

DARLA MOORE SCHOOL OF BUSINESS

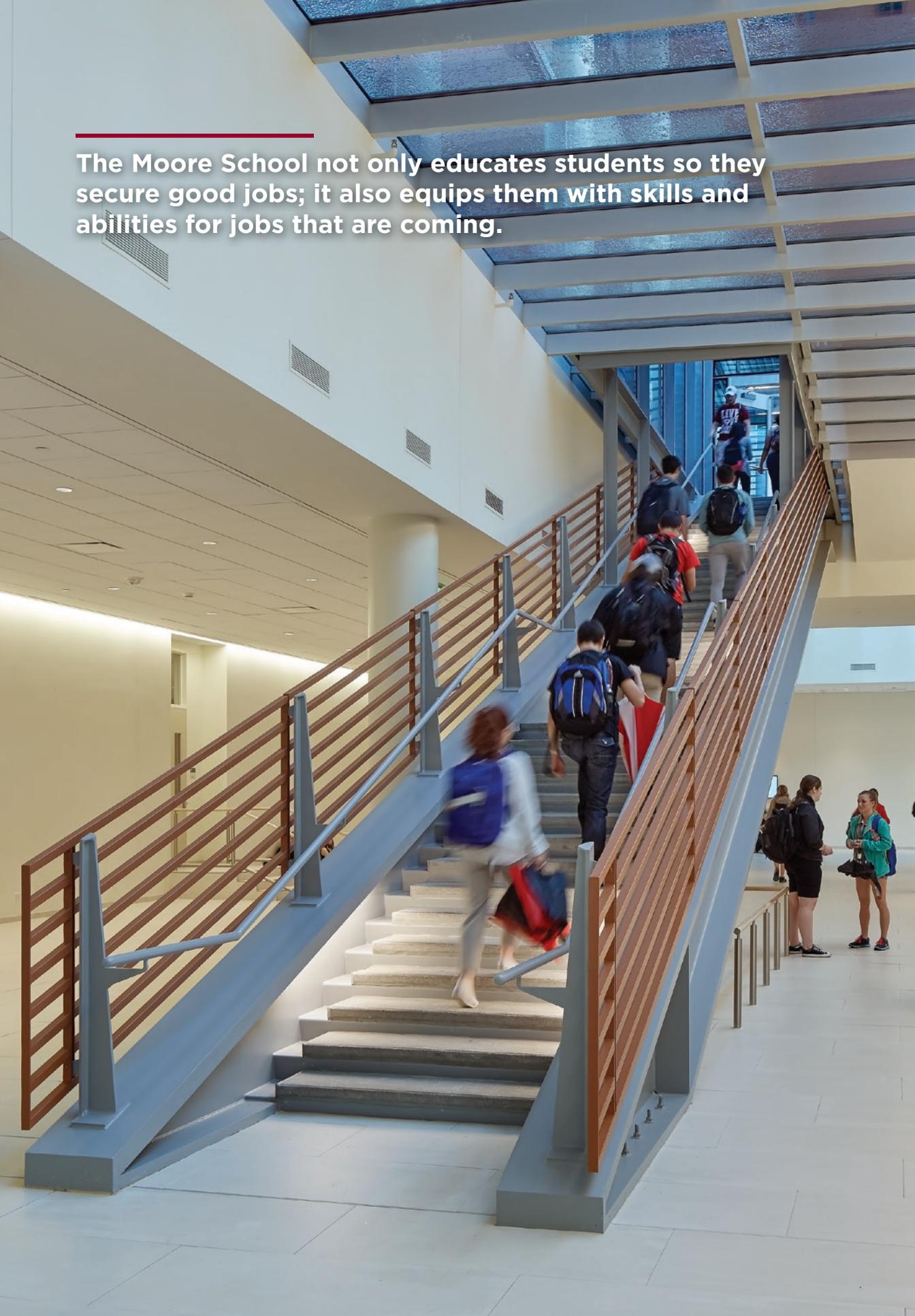
DEAN'S REPORT 2018

— ELEVATING EXCELLENCE —



UNIVERSITY OF
SOUTH CAROLINA
Darla Moore School of Business

The Moore School not only educates students so they secure good jobs; it also equips them with skills and abilities for jobs that are coming.



It is hard to believe it was two years ago my first biennial Dean's Report was published, and that now, in my fifth year as dean, my second State of the Darla Moore School of Business is due. With my second term starting next year, I am as humbled to be your dean now as I was in January 2014. Many, many thanks to the faculty, staff, alumni and other Moore School friends who have worked alongside me as we serve our school. I look forward to working with you all over the coming years as we continue to move forward to even greater heights.

