior Associate Dean for Faculty under the current structure, and the leadership team is not very diverse in terms of gender. Regarding concentration, I would note that the team is highly collaborative and, in my view, highly effective. Regarding diversity, I would argue that the team is actually quite diverse, especially if one includes the Assistant Deans and program directors in the calculus, and looks beyond gender as a singular determinant of diversity. Nevertheless, the school is committed to creating an environment that respects diversity and realizes the benefits that a diverse team brings to leadership and decision-making. We will be mindful of these comments as the team evolves in the future.

#### 5. Development Team

The reviewers suggested that a review of the staff and the goals in the development unit is warranted. In fact, a major international fundraising consulting firm recently completed a thorough evaluation of both of these issues for UBC Sauder, and recommended a number of changes, which we are implementing, in staffing levels and organization, and a goal of \$85M for the school's upcoming capital campaign. We are confident that this goal is not under-ambitious.

#### 6. Facilities

The reviewers note that expansion of facilities at the Point Grey campus and upgrading of facilities at Robson Square will be essential to the future success of the school. I could not agree more. Expansion at Point Grey will be necessary for the school to fully realize the potential of the B+MM dual degree program, and perhaps other new, collaborative programs with other faculties. Upgrading (or relocating) the executive education and development activities at Robson Square will be important for the continued development of our executive education offerings. Facility quality has become one of the dimensions on which business programs compete for students and clients, and the dated and subterranean nature of the existing Robson Square campus is inconsistent with the needs of a world-class business school. We have been working on the problems at Robson Square for several years, and thus I am especially encouraged to see the recommendation that a decision be made to provide for new or upgraded space for our downtown activities no later than the end of 2017.

#### 7. Potential for greater research collaboration with other UBC Faculties

Collaboration across the university has been an area of emphasis for the school over the past few years, and we have seen several significant successes in this regard. Entrepreneurship education and the Creative Destruction Lab West, the B+MM dual degree, the Bachelors of International Economics, the Masters of Engineering

Leadership, and the Physicians Leadership Program are all examples of the benefits of collaboration between the business school and other faculties. I fully support the reviewers' recommendation that UBC Sauder take a lead role in creating the internal alliances that will be necessary for the growth of similar programs in the future, particularly with the STEM disciplines.

One complication is that the University's budget model creates disincentives for such collaboration. We will work with the executive and the Deans of the other Faculties to address this issue.

8. Potential for brand excellence in research to reflect brand excellence of education and teaching

The recommendation that the school do more to connect undergraduates to the research mission of the school is very well taken. Possibilities include enhancing the existing Commerce Scholars Program and developing an honors track within the B.Com. program that would have a significant research component. Several colleagues have expressed support for an honors track, and we are currently exploring the feasibility of offering this option. We are also investigating ways to broaden student exposure to faculty research inside and outside the classroom.

9. Better use of student body in branding and communication; potential for more regular Dean dialog with student organizations

The recommendation that the school develop avenues for closer and more continuous dialog with students and student groups is also well taken. We have taken some initial steps toward more active engagement with students, through the creation of the Dean's Student Advisory Council at the undergraduate level and townhall meetings for undergraduates and masters students, and will continue to develop this capacity going forward.

In closing, I would like to thank everyone who was involved in the review process, and especially the colleagues who shared their comments on the review report with me.

cc: Angela Redish, Vice-President Academic and Provost, *pro tem*