TABLE OF CONTENTS

I. Introduction

II. Value to Stakeholders
   a. Knowledge Creation
   b. Value-Added Business Education

III. Stakeholder Assessment
   a. Student Quality & Demand
   b. Quality of Learning Process
   c. Engagement by Alumni & Corporate Community
   d. Philanthropic Support

IV. Financial Report
INTRODUCTION

The JGSB Dashboard reports on value creation by the Jones Graduate School of Business as reflected in the vision statement for the school. This dashboard will be released three times per year highlighting different elements based on the academic season and the timing of external reports that supply critical comparisons of the school's performance relative to our peers and aspirational peers. The vision statement for the school is:

_JGSB is a premier business school honoring the legacy of Jesse Jones through big ideas creating value, enhancing learning and top talent. This vision is viewed through the lens of real value delivered to our stakeholders (knowledge creation and value-added business education) and stakeholder assessment of our value creation (student quality and demand; effectiveness of the learning process; engagement by alumni, corporations and community; and philanthropic support). Although many of Jesse Jones’ experiences were grounded in Houston, his big ideas created value globally. The JGSB will be known for thought leadership that drives action and global value creation._

The following strategy graphic illustrates the school’s commitment to providing value to stakeholders and assessing that value, our positioning, the three strategic investments and four complementary initiatives. [business.rice.edu/forward](http://business.rice.edu/forward)
JONES SCHOOL ANNOUNCES NEW ASSOCIATE DEAN OF DEGREE PROGRAMS

George Andrews began his new role as associate dean of degree programs in mid-October. In this role, he has leadership responsibility for each of the MBA programs, the Career Management Center and the Office of Admissions. George reports to the senior associate dean of degree programs and is a member of the dean’s leadership team. George served as associate dean for evening MBA and weekend MBA programs at the University of Chicago Booth School of Business. At Booth, he led a series of innovative programmatic, student recruitment and development initiatives, increasing yield in the evening and weekend programs from 79 to 90 percent and improving both student and faculty satisfaction. George joined Booth seven years ago from the William E. Simon School of Business at the University of Rochester, where he was executive director of the executive development programs. He started his career at Procter & Gamble as a section manager and spent the next 16 years in increasingly senior roles at Wyeth Pharmaceuticals and then Bausch & Lomb. George earned his MBA from the William E. Simon School of Business and his bachelor of science degree from Texas A&M.

RANKINGS HIGHLIGHTS

The MBA program is ranked No. 25 (up from No. 34 in 2012) in Bloomberg Businessweek’s new ranking of the best full-time MBA programs in the nation. This is the highest ranking ever received for this program from Businessweek. The rankings include 85 U.S. schools and 27 international schools. To determine which business schools offer the strongest education and best prepare MBAs for their careers, Bloomberg Businessweek ranked 112 full-time MBA programs on three measures: a survey of student satisfaction (45 percent of the ranking); a survey of employers who hire those graduates (45 percent); and the expertise of each school’s faculty, measured by faculty research in esteemed journals (10 percent).

The biggest contributor to the Jones School’s rise in the overall Businessweek rankings was the positive assessment by employers who hire the school’s graduates, with employers and recruiters ranking the program No. 31 this year (up from No. 43 in 2012). Bloomberg Businessweek shifted their methodology this year, commenting that “We believe these changes make the rankings more accurate and reflective of what prospective students care about when choosing an MBA program.” Intellectual capital also rose to No. 12 (up from No. 21 in 2012). Businessweek rankings currently are published every other year.

The school continues to climb in the annual Financial Times rankings for Master of Business Administration for Executives (EMBA) programs. The 2014 rankings placed the Rice EMBA program at a record high of No. 5 nationally, up from No. 8 in 2013 and No. 11 in 2012. This ranking reflects our strength in helping executives who graduate from our program achieve their career and financial goals. In fact, the EMBA program ranked No. 1 in “Aims Achieved” and for “Percent Salary Increase,” in which graduates saw a 60 percent salary increase pre-MBA to three years postgraduation. The program ranked No. 4 for “Salary Today,” with an average income at $218,340. The Rice EMBA program continues to be ranked No. 1 in Texas and the Southwest, a distinction it has held for the past five years. The Financial Times rankings are based on surveys of alumni three years after graduation (Class of 2011). Criteria include average salary after graduation and return on investment. Financial Times’ ranking of Intellectual Capital, measured by faculty research published in 45 journals also rose to No. 13.