In my 2016 Dean's Report, the Undergraduate Program transformation that had just been initiated was the most important new information, and you will learn in these pages that the Undergraduate Excellence Initiative, now almost three years old, is alive and well and proceeding as expected. The 2016 report told of unprecedented undergraduate student body growth from 2011 to 2015, and you will read here that these numbers have been capped while faculty and staff have increased to serve our larger student body. I am thankful to the university for providing the resources to accomplish this expansion.

This report also informs you that freshman aptitude is stronger than only two years ago, and that our growing faculty has sustained its research excellence but not without cost: as the 2018 Moore School Financial Report on pp. 21-23 shows, the Moore School is a higher-cost entity now than it was just two years ago, and care is needed over coming years as scarce resources are allocated to meet all legitimate needs.

The most important new Undergraduate Excellence Initiative element now being implemented (and reported on here) is the move to standardize quantitative education so all students are proficient enough to use R in performing basic analytical computation, SQL in data base management and Power BI when required to visualize and report data. To reach all sophomores and build this proficiency, a Moore School Virtual Data Lab is being formed. This stronger foundational data analytic preparation, combined with the business analytics concentration already offered, will provide undergraduates unsurpassed data, analytical and functional education.

As far as we can tell, no school across America is focusing on undergraduate data proficiency and analytics at the Moore School's scale and level. Equivalent steps have already been implemented at the graduate level, given this is where most business analytics education has historically been concentrated. Further, in 2017, every master's program was comprehensively reviewed, and in these pages, you will also read about the improvements to our full-time International MBA program following this review. Finally, I am glad to report that Executive Development, after many years of losses, is again contributing. You will read of these successes too.

My 2016 Dean's Report described the Moore School's state as strong and predicted that over the coming years it would become stronger. With academic programs more focused and rigorous, and being better resourced to serve students, the Moore School is far better positioned now than it was two years ago. But work remains to ensure the Moore School reaches full strength. The changes now underway will ensure the Moore School's educational excellence is more broadly spread so that most (if not all) students acquire the education top students have typically received. This requires holding every student accountable for high performance, just as it requires faculty to demand more from an engaged and more capable student body. Given their sustained research excellence described in this report below, I have no doubt faculty will continue to challenge our students. Finally, staff must also work at the level required to serve students with the excellence their higher performance deserves.

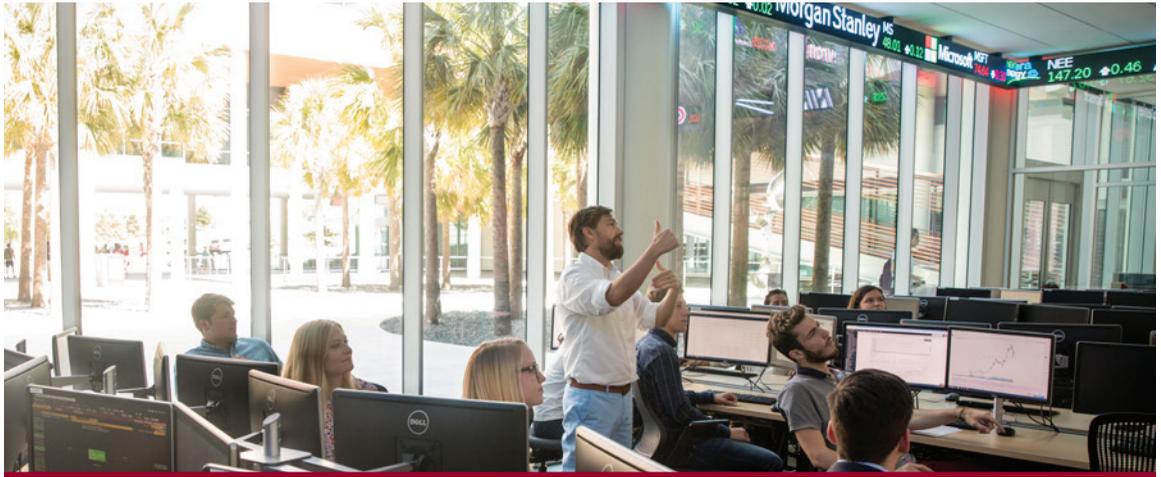
Well-educated, engaged graduates with unrivaled professional preparation and a work ethic to match is the human capital the Moore School will produce at scale. Accomplishing this outcome will position the Darla Moore School of Business as an educator for the future, placing it among the top business schools in the nation. Please join us to ensure this outcome is achieved over the coming years.



