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
**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 WELCOMES NEW ENTREPRENEURSHIP SCHOLAR AND DIRECTOR

Yael Hochberg, Ralph S. O’Connor Associate Professor in Entrepreneurship and Associate Professor of Finance and Entrepreneurship, will lead the school’s entrepreneurship initiative and also serve as academic director of the Rice Alliance. Hochberg is a prominent scholar who publishes in leading academic journals on many aspects of entrepreneurship. Her teaching interests in entrepreneurship, innovation and the financing of entrepreneurial activity stem from her research focus on the venture capital industry, networks and corporate governance and compensation policies. Hochberg was a Batten Fellow to study equity compensation research and a Landmark Research Fellow to study private equity research. She earned her Ph.D. from Stanford University and previously served on the faculty of Cornell University, Northwestern University and MIT.

TWO NEW TENURE-TRACK FACULTY MEMBERS IN ACCOUNTING

The Jones School also welcome two new tenure-track faculty members in Accounting. Assistant Professor Eric Floyd earned his Ph.D. and MBA from the University of Chicago, Booth School of Business and his dissertation examines the effects of transparency regulation on prices in the healthcare industry. Assistant Professor Patricia Naranjo earned her Ph.D. from MIT’s Sloan School of Management and her research interests include disclosure, cost of capital, international financial reporting and market efficiency. Both teach financial statement analysis in the MBA programs.

NEW MACC PROGRAM DIRECTOR ON BOARD

Benjamin Lansford is the director of the new Master of Accounting Program and professor in the practice of accounting. Lansford teaches financial accounting and financial statement analysis in the MBA programs and issues in financial reporting to undergraduates. Previously, Lansford served on the faculty of The Pennsylvania State University’s Smeal College of Business, where he earned his Ph.D., and Northwestern University’s Kellogg School of Management. At Penn State, he was director of their integrated undergraduate-graduate Master of Accounting program.

RICE ALLIANCE CONTINUES SUCCESS

For the second consecutive year, Rice Alliance has been named the Number 1 university incubator among the top university business incubators by UBI Index, a Swedish research initiative. UBI Index last year became the first to compare business incubators worldwide. This year, more than 300 university-affiliated business incubators in 67 countries were compared in three performance categories: the value to the “ecosystem,” the value to the client (startups) and the attractiveness of the incubation program. In total, more than 60 key performance indexes have been used to compare the incubation programs worldwide.

RICE, UT AND A&M FORM NSF HUB TO MOVE IDEAS TO MARKETPLACE

Rice University, the University of Texas at Austin and Texas A&M University have received a three-year, $3.75 million grant from the National Science Foundation (NSF) to become a regional innovation hub that translates academic research into useful technologies with commercial applications. The NSF Innovation Corps (I-Corps) program designated three Texas tier-one research universities as the Southwest Alliance for Entrepreneurial Innovation Node and charged them with empowering teams of university scientists and industry experts to develop life-changing products. The NSF supports all fields of fundamental science and engineering, as well as research into science, technology, engineering and mathematics education. The application for the node was a multi-university effort involving each of the three Texas schools. Key personnel at Rice include Managing Director of Rice Alliance Brad Burke and George McLendon, the Howard H. Hughes Provost and professor of chemistry and biochemistry and cell biology.
FORTÉ MEMBERSHIP
The Jones School was added to an elite group of business school sponsors of the Forté Foundation, a national nonprofit consortium designed to help women launch meaningful careers. The foundation was called to action in 2001 by a landmark research study, “Women and the MBA: Gateway to Opportunity,” which looked at why women are underrepresented in leading business schools compared with medical or law schools; the foundation was created to address this inequity and its impact on the business landscape. Sponsor schools are selected on their ability to expand Forté’s reach and impact with key segments of pre-MBA women, provide connections to prospective sponsor companies and enhance the foundation’s ability to reach and impact undergraduate women.

ATTRACTING AND DEVELOPING TOP STUDENT TALENT
Competition for top-quality MBA students has increased. Scholars programs help us attract and support these highly qualified candidates. The Crownover Scholars Program, named in honor of former Board of Trustees Chair and current Council of Overseers member, James Crownover ’65, announced its first recipient this year: Jasmine Richards, a Teach for America teacher in HISD since 2010 who earned her B.A. in psychological and brain sciences from Dartmouth College.

As part of an expanded initiative to recruit and support highly sought-after military veterans, the Jones School launched the Military Scholars Program in 2012. This year’s recipient is Steven Panagiotou, a Special Forces intelligence sergeant in the U.S. Army who was deployed in Afghanistan and Iraq. He earned a B.S. in business administration from the University of New Hampshire. This year’s incoming class of full-time students includes 11 percent military veterans, surpassing the school’s goal of 10 percent, and helps position us as the most military-friendly business school in the United States.