The Financial Times also ranked the Jones School high globally with alumni in “Entrepreneurship” (No. 4) and “Corporate Strategy” (No. 7).
FALL JONES PARTNERS THOUGHT LEADERSHIP SERIES BRINGS TOP LEADERS AND ALUMNI
Jones School executive MBA alumnus and CEO and president of Chesapeake Energy Doug Lawler spoke to a packed Shell Auditorium on October 8, during the fall’s first Thought Leadership Series. The topic was Culture, Ethics and Business Performance. Lawler, former senior vice president, International and Deepwater Operations at Anadarko Petroleum Corporation, has been at the helm of Chesapeake since summer 2013 and is leading the oil and natural gas company through transformation and intense organizational change.

Thursday, Nov. 6, Yael Hochberg, Ralph S. O’Connor Associate Professor of Entrepreneurship, Associate Professor of Finance, and Academic Director of the Rice Alliance conducted a lively conversation with Elliot Weissbluth, co-founder and CEO of HighTower Advisors and Rice alumnus, titled “The Innovator Has No Clothes.” The discussion highlighted the difference between an inventor and an innovator.

STUDENT EVENTS CONTINUED SUCCESS THIS FALL
The Rice Veterans in Business Association welcomed General James T. Conway, USMC (RET.) as keynote speaker for the fall Veterans Leadership Series. Conway discussed U.S. Military, Business and Policy Interests in the Middle East. COO member and CEO of Newfield Exploration Lee Boothby opened the event, which also featured a moderated panel consisting of the general, Director of Global Intelligence for Hess Corporation Lance Fitzmorris and Bonner Means Baker Fellow of the Baker Institute Joe Barnes. COO member and Executive VP of Upstream Finance at Shell Jessica Uhl closed the event.

The Rice Energy Finance Summit continued to be a popular event, drawing increasing numbers of top business leaders and professionals. This year’s topic was the Global Impact of the North American Revival. The summit was held November 13.

SCHOLARSHIP EFFORTS TO ATTRACT TOP TALENT RECOGNIZED
An article in Poets & Quants about how the Top 25 business schools attract top talent to their MBA programs through scholarships named the Jones School as “the most generous top business school.” According to the article the top 25 schools are giving upwards of $230 million in scholarships to lure the top candidates to their schools, highlighting the highly competitive nature of business school admissions. Scholarships are a critical element in our strategy to recruit top talent to Rice and help us compete effectively with top 20 MBA programs.
VALUE TO STAKEHOLDERS

KNOWLEDGE CREATION

KAMAKURA’S BOOK A FINALIST FOR PRESTIGIOUS AWARD
Wagner Kamakura’s book on socioeconomic stratification and consumption in Brazil published in 2013 is one of the 10 finalists of Prêmio Jabuti in the Economics and Business category. The Jabuti award is the premiere literary award in Brazil, awarded annually by the Brazilian Literary Chamber.

ZHANG NAMED TO STRATEGIC MANAGEMENT SOCIETY BOARD OF DIRECTORS
This fall, Yan (Anthea) Zhang was elected to the board of directors of the Strategic Management Society (SMS). Robert Hosskinson already serves as president of SMS. With the leadership of both professors on the board, Rice University and the Jones School have great visibility in the Strategic Management community. This contributes to our top ten ranking in corporate strategy from Financial Times, mentioned above.