Dean Peter Brews
July 2018

STATE OF THE SCHOOL 2018

DARLA MOORE SCHOOL OF BUSINESS BY THE NUMBERS



NEW OVER THE PAST TWO YEARS

- In mid-2015, USC administration agreed to cap Moore School freshman admits at 1500, and since then undergraduate class enrollment has stabilized.
- With gaining admission more challenging, incoming undergraduate aptitude has risen notably: Fall 2018 freshman average SAT scores of 1288 are up from an average of 1219 between 2011-2015.
- To match the strong undergraduate student growth between 2011 and 2015, full-time faculty grew from 148 to 182 and full-time staff increased from 84 to 107. Resources now far more closely match demand.
- To support our larger student body and to ensure student success, staff has been added to student advising, career management and alumni engagement.
- A new Marketing Scholars program was launched to complement the Finance Scholars program introduced in 2015, and the Center for Sales Success was formed in 2016.
- A revitalized full-time International MBA program was launched in Fall 2017.
- Adding world-class researchers and teachers to an already strong faculty will impact our school for years to come, but these additions mean the Moore School is a higher cost entity now than it was in 2014. As a result, resources must be used carefully.

	2011	2012	2013	2014	2015	2016	2017
Undergraduate Students	4037	4202	4594	5137	5522	5374	5436
Graduate Students	867	876	882	854	887	895	840
Total Students	4904	5078	5476	5991	6408	6269	6276
Full Time Faculty	124	124	136	148	150	174	182
Full Time Tenure/ Tenure Track	93	89	91	94	94	114	114
Full Time Non-Tenure Track	31	35	45	54	56	60	68
Adjuncts	39	62	58	48	37	38	44
Student/Faculty Ratio	39	40.4	39.8	39.9	42.2	35.6	34.1
Full Time Staff	78	72	83	84	91	97	107



THE FOUR-YEAR MOORE SCHOOL UNDERGRADUATE PROGRAM — TRANSFORMATION UNDERWAY

The 2016 Dean’s Report and recent issues of Moore magazine provide more details on the Undergraduate Excellence Initiative (UEI). Our four-year undergraduate business program now requires freshmen to complete business courses in calculus, statistics and accounting, and sophomores to complete a second course in statistics that from fall 2018 will require completion of demanding capstone projects that test student ability to extract, clean, load, visualize and analyze large structured and unstructured data sets. More information on building this data proficiency in Moore School undergraduates is provided on pg. seven.

Congruent with the four-year program design, students are selecting majors sooner. This decision now is made by the sophomore year — at least a year earlier than before — allowing students more time to plan for course and career choices. With this earlier start, students are more likely to obtain more than one internship in their majors, just as they are likely

to be better prepared for those internships. At a minimum, all students are encouraged to secure a career-focused internship prior to their senior year. Earlier major identification enables the school to better plan and allocate resources by major.

This past year, two-thirds of students enrolled in Moore School-dedicated sections of University 101. These allow instructors to share on each major at the Moore School. In addition, more than 570 students participated in Major and Career Exploration Day last year, gaining the opportunity to talk in depth with professionals and faculty in each major about coursework and career options.

To assist students with selecting majors and coursework planning, additional staff was added to the school’s undergraduate advising team. From the fall of 2015 to the fall of 2017, advisers increased by 50%. This allows the school to reduce the number of students seen by each adviser by 34%, providing more time to help students make important class and career-planning decisions.

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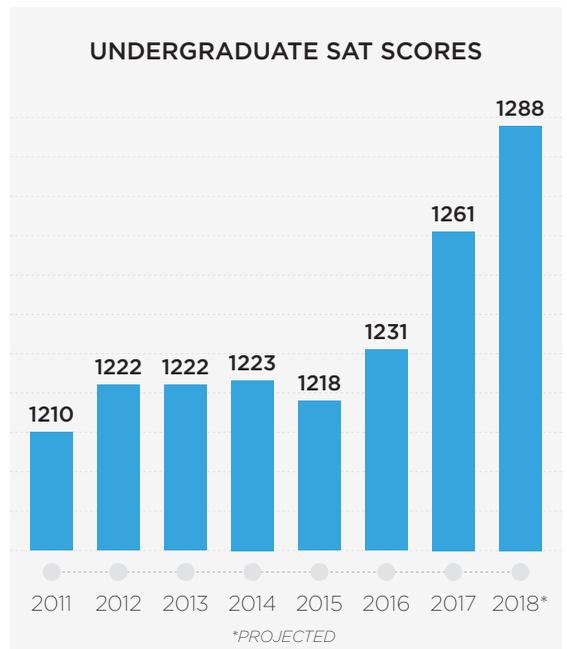
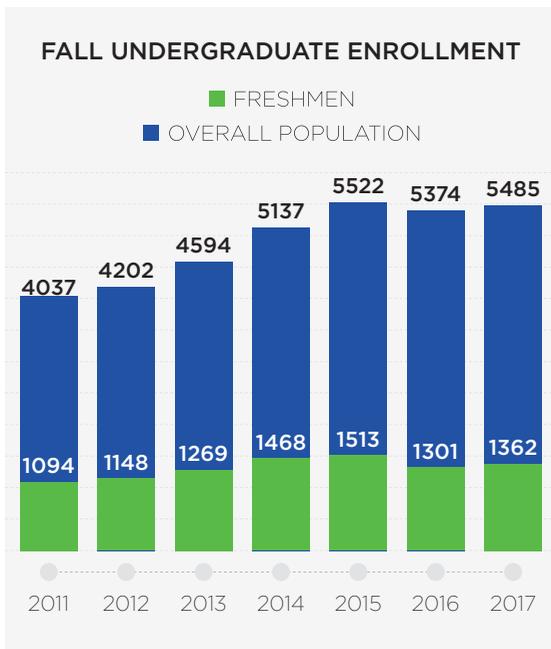
THE UNDERGRADUATE EXCELLENCE INITIATIVE



