

McCombs Strategic Plan July 2009

The University of Texas will be the best in the world at creating a disciplined culture of excellence that generates intellectual excitement, transforms lives, and develops leaders. The University of Texas will define for the 21st century what it means to be a university of the first class.

Vision Statement, The Commission of 125, September 30, 2004

The core purpose of The University of Texas at Austin is to transform lives for the benefit of society. We create and disseminate knowledge that advances human well-being while respecting the core values of learning, discovery, freedom, leadership, individual opportunity, and responsibility. These values are nurtured within a community of accomplishment and accountability. The core purpose of the McCombs School of Business is to educate leaders that create value for society. Our primary goal is to become one of the most prominent business schools in the world. To achieve this goal we have identified three areas of strategic focus with seven associated initiatives.

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I: Leadership in Business Education

Leadership is the hallmark of any prominent business school. The research conducted at such a school has a demonstrable impact on management thought and practice and informs the public policy environment of business. The pedagogy employed at a prominent business school equips its graduates

for success and provides a standard of excellence to which peer institutions aspire. The following two initiatives are designed to extend the leadership and influence of McCombs in business education.

Initiative #1: Intellectual Influence

A vibrant intellectual environment is essential for any prominent business school. The core intellectual capital of the McCombs School of Business is nurtured within our academic departments. Our ability to assume a leadership role in business education is directly related to the quality and influence of our research. This research, in turn, is directly affected by the school's intellectual environment.

The current intellectual environment at McCombs is strong. Our research output is substantial and widely recognized. Faculty support and incentives for research accomplishments in core academic disciplines are effective and institutionalized. Building upon this foundation, more can now be done to strengthen the intellectual environment at McCombs.

Management Practice and Policy-Making: The thought leadership supported by our academic research is substantial. We will initiate steps to broaden our impact in management practice and policy-making. Therefore, we will encourage increased interaction with business practitioners and policy makers and publication in their most influential outlets. To facilitate this change, support and incentives will be made available to faculty members whose research and thought have consequential impact on the practice of management and the policy making that shapes it.

Role of Business in Society: To accomplish leadership in business education, we must broaden the intellectual capabilities of the McCombs faculty. Commercial enterprises operate within a complex web of legal, political and social arrangements, and the social environment of business will continue to condition the strategic choices of firms. Therefore, we will broaden our current research and teaching portfolio to include a new academic focus on the evolving role of business in society. This will require creating a new academic department that includes scholars with expertise in areas such as public policy, political science, regulatory economics, business law and ethics.

Visiting Scholars, Conferences and Seminars: We will provide additional opportunities for influential scholars to visit McCombs for extended stays and support travel and research sabbaticals for McCombs faculty. Similarly, initiating a series of high profile annual conferences will enhance the vibrancy of our environment. Supporting discipline-based, cross-departmental research seminars in, for example, behavioral decision-making or quantitative analysis will deepen the impact and generality of our research.

Accessibility and Influence of Our Intellectual Capital: In addition to increasing the scope of our intellectual capital and efforts, more will be done to promote and disseminate their output beyond the academic community. Therefore, we will modify our communications efforts to make our academic research more accessible and consequential in the realms of management practice and public policy. By harnessing our substantial communication talents and resources in this way, we can extend the influence of our intellectual capital.

Initiative #2: Teaching Excellence

A prominent business school is known for creating a vibrant and innovative learning environment, which is measured by student success and the influence of a school among peer institutions. At McCombs, these attributes again are nurtured primarily within our academic departments. We also recognize that our ability to assume a more influential leadership role in business education is directly related to the quality of our teaching efforts, which have a direct impact on the quality of all our programs – undergraduate, graduate, and executive.

The current learning environment at McCombs is good, and the School of Business boasts many of the best teachers at The University of Texas at Austin. The style and substance of many of our professors are mimicked by others at peer institutions and effective teaching is a valued activity required of all faculty members regardless of rank or track. As a result, the quality of our learning environment is a source of pride for the entire McCombs community.