BIG IDEAS DISSEMINATION STRATEGY GAINS MOMENTUM
This November, Yvonne Taylor took on the new role of Associate Director of Intellectual Capital. Yvonne works most closely with Deputy Dean Ramesh to support the Big Ideas initiative. She is responsible for translating faculty research into compelling stories and developing strategies to share those stories as widely as possible. Yvonne will execute strategies to promote faculty and faculty research for the purpose of building JGSB recognition and brand, and increasing awareness, visibility and reputation of faculty research.

A new Business Wisdom at Rice website is in development that will feature narratives about faculty research that will be used in the comprehensive faculty research promotion strategy.

BIG IDEAS IN ACTION
• Jing Zhou’s “Fostering employee service creativity: Joint effects of customer empowering behaviors and supervisory empowering leadership” has been accepted for publication in Journal of Applied Psychology. This acceptance concludes an outstanding year in which she had three papers accepted for publication in top management journals.

• Karen Nelson and Brian Rountree co-wrote a new paper, CEO-Employee Pay Ratio, with UH professor Steven Crawford that provides a more complete understanding of pay ratios across the banking industry, informing the ongoing policy debate on pay disparity. They presented their findings to a subgroup of the Security and Exchange Commission in September.

• Vikas Mittal’s research on how feeling disgusted causes people to lie and cheat garnered news coverage in more than 60 international publications and more than 3,000 social media shares in less than three weeks this November. This phenomenal visibility, which surpasses any JGSB story generated in the past two years, was driven by high-impact research combined with a new approach to dissemination. This December, Mittal also was featured in a Houston Business Journal article about the value of the MBA in the energy sector. The article included quotes from two Jones School alumni, Brian Anderson ’13 and Andrew Ramirez ’12.
VALUE-ADDED BUSINESS EDUCATION
The following graphs highlight the direct value we create for our students in terms of helping them reach their professional and financial goals.
**FULL TIME MBA AVERAGE SALARY AND BONUS**

*with US News Ranking - 3 months*

![Graph showing Full Time MBA Average Salary and Bonus](image-url)

**ACTION LEARNING PROJECT COMPANIES**

The Action Learning Project is a 13-week team consultation that enables companies to develop or improve a business process. ALP provides an experiential learning opportunity for a team of MBA students to integrate the concepts they have acquired in their courses to create value for a variety of businesses.

The following is a list of companies that will engage our students in these projects this year:

2nd.MD, Cameron, FMC Technologies, GE, HISD, Houston Zoo, Memorial Hermann, NOV, NRG Energy, One Subsea, Qualanex, Sallyport Investments, LLC, The Sterling Group, Texas Children’s Hospital, Veterans Affairs and Waste Management.

**FULL-TIME STUDENT CAREER AND EMPLOYMENT ACTIVITY**

Thirty-five percent of the Class of 2015 has returned from their summer internships with offers of employment. By the end of December 2014, 59% of the class had received offers compared to 42% for the class of 2014.

On-campus recruiting activity continues to increase, with 51 companies holding information sessions and 27 companies holding interviews on campus; this compares to 45 and 31 during fall 2013. The decrease in companies holding interviews on-campus can be attributed to the fact that some companies had a great conversion (Chevron, KPMG, Lazard, BMO) from the summer internships. Other companies like Sysco and Waste Management canceled interviews due to internal changes (merger and restructure) New companies coming to campus include Evolve Partners, Woodrock, Evercore, North Highland, Simmons, Jefferies, Baker Hughes, Moelis.

Last fall we initiated remote information sessions with Amazon, which generated a full-time employment offer. We repeated the initiative this fall; Amazon returned, and GE and HP also hosted virtual information sessions.