ACCELERATING DEMAND FOR BUSINESS EDUCATION

Demand to attend the Moore School remains strong. One of the first steps of the UEI was to cap the number of inbound freshmen each year, allowing the school to align the faculty and staff resources needed to ensure superior outcomes. The cap was implemented two years ago, and a more stable class size has been achieved. This is clearly seen in the data below.

With the new academic requirements, expanded academic excellence, and enrollment cap, the school is attracting even stronger students. Following years of stable SAT scores, incoming freshmen in 2016 and 2017 set new levels for inbound SAT scores (1231 and 1261 respectively, up from 1218 in 2015). Preliminary estimates for the class of 2018 are even higher at 1288.





COACHING FOR SUCCESS

Within days of arrival on campus, freshmen are invited to meet with their dean. In this meeting (which includes meeting the associate dean of Undergraduate Programs) students learn of the rigor of coursework they will encounter, the challenges and choices they will face ahead and how commitment to their studies today will provide a good return following graduation.

This meeting is followed by a letter from the deans to freshmen students’ parents so they know the message their sons and daughters are receiving.

The shift to a four-year business curriculum has also led the school to enhance the way it engages students in career preparation. Students are introduced to the topic when they arrive on campus and are engaged regularly across their four years to develop both the “hard,” functional skills of their majors that will likely define their first jobs upon graduation and the “soft” skills such as communication, leadership and teamwork that will help predict success over their careers.

To the right are three categories of skills the school is now focused on developing in undergraduate students in preparation for both their first jobs and their careers.

“Hard” Skill Development	“Soft” Skill Development	Career Preparation
Traditional coursework	BADM course, skills assessment	University 101 videos on each major
Business course advising	Personal skills coaching	Career preparation advising
Scholars programs	Team projects	Major and Career Exploration Day
Experiential learning in courses and capstone corporate consulting projects	Education on the Employability 8 <i>(skills needed to excel in the workplace)</i>	Four-year program shift from no major to pre-business
Business analytics concentration	Mentorship program	Mock interviews
Sales certification and sales lab	Business and Community Leadership Fellows Program	Internships encouraged



BUILDING DATA PROFICIENCY

Finding value in the data deluging business, operations and the supply chain are table stakes for most high-value jobs now appearing. More importantly, data-proficient business professionals are in short supply, and Moore School corporate partners across South Carolina and beyond uniformly express a need for data proficient, analytically capable, functionally well-grounded business professionals.

Given that most business analytics education is offered at the graduate level, the Moore School aims to be among the first to produce data-proficient and analytically capable undergraduates at scale. The school is committed to arming every student with these capabilities.

The first step was adding a business analytics concentration to each major. This past year, more than 180 students participated in this new concentration. While this initial participation is still a small percentage of the 5,400 undergraduate students, participation is expected to grow as the data and analytical proficiency of every student is enhanced.

The next step to data and analytical proficiency for all undergraduates is currently being framed. Through demanding capstone projects that form part of Management Science 291

(the last of three quantitative courses in the undergraduate business core, typically completed by sophomores) and using real-world structured and unstructured data applied to a challenging business problem, all students will be tested on their abilities to extract, clean, load, visualize and analyze large structured and unstructured datasets. Envisaged is sophomores proficient enough to use R in performing basic analytical computation, SQL in data base management, and Power BI when required to visualize and report data. Most importantly, every sophomore will advance with these foundational data analytic capabilities in hand, meaning they are better prepared for the more advanced analytics encountered later in their majors.

In addition, faculty will expect use of these tools in the analytics encountered in each major. Finally, the early data analytic preparation combined with the business analytics concentration will provide students an unsurpassed data and business analytics education at the undergraduate level.

A cloud-based Moore School Virtual Data Lab will be established so that up to 150 analytics projects per semester may be offered to sophomores. Led by a full-time managing director and staffed by data mentors (mostly

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THE UNDERGRADUATE EXCELLENCE INITIATIVE



Ph.D. students skilled in multiple analytical tools such as advanced Excel, SQL, R and Power BI), the Moore School, as far as we can tell, will be the first business school in the United States to establish such a lab to serve every undergraduate student it has the responsibility to educate.

To ensure data projects are rigorously and professionally completed, teams of five students each will meet weekly with data mentors, and the virtual lab will also provide access to popular analytics software and self-learning modules to facilitate student skill acquisition on their own time.