Center for Teaching Excellence: Building upon our current strength, we will increase support for teaching excellence at McCombs. We will create an institutional unit with explicit responsibility to support faculty efforts at enhancing teaching effectiveness. This Center for Teaching Excellence will facilitate faculty collaborations through formal mentoring programs, peer-to-peer communications, visiting teaching fellows opportunities, and other initiatives. It will also provide formal means for generating and disseminating information on best practices and instructional design, including the use of new media in the classroom. The Center for Teaching Excellence will also help McCombs leverage available university resources designed to enhance the quality of teaching.

Commitment to Experiential Learning: We have often been a leader in providing experiential educational opportunities to students. Examples include 366P Practicum Courses and the Leadership Certificate Program at the undergraduate level, the Investment Fund and the Marketing and Venture Fellows Programs at the MBA level, and the MPA tax practicum. The substantial international travel opportunities available to our students are also evidence of our leadership in experiential education. Going forward, we will commit to extending and creating additional opportunities and further integrating

them in all our academic programs. Program and course design will place priority on including experiential opportunities whenever possible. The capabilities embodied in the Center for Teaching Excellence will be invaluable in this endeavor.

Resources for Attracting Top Students: The quality of our pedagogic efforts depends on our ability to combine innovative teachers and talented students, both of whom have a wide range of experiences and cultural perspectives. Therefore, achieving teaching excellence at McCombs requires that we recruit a talented and diverse student body. Recruiting such a student body requires substantial and sustained focus. To that end, we plan to quadruple our endowment in support of recurring scholarships for our undergraduate student body, continue to deploy resources to attract a talented and diverse student body in our graduate programs, and create a well-funded and highly competitive McCombs Scholar Program for truly outstanding Ph.D. candidates.

Increased Support for Teaching Excellence: All of our programs – undergraduate, graduate, and executive – are well-regarded, and our intent is to increase their stature. In recognition of the pivotal role that faculty will play in achieving that goal, increased support and incentives will be provided to those whose skill and commitment to developing courses and teaching materials and in-class teaching shows true excellence. We will also create the McCombs Teaching Fellows distinction to honor the best teachers among our faculty.

II: Addressing Societal Challenges

The world's most prominent business schools confront important human challenges. Academic expertise from across the disciplinary spectrum is marshaled to produce research and programming of contemporary social relevance. At the McCombs School of Business, we are uniquely positioned to contribute to the dialogue surrounding two of the world's most vexing problems.

Initiative #3: Energy Sufficiency and Sustainability

Developed and emerging economies around the globe need reliable and sustainable energy sources at predictable prices with low environmental costs. The McCombs School of Business at The University of Texas at Austin is uniquely situated to serve as a catalyst for energy-related research and teaching that will satisfy the world's need for innovative energy solutions. Therefore, McCombs will play a large role in creating the intellectual capital needed by industry leaders and policy-makers to construct a secure and clean energy future.

McCombs enjoys several advantages in becoming a leader in energy-related research and teaching. First, the State of Texas and all the cities that host our academic programs have significant strengths in traditional and alternative energy production and generation. Texas is the nation's leader in crude oil and natural gas production as well as wind power generation. Austin is an emerging technology hub for innovative forms of energy provision and conservation. And Austin, Dallas, Houston and Mexico City house over 1,500 energy company headquarters. Commercial interests within our core markets are already concentrated in the energy sectors.

Second, McCombs boasts an array of college centers, academic departments, and student groups already focused in whole or in part on energy-related issues. The Supply Chain Management Center of Excellence; the Real Estate Finance and Investment Center; the Center for Customer Insight and Marketing Solutions; the Hicks, Muse, Tate and Furst Center for Private Equity; the Herb Kelleher Center for Entrepreneurship; and the Center for Energy Finance Education and Research already provide programming in the energy fields. Our Department of Accounting has expertise and offers courses specific to traditional energy endeavors. And the Clean Tech Group and Energy Finance Group focus student interests and activities in energy and the environment.