In our commitment to deliver operational excellence, we merged career management platforms, retaining MBA Focus (named internally OWL-Careers) as the unique platform for all career-related activities. We also launched a new system for capturing employment information (OWL-Stats), which provides us with real-time information on students’ status and serves as a research tool for students to gain insight on employment trends from all participating schools.
STAKEHOLDER ASSESSMENT
STUDENT QUALITY AND DEMAND

Full-Time MBA Rankings

EMBA Average Work Experience
Percentage of Advanced Degrees
MARKET ENVIRONMENT AND ONGOING REVISIONS TO RECRUITING PROCESS

Domestic GMAT test taking is at a 15-year low, a trend that has affected Houston business schools. The trend is particularly noticeable in the pool of test-takers interested in part-time degree programs. In the Houston metro area, from 2009 to 2014, this group decreased 31%. However, the Jones School has increased its share of that market over the same period, experiencing only a 15% decrease in part-time test takers who send us their scores, thus growing our share of the Houston part-time test-taker market from 42% in 2009 to 57% this year.

This year, we will increase our emphasis on recruiting for the professional and executive programs, and additional resources will be allocated to that effort. Associate Director of Admissions Annie Hunnell will focus on these programs, and operational changes will allow additional staff to focus on fully-employed recruiting. Additionally, we will strengthen our personal outreach: Each recruiter will be assigned a group of prospects that they will “own,” using their knowledge and expertise to manage them for the full application life cycle, inquiry, through application and admittance. The team is also developing more strategic initiatives to increase interest and applications. These include a prospect campaign centered on leveraging our alumni in the recruiting process and an expansion of our recruiting activities for the professional and executive programs to targeted regional cities. Marketing and Communications has also begun tracking prospects from impressions (first Web contact) to conversion (requests for information/application).

To support these initiatives, we have completed a detailed study to fully characterize the Jones School admissions funnel and understand the effectiveness of our recruiting and admissions processes. The initiative includes analysis of conversion rates for every activity the admissions team performs, tracking percentage of participants who begin an application, percentage who complete an application, percentage admitted and percentage who accept. The analysis also captures the timing of the application life-cycle, starting with first contact with the Jones School, and provides the foundation to enhance our current recruiting strategy and tactics, in particular in the professional and executive programs. The baseline numbers also allow the team to measure the impact of the tactics on each aspect of the admissions funnel. Lastly, we are fielding a multi-dimensional comprehensive market study of individuals from the Houston area who received their MBA at a local institution but did not apply to Jones.

ADMISSIONS METRICS

The second application deadline for the Full-Time MBA program was in early January. Applications to the Full-Time program increased 7.9% compared to last year’s second round deadline. Year to date (YTD), applications are up 6.4% and domestic application volume has increased 42.2%. This increase might be attributed to the gains made in the latest Bloomberg Businessweek rankings. The application volume from India and Asia has declined after record highs last year. That said, there remains ample volume from those regions to continue a highly selective review process.

Applications for the MBA for Professionals program were down 25.0% and have declined 25.3% YTD. Despite the decline, more students have committed to enrolling in the MBA for Professionals Class of 2017 as compared to this time last year (23 vs. 18). Historically, more than two-thirds of applications to the MBA-P program are submitted between February and June.

We currently have 20 applications to the MBA for Executives program compared to 14 at this point last year. There are 10 students who have committed to join the MBA for Executives Class of 2017 compared to 3 through this date last year. Similar to the MBA for Professionals program, the vast majority of applications to the MBA for Executives program are submitted in the spring and early summer.

As mentioned above, admissions has increased its focus on data-driven decision-making with the obvious goal of increasing applications and enrollments to the MBA for Professionals and MBA for Executives programs.
DEMAND FOR NON-DEGREE CUSTOM AND OPEN ENROLLMENT PROGRAMS
Demand in Rice University Executive Education continues to be strong in both the open and custom programs. The strong demand in part reflects the strength of the energy markets. We, therefore, are likely to see a reflection of the market in future demand. At the time of this report we have already seen impact in response to market conditions. This manifests most immediately in declining demand for our open programs but will filter through to impact custom, particularly should there be a sustained downturn.

- Highlights in the last quarter include:
  - Confirmation and specification of a new custom program for the Memorial Hermann Healthcare organization, focusing on physician leadership to begin February 2015.
  - Specification of a new custom program for NOV focused on product leadership, scheduled for an initial run in January 2015.
  - Initial running of a new custom program for Tenaris in November 2014.
  - We currently have ongoing discussions with Repsol and Dow on custom programming.