Expanding and strengthening foundational analytics skills is expected to transform students' education in their junior and senior years, including giving them the confidence to pursue the analytics concentrations in their majors. Hiring companies are ready for this next generation of data-proficient graduates, making the Moore School a growing destination for on-campus recruiting. How the number of employers coming to campus has increased over past years is explained on pg. 14.

BUSINESS-READY

All efforts in the UEI are focused on developing students that are "business-ready" at gradua-

tion. For example, when the dean meets with incoming students he shares his hopes for their time at the Moore School. Upon completion of their studies, this hope is graduates are fully prepared for their first jobs and equipped for their careers with skills and values to guide them when tough decisions are required. In summary, students will be business-ready in skills, attitude and work ethic.

Students have embraced the list on the following page and corresponding coursework, and programs are in place to help students develop these life and work skills. This list was developed with input from hiring companies, and it is expected that Moore School graduates who demonstrate these skills, attitudes and values will excel in the workplace following their years at the Moore School.

IMPROVING THE ACADEMIC RETURN ON INVESTMENT

Students and parents are increasingly concerned about the ROI in a business school education. This decision combines selecting a school that provides a quality education and strong career placement opportunities with a price families can afford.

The Moore School recognizes this need for a strong ROI when selecting an undergraduate

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THE UNDERGRADUATE EXCELLENCE INITIATIVE



program. It might be surprising to know that, on average, 50% of students leave the Moore School with debt, and for those who leave with debt, \$40,000 and nearly \$30,000 are the average amounts of debt for out-of-state and in-state students respectively. According to debt.org, the average U.S. student borrower has \$37,172 in student loans.

One goal of the UEI is to drive students to graduate in four years and then be prepared to compete for jobs that will pay high enough wages to allow them to pay off debt following graduation. The Moore School's increased focus on both rigorous academics and career preparation is to help ensure each student secures a job to achieve an outstanding ROI on their college investment.

As depicted to the right, students leave business-ready, prepared for their first jobs and equipped for their careers. The dean shares these expected capabilities students should possess at graduation in his meeting with freshmen during their first week on campus.

Business-ready	Prepared for first job	Equipped for careers
Functionally grounded, data proficient and analytically capable	Leaders and team players	Decisive
Capable of complex work and fast learning	Listeners and empathizers	Adaptable
Effective presenters and communicators	Motivated and self-starting	Analytical
Professional and resilient	Collaborative and innovative	Ethical
Hard-working and disciplined	Global in orientation but locally involved	Effective

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EXPANDING REAL-WORLD EXPERIENCE



INTERNATIONAL BUSINESS EDUCATION

With its No. 1-ranked international business program, the school offers multiple options for international business education from one-week, one month and semester-long study abroad trips, as well as six international cohort programs where students spend two years studying with a mix of international students, both in Columbia and at one or more of the school’s international partners.

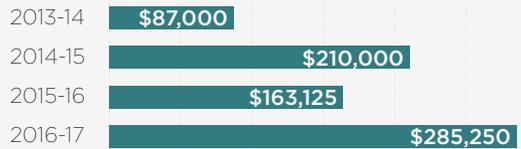
In addition, whether students are international business majors or not, there is great opportunity to learn and experience the dynamics of business in global markets. In total, the number of undergraduate and graduate students studying abroad has grown more than 36% since the 2013-14 school year to 894 students in the 2016-17 school year.

TOTAL MOORE SCHOOL STUDENTS STUDYING ABROAD



To support students gaining these important educational experiences, the Moore School provided more than \$285,000 in scholarships for students to study abroad. Much of this came from the assistance of alumni and other donors.

STUDY ABROAD STUDENT SCHOLARSHIPS



SCHOLARS PROGRAMS

Top students can participate in one of three scholars programs: Finance, Operations and Supply Chain, or Marketing. In these, students use analytic tools and processes to solve real business problems and assist companies in making strategic decisions.

Scholars program students gain experience and internships that provide advanced preparation for careers. While scholars program capacity is limited, graduates compete with the very best students at any school across the country.

Details on the **Finance Scholars** and **Operations and Supply Chain Scholars** were provided in the 2016 Dean’s Report.

The **Marketing Scholars** program was introduced in 2016 to bring together the best and brightest senior marketing students to encounter the challenges, responsibility and excitement of completing a client consulting project. Students work with a real client to develop an integrated marketing plan and provide a focused solution to a challenge the client is facing. Students spend the semester researching, interacting with the client and building their plan. Students learn how to create marketing plans, work with a client, run meetings, set goals, manage teams, manage projects, control a budget and effectively present strategic recommendations to senior client leadership.