The McNair Scholar Program, established to recognized individuals with academic excellence and inspired leadership as exemplified by Janice and Robert McNair, named Justin Mintzer as the class of 2016 McNair Scholar. Justin graduated from Rice University in 2004 with a bachelor of science in computer and electrical engineering and in 2005 received a master of electrical engineering degree in computer and electrical engineering.

The new Jones Partners’ Leadership Scholarship, which recognizes leadership characteristics in full-time Rice MBA candidates, results from the generosity of the Jones Partners — businesses and individuals dedicated to improving connections between the Jones School and the Houston business community. The recipient will participate as a non-voting member of the Jones Partners Board and will be asked, on occasion, to speak publicly as an ambassador for the Jones Partners. Jessica Sellers, a former field engineer with Schlumberger, is the inaugural recipient. She graduated from Stanford in 2010 with B.S. in chemical engineering.
VALUE TO STAKEHOLDERS
KNOWLEDGE CREATION

HOCHBERG’S RESEARCH ONE OF THE MOST CITED
Dr. Hochberg’s study, “Whom You Know Matters: Venture Capital Networks and Investment Performance,” was recognized by Emerald Group Publishing for being the best of the best and most highly cited among those receiving its annual citation awards. The study was chosen as one of the 35 select studies among the 750 papers that received the Emerald Group’s annual Citation of Excellence Award over the past 15 years. The recognition is an extraordinary achievement given that citations are given annually by a board of industry experts to just 50 studies based on a review of over 15,000 articles published annually in more than 300 management journals.

ZEFF EARNS DISTINCTION FROM SPANISH ROYAL ACADEMY OF DOCTORS
Stephen Zeff, the Keith Anderson Professor in Business, has been named a corresponding academic of the Royal Academy of Doctors (Real Academia de Doctores de España) in Spain. The Royal Academy of Doctors is a prestigious interdisciplinary organization with 100 years of history. The title of corresponding academic is the highest distinction bestowed upon foreign members. Zeff is a leading expert in the history of financial reporting. He is the past president of the American Accounting Association and a member of the U.K. Financial Reporting Council’s academic panel. In 2009, he received the Academic Leadership Award that has been given only once by the European Accounting Association.

KAMINSKI WINS ENERGY RISK’S LIFETIME ACHIEVEMENT AWARD
To mark 20 years since its launch in 1994, Energy Risk — the premier magazine and website dedicated to risk management and trading in the global commodity markets — honored 20 individuals who have made a tangible contribution to the development of commodity trading and risk management. Vince Kaminski, professor in the practice of energy management, made the list as one of the winners of their Lifetime Achievement Award, joining an exclusive club of current and retired industry veterans who have helped shape the evolution of the global commodity and energy markets.

BIG IDEAS IN ACTION
- **Hajo Adam**, assistant professor of management, was named Best 40-under-40 Business School Professor by Poets and Quants magazine.

- **Alex Butler** was invited to visit the U.S. Securities and Exchange Commission for a week as a “Distinguished Visiting Scholar.” He presented a research paper and gave a Ph.D.- level lecture to commission economists and staff.

- Two research proposals by **Utpal Dholakia**, one of which is co-authored with two first-year marketing Ph.D. students, were announced as winners of the 2014 Consumer Insights Challenge at the Georgetown Institute for Consumer Research, an academic institute within the McDonough School of Business at Georgetown University.

- **Jennifer George**’s research about workplace interruptions, which was published in the Academy of Management Review, was recently cited in the Huffington Post.

- **Prashant Kale** co-authored a paper that explains how being a part of a business group and participating in capital markets can have a significant positive impact on an Indian company’s performance in the stock market. The paper will be published in Strategic Management Journal.
• **Vikas Mittal** has co-authored two papers that have been accepted for publication. One paper, which will be published in Organizational Behavior and Human Decision Processes, explores the influence of disgust on unethical behavior, furthering his research on emotions and decision-making. The other details how customers respond differently to friends and family vs. exclusive coupon promotions. That research will be published in Customer Needs and Solutions.

• **Doug Schuler** was recently named as a member of the Business and Politics editorial board. He was also chosen as the chair elect of the Social Issues in Management division program of the Academy of Management.

• **Scott Sonenshein**’s paper, “It’s Not Easy Being Green: The Role of Self-Evaluations in Explaining Support of Environmental Issues,” was the lead article in the Academy of Management Journal, which also published his paper “How Organizations Foster the Creative Use of Resources.”