Importantly, we continued the very strong demand for our open programs including capacity in the Accelerated Development Program and wait listing for our Finance and Accounting Graduate Certificate. We successfully ran a pilot negotiations open program and anticipate incorporating this into our scheduled offering going forward.
Executive Education Cumulative Accrued Revenue

Custom Program

Accrued Revenue (in millions)

Fiscal Year

Executive Education Cumulative Accrued Revenue

Open Enrollment Program

Accrued Revenue (in millions)

Fiscal Year
INTEREST IN THE JONES SCHOOL BRAND

NEW INITIATIVES AND EFFORTS
The school leadership and marketing team are more closely aligning the branding efforts with the school strategy. Part of this involves shifting marketing efforts to more targeted and measurable channels, rather than focusing solely on the number of impressions. In the Brand Impressions chart below, you will see this near the end of FY2014 and continuing into FY2015. In November, JGSB partnered with Quantcast, an online marketing service agency, to deliver ads for the three main degree programs and to promote info-sessions. Their product develops an ideal profile of our existing audience via our website traffic, and then matches that profile with their database of every online user in the U.S., to only serve ads to the best matches. Since launching the campaign, we have been able to identify at least 51 applicants who saw the ads prior to completing their applications. Following this effort, JGSB is in the early stages of partnering with Searchlogic, a Search Engine Marketing (SEM) agency, to optimize our search engine marketing efforts.

A new social media specialist has been hired to share Jones School news on digital channels appropriate to our audience. A national search for a new executive director of marketing is underway. We have also posted an open position for a web technical specialist.

QUALITY OF THE LEARNING EXPERIENCE
Faculty and staff are working on several initiatives aimed at enhancing the quality of learning across our programs. This includes an ongoing review of our elective offerings in each program and a reworking of several of our concentrations. In the MBA full-time core, the focus this year was on a refresh of the Action Learning Project, under the new leadership of David Van Horn, Associate Professor of the Practice. This course serves as a capstone applied learning experience for our first-year MBA students. The goal of the course is to provide the students with hands-on experience applying principles and skills learned in the core foundation and discipline courses to real business problems, under the guidance of faculty from each of the disciplines. The re-envisioning of the course encompasses project selection and design as well as the structure and nature of faculty engagement with the student teams. In addition to the focus on application of foundational and discipline skills, the students benefit from targeted communication coaching and structured access to an advisory panel of industry experts. This next iteration of the Action Learning Project rests on the strong foundation established under the leadership of Professor Kim Keogh over the past several years.

ENGAGEMENT BY CORPORATE AND ALUMNI COMMUNITY
CORPORATE ENGAGEMENT LEVELS
The school is using the engagement levels as defined by the Network of Academic Corporate Relations Officers (NACRO) – we are one of few business schools that has an automated weighted process built into our organization. Outlined below is the representation of the engagement of 21 companies we actively engaged and their movement on our scale over the last two and a half years. The school has been focused not only on increasing corporate partners to deepen engagement (from a 3 to 4), but also growing engagement for corporations with only limited engagement (level 1 to 2+).
Levels are defined as:
- Level 5 – Strategic Partner
- Level 4 – Broad Based Engagement
- Level 3 – Tailored Partnership
- Level 2 – Managed Relationship
- Level 1 – Single Engagement

Corporate Engagement Levels
**Corporate Philanthropic Giving**

![Graph showing Corporate Philanthropic Giving for years 2013, 2014, and 2015.]

**Number of Corporate Investor Gifts**

![Graph showing the number of corporate investor gifts for years 2013, 2014, and 2015.]

*Investors are defined as any corporation, corporate association or corporate foundation that gave $2,500 and above. Chart note: *Companies giving solely through matching programs are not included.*
ENGAGEMENT OF ALUMNI COMMUNITY
The Jones School’s alumni engagement scores are based on the following criteria: alumni who have shared their contact information, alumni who have given philanthropically, alumni who have participated in programming. Measured on a scale of 1 to 5, with 5 being the most engaged, below are the percentages of alumni who ranked at 3 or above on the engagement scale over the past three fiscal years.