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STRENGTHENING OF GRADUATE PROGRAMS



GRADUATE PROGRAM REVIEW

The 2016-17 graduate program review revealed that among master’s programs were three strong programs — the Professional MBA, MACC and MHR, around 450, 81, and 42 students respectively; two other small specialized programs — the Masters of Arts in Economics, around 15 students, and the MIB, around 40 students, needing some focus; and a program requiring immediate attention — the International MBA/MBA.

Market trends identified throughout the review included a strong demand for specialized master’s programs, an oversupplied and declining MBA market, and that our international business strengths are now less differentiating given most MBA programs are or claim to be international. Mirroring the trends, International MBA and full-time MBA numbers had dropped precipitously over the previous nine years, underscoring an immediate need for change.

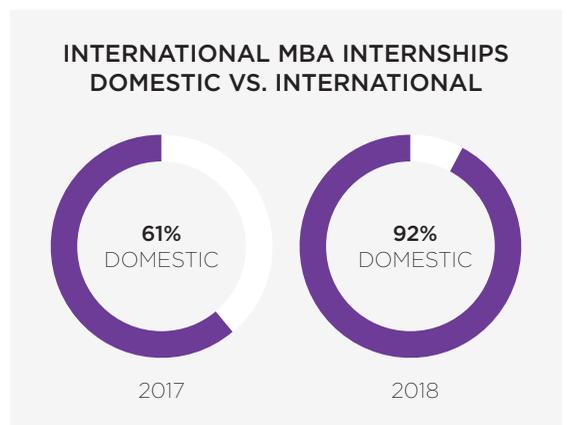
FULL-TIME MBA CHANGES

Changes following the review included moving the International MBA international immersion to the fourth semester; extending the six-month core (20% being U.S.-based language training) to 11 months; converting international internships (after the second semester international immersion) to mostly domestic, given few graduates obtained international jobs following international internships; and re-introducing the global track (an International MBA with no language study), reversing a decision associated with the more than halving of 2013

numbers following the global track’s 2012 cancellation.

Poor placement was also an enduring challenge, and preparing students for domestic internships after a more comprehensive core dominated, leaving the international immersion in the second semester. Language is now studied domestically in the third semester and tested after the fourth semester international immersion after in-country enhancement.

Better internship preparation after a more comprehensive core will hopefully mean when fourth semester immersions start, most students are already employed, typical of most well-ranked full-time MBA programs. This year, 92% of the International MBA class had domestic internships, compared to 61% in 2017. This should ensure stronger job placement in May 2019.



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STRENGTHENING OF GRADUATE PROGRAMS



THE UNSTOPPABLES: AN INVESTMENT IN OUR LEADING FULL-TIME MBA PROGRAM

Our International MBA is the top international business MBA in the country according to U.S. News and World Report, and with the one-year MBA program added to the portfolio the Moore School is well-positioned in an increasingly competitive MBA market.

As the market continues to evolve, the full-time MBA team reassessed the marketing strategy based on several important insights:

- a continued corporate demand for agile, globally minded leaders;
- a changing student motivation when selecting programs;
- the increasingly important role of MBA internships as a critical path to employment;
- and the flexibility of language training and international immersions to meet market needs.

The Moore School's new full-time MBA meets the needs of students and employers and is also differentiated competitively. Reintroduction of the global track for multilingual students combined with the language tracks permits students to find a program that best meets their needs. Moreover, the international immersion remains the longest in the market.

In addition, students now have the choice of one of three specializations: marketing, finance and supply chain. They can earn certifications in analytics and supply chain

in addition to their degrees. Certifications in global strategy will also be offered this year.

A new marketing program was launched as well: "The Unstoppables" campaign highlights four MBA alumni that have been unstoppable since they graduated. Learn more about the program and this campaign at www.UnstoppableUSCMBA.com.

The USC MBA program nurtures tomorrow's business leaders with a unique offering of clinical faculty, experiential curriculum and unparalleled immersion. Learn more about what makes us different and how it could make you **UNSTOPPABLE**.

www.UnstoppableUSCMBA.COM

Kristen Decker
Senior Management Consultant
KPMG US
New York, New York
UNSTOPPABLE SINCE 2016

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STRENGTHENING OF GRADUATE PROGRAMS

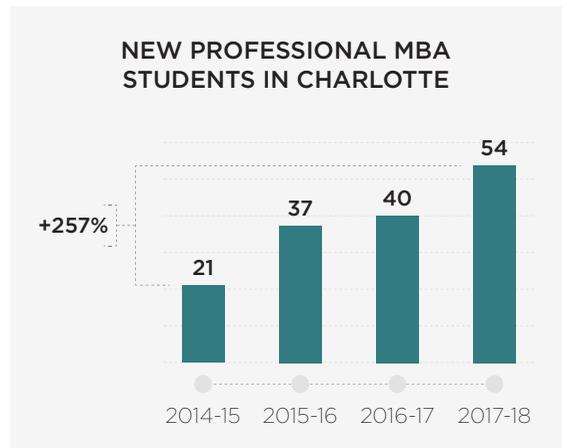


THE PROFESSIONAL MBA PROGRAM

As the No. 1 part-time MBA in South Carolina and a top 25 part-time MBA program nationwide, the Professional MBA offers a high quality USC MBA in convenient and flexible class formats during evenings and select Saturdays. With regional classrooms in Aiken, Bluffton,

Charleston, Charlotte (NC), Columbia, Greenville, and Spartanburg, students are able to attend evening classes and apply their learning the next day at work.