• **Jing Zhou**’s research on managers’ need to better capture employee’s creativity and implement creative ideas was the subject of an interview in Human Resource Executive. The research also was featured in the Huffington Post.
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 Employment at Graduation and 3 Months Out**

*with US News Percentage Employment Ranking*

**Full Time Average Salary and Bonus for Graduates**

*with US News Salary/Bonus Ranking - 3 months*
FULL-TIME STUDENT EMPLOYMENT
Of the Class of 2014 graduates seeking employment, 79 percent received an offer and 74 percent accepted their offers at graduation. Three months after graduation 90 percent of the seeking students have received offers and 88 percent had accepted offers. These figures are below the results for the class of 2013 (79 percent and 94 percent, respectively). The seeking pool for the class of 2014 was 11 percent higher than the class of 2013 (105 candidates vs. 95 candidates). In absolute terms, 95 offers were extended to Jones School graduates compared to 92 in 2013.

The average base salary for the class is up to $103,292 from $101,229 in 2013; signing bonus figures increased 18 percent from $21,315 to $25,237, an increase of 18 percent. Students are employed in the following industries: energy, 31 percent; consulting, 24 percent; financial services, 20 percent; health care, 9 percent; technology, 7 percent.

On-campus recruiting activity increased, with 59 companies holding information sessions, and 84 interviewing on campus. This is an increase from 51 and 69, respectively, for the 2013 academic year. We continue to strengthen and expand the network of recruiting partners. We have increased our focus on business development and targeting of national corporations.
STAKEHOLDER ASSESSMENT
STUDENT QUALITY AND DEMAND

Full Time MBA: We enrolled 109 students in the program this year. Selectivity improved, moving from 29 percent to 26 percent, our yield fell slightly from 56 percent to 55 percent, and quality (metrics, GMAT, GPA and work experience) are flat. The number of applicants was the highest in the school's history. Much of this increase in applications came from international students in India and Southeast Asia. Mean GMAT score is 676, tied with last year's all-time high, and the median is 690.

The number of women enrolled dropped from 37 to 32 percent, but this percentage remains high compared with other business schools. Eleven percent of the class of 2016 is military, exceeding our goal of 10 percent. This year's class includes students from 14 countries.

Professional MBA: Application volume for professional students increased by 9 percent, and class size fell 5.9 percent to 127 students. A lower-quality applicant pool led to increased selectivity, which accounts for some of the drop in enrollment. The GMAT average for professionals is up from 622 with a 640 median. Average work experience increased from 5.2 to 6.1 years, and average salary for this class is at an all-time high of more than $92,000. Twenty percent of the students have advanced degrees, up from 17 percent last year. One hundred companies are represented.

Executive MBA: The Executive MBA enrollment story is similar to last year's. Application volume was down 6 percent and the number of students enrolled is down 9 percent to 41. Six admitted students did not enroll because of work or funding related issues; five chose to attend other EMBA programs. Executives in the class of 2016 come to us with more experience, 17 years, and average salary is up 16 percent at $181,000. Fifty-four percent of the class has an advanced degree.

Increased and varied outreach efforts: This year we are increasing recruitment programming that highlights the school's energy, health care and entrepreneurship initiatives, expanded outreach to prospective students through professional networking groups and outreach to diverse students through our involvement with Forté and Management Leadership for Tomorrow, a program that supports high-potential minority students. Faculty engagement in our admissions events is continuing to increase.
Admissions Inquiries

Full Time Applications and Selectivity
DEMAND FOR NON-DEGREE CUSTOM AND OPEN ENROLLMENT PROGRAMS
At the conclusion of the fiscal year, the non-degree custom and open enrollment programs continued to see substantial growth as well as the solidification of a significant new client relationship and further consolidation within its existing client base.
INTEREST IN THE JONES SCHOOL BRAND
Brand impressions are compiled from published circulation of print media, verified impressions for outdoor, cumulative listenership of radio and precise data from online efforts. The decline in impressions over the summer is due to ongoing discussions and strategic change taking place within the school related to marketing the Jones School brand. The school leadership and marketing team are more closely aligning the branding efforts with the school strategy, which will result in stories that more strongly connect faculty research and contribution to student outcomes, stories about student success and other Jones School news featured on digital channels appropriate to our audience.

![JGSB Brand Impressions Chart]

QUALITY OF LEARNING PROCESS
EMBA 3.0 LAUNCHES
The redesigned MBA for Executives launched in early August with the Strategy and Leadership Executive Forum. The 2016 Executive MBA students shared an intense week-long experience that set the stage for both the curriculum to follow and for their engagement in the program as individuals and teams, and as a class. Students were privileged to share an evening with Chairman and CEO of FMC Technologies John Gremp. Mr. Gremp shared his insights on the importance and the challenge of building and leading an ethical, high-performance organization.