In fall 2014, the Jones School grew its Alumni Relations team to a staff of two with the introduction of Associate Director, Alaina Schuster. Moving forward, Alumni Relations will largely focus on bolstering engagement numbers through enhancement of existing alumni programs and communications, along with the introduction of new engagement opportunities and the development of regional strategies in cities with large concentration of Jones School alumni.
PHILANTHROPIC SUPPORT
Complementing Rice University’s creation of the Initiative for Students; the Jones School will focus our priorities to continue the efforts in building the Military and Crownover Scholars Programs, advancing the undergraduate business minor, and fostering an entrepreneurial culture. With the development of the energy, healthcare, and entrepreneurship (EHE) initiatives within the Jones School, we are structuring the outreach strategy and cultivating the appropriate constituents for these endeavors. We are excited to welcome Kathleen Harrison, the Executive Director of Corporate Relations, to the External Relations team. Kathleen will play a large role in the strategy and outreach for EHE.

Though we are down in giving for the first half of the fiscal year, we expect to have a successful second half – due to pending asks, renewed focus on philanthropic priorities and filling open development staff positions on the external relations team. We are also continuing our philanthropic efforts in supporting the joint vanguard chairs with the economics department and re-launching of the Master of Accounting degree program.
FINANCIAL REPORT

FY2015 OPERATIONAL BUDGET PROJECTIONS

Based on the decreased enrollments for this academic year, we projected an adjusted operating budget deficit of $1 million for FY2015, as reported in the Fall 2014 Dashboard report. During the fall semester we continued to refine our revenue and expense projections, and the projected net operating deficit has risen to $1.6 million. This change is driven largely by our conservative approach for Executive Education program projections in light of the trending downturn of the oil and gas industry.

The projected revenue from our non-degree Executive Education programs decreased by $900K based on potential custom program contract cancelations and expected under enrollment in planned open program courses for the remainder of the fiscal year. The projected decrease in revenue is somewhat tempered by a corresponding projected decrease in program expenses of about $585K; producing a $315K impact on the bottom line.

The majority of the remaining increase in the projected deficit can be attributed to a math error in the September tuition revenue projection wherein the calculation included a total of 568 MBA student enrollees instead of the reported 562 total MBA enrollment. Reflecting the current total of 563 enrolled in the MBA programs, projected revenue falls $390,000 relative to initial projections.

FY2016 OPERATIONAL BUDGET PLANNING

The coming year is much more difficult to predict than prior years. On the positive side, we have several initiatives to bolster recruiting, recently launched EMBA 3.0 is expected to be more attractive to prospective students, economic down cycles motivate some individuals to pursue an MBA. On the down side, Houston could lose some of its allure, companies are more likely to cut back on education expenses and negative trends in GMAT test taking and other data point to shrinking demand for an MBA in Houston and nationally.

Compared to our estimates as recently as November, we have revised down future enrollment estimates due to uncertainty related to the prices of oil and gas and other negative trends. This contributes to projections for a sizeable deficit for FY2016. In the short run, this deficit can be covered with available discretionary fund reserves and/or increased distributions from our restricted endowments (combined total is in excess of $17.5M accumulated during better economic cycles). These options allow us to maintain quality admissions standards and continue to enhance the Rice MBA brand despite economic drops.

Although deficit spending can preserve brand, it is only a short-term tactical investment. If we were willing to compromise our vision of being a premier business school, we could balance the budget through faculty attrition and other cost-cutting measures. However, in the long-term, we believe it is better to continue our investments in developing market-focused educational offerings and improved operational excellence. During spring 2015 we are implementing a series of changes that will enhance operational excellence. Further, are conducting market research to help select appropriate program innovations. The leadership team has identified criteria for evaluating market opportunities and is charging a faculty task force to help assess and develop promising options that can be executed by FY2017.