A new Charlotte location in the BB&T Center was opened in Spring 2016, and this new central location has increased Professional MBA enrollment. New student enrollment per year in Charlotte grew 257% from 21 new students in 2014-15 to 54 new students in 2017-18.



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STRENGTHENING OF GRADUATE PROGRAMS



OTHER MASTER’S AND PH.D. PROGRAMS

In the **Master of Human Resources (MHR)** and **Master of Accountancy (MACC)** programs enrollment has been sustained, curricula remain strong and graduates are well placed with leading companies (pg. 15 reports placement data).

The **MHR** is among the top programs of its type in the country, underscored by its close relationship with employers and its outstanding career outcomes for graduates. In addition, the program’s faculty is No. 1 in HR faculty research productivity and bring these research insights to the classroom (see pg. 20).

The **MACC** continues to produce in-demand graduates that provide expertise and leadership to accounting firms in the Southeast and elsewhere. To meet the needs of major accounting firms cohort size must grow, and this is being accomplished by expanding the accelerated program with Moore School undergraduate accounting students and recruiting top students from other undergraduate business programs.

Two other master’s programs have also recently enhanced their curricula.

The **Master of Arts in Economics** has added a financial economics track to the existing economics and thesis tracks. The economics track focuses on areas such as economic growth, environmental economics, health economics, international economics and labor economics. The financial economics track focuses on areas such as financial institutions, fixed income securities, corporate finance and asset pricing. Graduates of this degree are prepared for jobs in the finance industry or government or for continuation to a Ph.D. in finance or economics.

The **Master of International Business** program curriculum was updated based on insights from the review and the recently formed Folks Center for International Business (see pg. 18). These changes include the addition of three career tracks: International Trade & Investment, International Strategy & Leadership, and International Market Development.

PH.D. PROGRAMS

Just as the master’s programs were reviewed in 2016-17, the school’s Ph.D. programs in business administration and economics will be reviewed later this year now that new Senior Associate Dean John McDermott is fully onboard and ready to lead this effort.

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BUILDING MOMENTUM

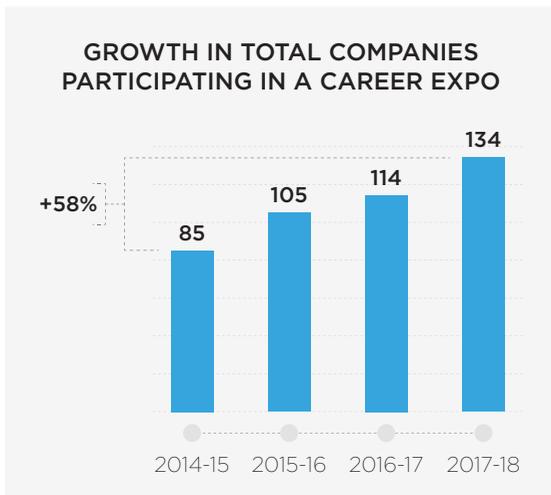


Likewise, student attendance at expos is up 33% in the last four years. This reflects both larger class sizes and the work by the OCM to prepare students to participate. All participating students must complete a workshop or the mandatory career skills class in order to attend.

OFFICE OF CAREER MANAGEMENT

The Office of Career Management (OCM) has increased by 167% from six to 16 people over the last four years, and a new dedicated employer relations team is establishing relationships and hiring opportunities with top companies across the United States and beyond.

Further, momentum is building as more employers work with graduates. Over the last four years, the number of companies attending one or both annual career expos offered by the school has grown 58% from 85 to 134.



The recent introduction of Salesforce to manage potential and current employer communications has boosted OCM productivity and has facilitated recruitment of many new employers in a short time.

EMPLOYMENT OUTCOMES

Undergraduate salaries continue to climb to a 2017 average of \$53,025, from \$47,920 in 2014. According to the 2017 USC Career Center survey, undergraduates entering the job market earned from just under \$50,000 to \$60,000, depending on major, excluding international business. Marketing majors earn the lowest at an average of \$47,475 while operations and supply chain majors earn the highest at \$59,905.

