THE VALUE OF A RICE MBA: A Case Study
WHAT IS AN MBA WORTH?
You are invited to learn about the Value of the Rice MBA:

• As a prospective student.
• As a company.

The Rice MBA: We excel at developing principled, innovative thought leaders in global communities.

WHAT IS AN MBA WORTH?
Potential students and employers have always pondered the value of the MBA. For those contemplating a full-time MBA program, the cost of foregoing income for two years while accumulating student loan debt can be worrisome.

For those considering a part-time MBA program, although income and employment are not sacrificed, the cost of balancing work, school and a personal life can also be stressful compounded by the uncertainty of the return on your investment.

These questions have added urgency to a long-time debate: What is an MBA worth?

CONFIRMING THE TRAJECTORY
A recent survey on application trends published by eFinancialCareers says that the MBA retains “its value for changing careers or turbo-charging long-term advancement prospects.”

The enduring value of the MBA answers the questions: What does the arc of your career look like? What can you do differently after obtaining your MBA? How will you differentiate yourself?

VALUABLE ASSETS
It has been said that a company’s most valuable asset is its employees. Much time, effort and money is invested in the hiring and cultivation of people. A recent Gartner study identifies legacy and succession planning as one of seven major concerns for CEOs. Investing in its employees by supporting the pursuit of an MBA adds immediate value to the company as key talent is recognized, supported and nurtured. In addition, the value of the MBA to the company manifests itself in more productive employees who learn to quickly balance their work and school requirements, develop new skill sets, and bring real-time application of newly-learned skills to the workplace. The investment in employees yields invaluable and long-term benefits.

GAINING THE SPOTLIGHT
According to a survey by the Graduate Management Admission Council (GMAC), there has been a steep rise in the popularity of the part-time MBA for mid-career professionals. Improving economic conditions may allow more companies to invest in their current employees by sending them to these part-time programs.

The value of the MBA starts with financial reward as quantified in future earnings. Essential to the value are the long-term advantages the degree delivers that are resilient to changes of the global business cycle.

The benefits of a broad, deep and rigorous education on management issues provide you with the ability to:

• Manage strategy and innovation along with general business knowledge from a global perspective

ENDURING VALUE
The globalization of the world is creating a demand for those with enhanced skill sets, collaborative team-building skills and an appreciation for diverse global market drivers. To address these growing needs, the enduring value of the MBA is more important now than ever before.
RETURN ON YOUR INVESTMENT
When it comes down to it, most of you want a jump in salary in a short period of time. Entering and exiting salary differentials for the Rice MBAP and Rice EMBA programs stand on their own as shown in Figure 1. The Rice MBA brand name, reputation and proven talent in the global workplace are the reasons for the competitive salary numbers. Our students are consistently adding value and performing well in the workplace. Quite simply, the Rice MBA adds value to your earning power.

ADVANCING AND CHANGING YOUR CAREER
Whether you want to stay within your current industry and simply wish to change functions OR a change in your current career would better fit your need for growth, the Rice MBA is a window of opportunity to explore your career options. Armed with a new and comprehensive toolkit of skills such as financial and accounting acumen, real-world experience leading and being a part of diverse teams, mastering the case study methodology to approaching problems, analyzing data to support foundationally sound decisions, this toolkit allows you to advance or change your career. Capitalize by working alongside a globally ranked Career Management Center specifically dedicated to Rice MBA students. Network with your diverse classmates as one may be the connection you need for your next adventure. Be ready to grab hold of an extraordinary opportunity!

TRANSFORMATION
The Rice MBA is more than the MBA degree — it is a transformation. By choosing the Rice MBA, you will be transformed when you leave the program. Constant exposure to and practice of skills such as public speaking, negotiations, leading a student club, and organizing a school- and community-wide event give you the preparation you need to go from working in your comfort zone of skills and experience to graduating with a new sense of confidence and academic knowledge. You will be more productive at work because your time management skills are tested to the limit. Plus, walk away with definitive new skill sets in areas such as finance, strategy or marketing. You will be inspired and ready to take on new opportunities within your chosen workplace.

TIME SENSITIVE AND INNOVATIVE EDUCATION
The benefit of an MBA is yours in a relatively short time compared to on-the-job learning that can take years. The Rice MBA fully-employed programs allow you to apply what you learn at work the very next day which is an immediate return on your investment.
THE TRANSFORMATIONAL VALUE-ADD OF THE RICE MBA IMPACTS EVERYBODY
Comparison of Entering vs. Exiting Salary Distributions — Class of 2011

Expect your MBA program to teach you the foundations of business and provide a global focus to keep ahead of the world’s economy. The Rice MBA leads the way with a comprehensive approach to emerging fields such as economic development consulting, technology commercialization, nonprofit development, renewable energy and health care management.

It’s also leading the way in the classroom. Since the vast majority of students will be working with or for companies that do business worldwide, professors teach the importance of geopolitics, the integration of cultural diversity and understanding business ethics in the world.

FRIENDS AND FUTURE BUSINESS PARTNERS
With an alumni base of over 4,500 across the globe, the Rice MBA alumni are a close-knit, fiercely loyal group of friends who have witnessed each other’s transformation throughout the MBA program. Don’t underestimate the value of friendship and business partners.