JONES EDGE LAUNCHES
The beginning of the new academic year also saw the first stages of redesigned international programming at the Jones School with the launch of Jones Educational Global Experience or Jones EdGE. Students across the programs are invited to participate in classes focused on the business environment in China, Brazil or Germany. A Jones School faculty member leads each course, which includes time in the country with exposure to business, government and cultural leaders, and requires addressing a challenge in the business environment of the country.

COMMON READING EXPANDED
This year, the Jones Graduate School Common Reading expanded to include the entire Jones School community, with faculty, staff and entering students reading and discussing Stanford professor of psychology Carol Dweck’s Mindset. Based on Dweck’s extensive body of research, the book focused on understanding the nature of a growth mindset compared to a fixed mindset. Dweck’s research finds that individuals with a growth mindset tend to think in terms of talents and skills that
are developed with effort and practice as opposed to fixed characteristics that individuals are endowed with and, therefore, that define identity. As a result, individuals with a growth mindset tend to embrace challenges and opportunities without the fear of failure driven by an identity threat.

**BENCHMARKING SURVEYS**

Educational Benchmarking and EMBA Council surveys are designed to help programs compare their logistics and operations, including entering and exiting students’ perceptions of curriculum, faculty, career services, admissions, etc., with those of other programs and offers tools for improving and measuring their efforts against past performance.

**EBI Quality of Faculty Student Surveys**

*of a possible 7 points*

![EBI Quality of Faculty Student Surveys Graph](image)

**EMBA Council Faculty Quality Student Surveys**

*of a possible 10 points*

![EMBA Council Faculty Quality Student Surveys Graph](image)
ENGAGEMENT BY CORPORATE AND ALUMNI COMMUNITY

We are growing our corporate base of support, both by expanding current engagements as well as developing new relationships. Following the earlier training for Rice Presidential Partners staff, Bob Westbrook, Kirkland Professor of Marketing, led a program on strategic account management for the Jones School’s external facing departments to build deeper and more holistic engagements with corporations.

Corporate Philanthropic Giving

![Graph showing corporate philanthropic giving over time.]

Number of Corporate Investor Gifts*

![Graph showing the number of corporate investor gifts over time.]

*Investors are defined as any corporation, corporate association or corporate foundation that gave $2,500 and above.
PHILANTHROPIC SUPPORT

Philanthropic giving is streaming in gradually as we work toward building the foundation for the post-campaign priorities for the Jones School. As the implementation phase of the new strategy begins, we are developing the structure to support these endeavors, including the energy, health care and entrepreneurship initiatives. We are also focusing on the joint vanguard chairs, together with the economics department, and the undergraduate business minor. Additionally, we continue with progress on the Masters of Accounting degree program re-launch, the Crownover Scholars Program and the Military Scholars Program.

Building on the success of our first-annual Jones Graduate School of Business Spring Reunion, we are in the early stages of planning for 2015. This year’s effort will include a reunion-giving strategy implemented throughout the year.
FINANCIAL REPORT

FY 2014 OPERATIONAL BUDGET RESULTS
As reported in the September 2013 COO report, decreased enrollments for the 2014 fiscal year led to a projected adjusted operating budget deficit of $1.864 million for FY 2014. Increased revenue from executive education and philanthropic support and reduced expenses from unfilled positions and conservative spending offset the deficit expectation by the end of the fiscal year, leaving a surplus across all funds of $377K.

FY 2015 OPERATIONAL BUDGET PLANNING
As part of the university’s budget planning cycle, the JGSB submitted a FY 2015 original operating budget in March 2014. At that point, we projected an operating deficit of $561K for FY 2015 due to the carry over light enrollments into the second year of the MBA programs. With the continued low enrollments in the entering class in fall 2014, we are now projecting a deficit of $1 million plus a budgeted one-time distribution of $1.6 million from our Term Endowment. Consistent with our long-term budgeting strategy, the discretionary reserve funds (Term Endowment plus Futures Fund) are used to maintain quality admissions standards. These reserves covered a deficit in FY 2011, but have been replenished and grown substantially over the last 9 years. Current discretionary reserves are roughly $17.5M, up from $9.0M at the end of 2005. The reserves have grown every year with transfers of all budget surpluses after capital improvement expenditures.

The FY 2015 budget includes the addition of four new tenure-track faculty members supported by new endowment distributions and reallocation of vacated lines. One of the additions was recruited last year but deferred joining us until fall 2014. One non-tenure track faculty was promoted into a tenure-track position. Three tenure-track faculty members departed at the end of the spring 2014 semester. The FY 2014 budget included one new tenure-track hire against two tenure-track departures. That result is zero tenure track faculty additions over the two years. Non-tenure-track staffing has dropped by three faculty members over this period.