Third, The University of Texas at Austin is one of the world's leaders in the development of knowledge related to energy and the environment. Nearly \$100-million of sponsored research on energy-related science and technology is currently being conducted at the University. Much of this research is done within the Jackson School of Geosciences, the Cockrell School of Engineering, and the School of Natural Sciences. Many of our other colleges, including the Schools of Architecture and Law as well as the LBJ School of Public Affairs, have considerable technical and public policy expertise on energy-related matters. And other units at the University of Texas, like the Environmental Science Institute, contribute significantly to the dialogue about the world's energy future.

Energy Center: The McCombs School of Business will establish a college-wide center of excellence to promote energy-related research and teaching. This center will take an integrative approach toward energy problems broadly defined. For example, this center will deliver student workshops on basic energy topics, organize conferences in coordination with other schools on campus for the academy, industry, and regulators, and create and disseminate information on a variety of energy topics. This center will also undertake several curriculum initiatives, including creating focused studies on energy in our full-time and working professional MBA programs, facilitating cooperation across our academic departments to expand our energy-related course content, and developing joint programs or dual degrees with other colleges such as the Cockrell School of Engineering, the Jackson School of Geosciences, and the School of Architecture. The mission of this center will be to create intellectual capital of use to industry and policy-makers, to educate our students in energy management and innovation, and to link McCombs' activities

in this area to The University's energy initiatives and other sources of knowledge and information about the world's energy future.

Initiative #4: Innovation and Creativity

Innovation and creativity are essential to value creation and sustainable economic growth in mature and emerging economies. The McCombs School of Business is uniquely situated to deepen its commitment to research and teaching on processes that turn ideas into commercial and social value. McCombs will play a major role in creating the intellectual capital and curricular innovations necessary for understanding the processes that drive creativity within existing organizations—intrapreneurship—and inspire the development of new firms and enterprises—entrepreneurship.

McCombs already has a significant research and teaching presence in these important areas. Faculty in all of our academic departments teach and conduct research on creativity and innovation. McCombs also has an international reputation in entrepreneurial studies. McCombs hosts one of the most influential academic research units in this area, the Herb Kelleher Center for Entrepreneurship. And for decades, value creation through innovation and entrepreneurship has been a dominant and consistent focus of the McCombs School of Business.

McCombs is situated in a university with considerable assets in innovation and creativity. For example, the College of Liberal Arts has a program in Science, Technology and Society. The LBJ School of Public Policy has courses in social innovation. The Cockrell School of Engineering hosts the 'Idea to Product' (I2P) Global Competition, the I2P Seminar Series, and the Technology Entrepreneurship Society. Courses on innovation and creativity can also be found in at least six other colleges at the university. And the university boasts the IC² Institute, an interdisciplinary research unit that for decades has advanced the theory and practice of entrepreneurial wealth creation.

Moreover, McCombs and the university are located in an environment conducive to the study of innovation, creativity and value creation. In 2007, over 2,100 patents were assigned to inventors in Austin. From 2002-2007, Austin's patent activity outpaced the national rate and in 2006, the *Wall Street Journal* ranked Austin third among our nation's most inventive cities. In recent years Austin, Houston, and San Antonio have been included among the best large cities in the United States for entrepreneurs and inventors. A recent Kauffman Foundation report identifies The University of Texas at Austin as one of the top ten schools for producing founders of start-up companies.

Center on Innovation and Creativity: The McCombs School of Business will establish a school-wide center of excellence to promote teaching and research on the role of innovation and creativity. This center

will take the lead in integrating with other academic units at McCombs and the university as well as trade and non-profit organizations outside of the university to generate research and augment our knowledge in key related areas. The center will also coordinate curricular initiatives across all our academic programs to expand our course offerings. The mission of this center will be to generate and disseminate knowledge about the role and processes of innovation and creativity in a modern economy.

III: Engaged and Purposeful Community

The goals of the McCombs School of Business can only be achieved within a fully engaged and purposeful community. For example, the school's faculty and staff must be equipped and motivated to contribute in their areas of expertise and responsibility. Alumni and benefactors must be engaged in a meaningful way that allows them to advance their interests while contributing to the goals of the school. And the school's leadership, with consultation from the entire community, must articulate the resources necessary for our purpose.