You will have a circle of friends who took the same challenge to tackle this Rice MBA. You will have an established group of business partners when it comes time to finally put your plans into action. Your career is forever shifting and changing. But connections with your Rice MBA friends are family for life.

The value of the Rice MBA is:
- Advancing your career trajectory.
- A proven and definitive salary increase.
- The transformative, real-time, rigorous education.
- The long-standing brand of the Rice University network of colleagues.
- Tangible and immediate value-add to your organization.

![Bar chart comparing entering vs. exiting salary distributions for the Class of 2011.](image)
What is the Value of the Rice MBA to you?

Offering the best incentive to foster, challenge, promote, and most importantly, retain your most valued asset—your employees.

REAL-TIME LEARNING
Imagine your employee coming to the Rice MBA program for class in the evening and then showing up at the office the next day to apply a newly learned finance principle or to approach a previously assigned project using the case study methodology. When your employee completes the Business Communications course, he or she is more than prepared to not only create the presentation for the upcoming board meeting but present with confidence and credibility. Or, send your employees to an Executive Education program that can be specifically tailored to your company’s needs. Let us help you create a custom program to address your specific areas of business opportunity. The topics could range from Project Management to Defining B to B to The Basics of Finance and Accounting. Our Executive Education offerings are created to be an extension and supplement to your own professional development efforts. Proven offerings such as Accelerated Development or Emerging Leaders along with shorter open programs, stimulate new ideas and thought leadership to your workforce — all taught by the same world-class faculty in our three MBA programs.

INCREASED EFFICIENCY
Workplace efficiency improves dramatically. A fairly productive employee becomes the master of time-management and prioritization. To be fully employed and in the Rice MBA program at the same time is a lesson in time management itself. This is in addition to juggling a personal life and the demands of teammates in the program. Rice MBA students have a proven record of increased efficiency and performance in the workplace while in the program.

LEGACY AND SUCCESSION
Legacy and succession planning is one of the most overlooked components of a successful strategy for any company, yet rarely is it discussed. Costly turnover numbers can often drive the need for a legacy and succession plan. Proactively filling the chain of command with educated employees who are poised to lead your company into a new technology driven age is also a major driver to create a legacy and succession plan. It is imperative for companies to identify the people who are most likely to take on these leadership roles. Take the time and effort to support and cultivate the next group of business leaders.

Partnering with the Jones Graduate School of Business can address the needs of succession, will incentivize and generate loyalty amongst employees and increase their productivity.
**Retention Through Investment**

The cost to replace the average $50,000 employee can easily reach $75,000 as shown here. These costs and the impact can be quite significant (reaching as high as $7.5 million) for the mid-sized company of 1000 employees with a 10% annual rate of turnover. An option to offset the turnover of your key employees is to invest in your employees through professional development and educational opportunities. A well-planned program of employee retention (which can include the Rice MBA as an offering) can easily pay for itself in a very short period of time.

**Proven Selectivity**

Having access to the best and brightest MBAs right in your own backyard is an invaluable resource for building your talent pipeline. Simple fact: students accepted into the Rice MBA program have already been through a demanding selection process. From classroom work to leadership roles in student clubs, our students are prepared to add immediate value to your workforce. Recruit from a select group of outstanding, qualified candidates and business professionals. As a company looking for new talent, you can rest assured that your Rice MBA talent pool has already been through the rigorous and highly selective application process.

**Recruit and Invest with Ease and Confidence**

Invest in a program and a brand name that are results-driven with proven longevity in the workplace and community. Rely on our academic expertise to train your employees. Send us your best and brightest and you will see immediate return on your investment and added value to your organization. In addition, as you look for new talent, work with our Career Management Center. Recruiting at the Jones School is a professional and convenient experience. Tell us what you are looking for in new talent and we’ll take it from there.

**Support Higher Education**

Showcase your partnership and support of this top-notch university. Invest in the Rice MBA program through corporate giving. Engage as a sponsor of one of our diversity events. Support the Rice MBA program by enrolling your employees. Be a keynote speaker at a Dean’s Lecture Series to highlight your industry expertise on a topic. Let your customers see your philanthropic contributions as a member of the business community. Be viewed by your business peers as a leader. We invite you to embrace the selectivity and diversity within the Rice MBA programs.

**The Value of the Rice MBA is:**

- Filling your talent pool with highly educated, proven, humble leaders who are poised and ready to take your organization to the next level.
- Increased efficiency and productivity of your employee in the workplace.
- Proven selectivity of the students for your recruiting needs.
- Supporting higher education by being an involved member of your community.

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**Average Cost of Turnover Per Employee**

Average Employee Salary of $50,000/yr

$50,000 x 150% = $75,000/yr

**Annual Cost of Turnover for a Mid-Sized Firm**

1000 Employees x $75,000 = $7.5 Million

**Your Most Valuable Asset — Your Employees**

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WE EXCEL AT DEVELOPING
PRINCIPLED INNOVATIVE THOUGHT LEADERS IN GLOBAL COMMUNITIES.