Initiative #5: Professional Staff

An outstanding staff is essential to performing the critical functions that take place at a prominent business school, and the staff of the McCombs School of Business is among the most proficient and dedicated at The University of Texas at Austin. Enabling staff members to develop and perform at the highest level of professionalism will greatly increase our ability to achieve our goal. Ensuring that staff is organized effectively will also facilitate our mission.

Development, Training and Performance Management: We will develop a staff orientation, mentoring, and leadership development program. In addition, seminars, workshops and cross-departmental task forces, all designed to acquaint staff with best techniques and practices will be used to augment our efforts to maximize the professionalism of the McCombs staff. Staff professionalism will also be enhanced through a renewed emphasis on performance expectations and standards and a continued commitment to fair remuneration.

Efficient and Effective Organizational Structure: Even the most professionally staffed functions cannot be performed effectively and efficiently if they are not organized appropriately. We will systematically evaluate the entire support structure of the McCombs School of Business to determine how best to organize those functions to ensure that they effectively and efficiently contribute to achieving our goal. Our intent is to identify a structure that is not only efficient, but also better incorporates staff into the intellectual activities and culture of the school.

Initiative #6: Alumni and Benefactors

Purposeful Relationship: The size and stature of the McCombs Schools' alumni base is among its greatest resources and, indeed, one of the best measures of its prior successes. Our alumni and benefactors occupy some of the most prominent positions in industry and society and are also exceedingly loyal and generous in their support of our school. The goals of the McCombs School of Business can only be achieved with the broad support of engaged and purposeful alumni and benefactors. To ensure a high level of engagement, we will strive to develop life-long relationships of value to all our alumni and friends. In exchange, we will invite our alumni and friends to support our efforts to become a prominent business school. We will also ensure that the activities of our development and alumni relations professionals are closely aligned with the school's strategic focus and initiatives.

Initiative #7: Program and Resource Plans

Our path to becoming a prominent business school is guided by an understanding of the nature of the programs we wish to offer and the resources needed to support those programs. Therefore, decisions about the size and scope of our academic programs provide the foundation for our plans. Those decisions, in turn, determine the faculty, staff and facilities resources needed to achieve our goal.

Discussions of our existing portfolio of degree programs – BBA, Business Foundations, MPA, MBA, and Ph.D. – have led to the conclusion that their current size and scope are appropriate for achieving our goal. Moreover, our responsibilities as the leading university in our state argue against dramatic decreases in these programs. However, given this size and scope, additional resources are required to produce the quality of academic programs found at the world's most prominent business schools.

Faculty and Staff Resource Plans: We will continue to increase the size of our faculty to provide students with the educational quality found at a top business school. Our current faculty resources result in too many large classes. Faculty scarcity also limits course offerings and important experiential learning opportunities. Nowhere is this effect felt more strongly than in our undergraduate programs. Faculty and staff scarcity also limits our ability to exploit the non-degree, executive education program opportunities provided through the AT&T Executive Conference Center. We will identify the precise size and type of human resources needed to produce world-class academic programs and take all steps possible to achieve those levels.

Facilities Master Plan: We will strive to provide the facilities found today at the world's most prominent business schools. With the exception of the recently constructed AT&T Executive Conference Center, our facilities no longer compare favorably with those of other top business schools. We lack the space

needed to continue to grow our faculty. Too many student and classroom areas are aesthetically unappealing and cannot support contemporary pedagogy and technology. Therefore, we will develop a Facilities Master Plan to identify the physical requirements of the McCombs School of Business that will be needed to achieve our goals. We expect that this plan will propose major renovations, new buildings, or both. These requirements will be informed by and coordinated with our Faculty and Staff Resource plans. We will use these plans to help develop the required resources.

IV: Conclusion

We will enhance the international prominence of the McCombs School of Business by assuming a greater leadership role in business education, by producing scholarship and programming that addresses major societal challenges, and by taking steps to engage our entire community in a more purposeful way. We will pursue our goal by implementing the key initiatives identified above as soon as possible given available resources. In so doing, we will contribute to the creation at the University of Texas at Austin a disciplined culture of excellence that generates intellectual excitement, transforms lives, and develops leaders.