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BUILDING MOMENTUM

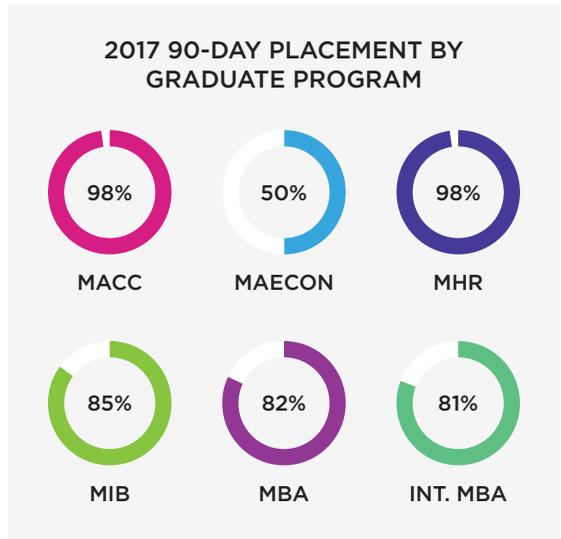
International business students, required to double major, earned the highest salaries, understandable given they are our most competitive students and make up around 10% of the USC Honors College (while Moore School students in total comprise 25%). The data further confirm that second majors play important roles in their securing high-paying jobs. Those double-majoring in management or marketing earn the lowest salaries at levels not far from undergraduate average, while those double majoring in finance or operations and supply chain earn the highest. The premium paid to finance/international business double majors more than likely is because most are also Finance Scholars.



2017 Salary by Major	Major	Major + International Business*
Accounting	\$53,665	\$59,333
Economics	\$56,069	N/A*
Finance	\$54,958	\$70,821
International Business	\$63,703	N/A
Management	\$50,329	\$55,000
Marketing	\$49,475	\$55,000
Operations and Supply Chain	\$59,903	\$62,850
Real Estate	\$57,500	N/A*
Risk Management	\$51,342	\$58,000

*BASED ON AVAILABLE INFORMATION FROM THE 2017 UNIVERSITY OF SOUTH CAROLINA CAREER CENTER SURVEY

One important goal over coming years is to increase some placement percentages 90 days after graduation. In 2017, 67.9% of job-seeking undergraduates secured full-time employment within 90 days, and graduate program rates range from 81% to 98%. The undergraduate and full-time MBA placement percentages are both too low.



Moore School MBA and International MBA graduates earn most among graduate programs, followed closely by MHR graduates, in high demand among Fortune 100 and 500 companies. With average salaries of \$81,500 and a 98% placement rate, many MHR graduates receive multiple offers from companies seeking talent in strategic HR and HR analytics.



*DECEMBER 2017 GRADUATES

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BUILDING MOMENTUM



COMPANIES HIRING OUR GRADUATES

Moore School alumni work at top companies in South Carolina, across the United States and around the world. As the school continues

to improve educational excellence, expect demand for Moore School graduates to continue to grow. Major employers are reported below.

Accenture • Aerotek • AFLAC • AgFirst Farm Credit Bank • ALDI • Amazon • American Airlines • American Credit Acceptance • Amica Mutual Insurance Company • Apple • Aramark • Archer Daniels Midland • AT&T • AVAYA • Bank of America • BASF • BB&T • Belk, Inc. • BlueCross BlueShield • Boeing • Bosch • Bridgestone • Capgemini America, Inc. • Cardinal Health • Cherry Bekeart • Chick-fil-A • Cintas Corporation • Cisco Systems • Citigroup • Coca-Cola Bottling Company Consolidated • Cognizant Business Consulting • Colfax Fluid Handling • Colonial Life • Compass Group USA • Credit Suisse • Cregger Company Inc. • Cummins Turbo Technologies • Dell Technologies • Deloitte Consulting • Dixon Hughes Goodman, LLP • Domino's • Doosan Infracore Portable Power • Driven Brands Shared Services, LLC • DuraFiber Technologies • Dyson • Eastman Chemical Company • Eaton • Eli Lilly and Company • Elliott Davis • Enterprise Holdings • Ericsson, Inc. • Ernst & Young • Expedia, Inc. • ExxonMobil • Fastenal Company • FedEx Express • Ferguson Enterprises Inc. • Fifth Third Bank • Fisher Investments • Ford Motor Company • Ford Motor Credit Company • GEICO • General Electric • Goodyear Tire Company • Grant Thornton • Greystar Real Estate Partners • Hilton • Honeywell International • IBM • Infosys • Ingersoll Rand Company • Insight Global • Integration Point • International Paper • JEAR Logistics, LLC • Kaiser Permanente • Kohl's Corporation • KPMG • Leica Biosystems (Danaher) • L'Oreal USA • Manhattan Associates, Inc. • MarketSource • Mars • McKinsey & Company • Mercedes-Benz Vans • Merrill Lynch • Michelin • Microsoft • Mondelez International • Nationwide Financial Services • Nephron Pharmaceutical Corporation • Nestle USA • Newell Brands • Nolan Transportation Group • Nordstrom • Northwestern Mutual • Nucor • Nuxeo Corporation • Office of the Comptroller of the Currency • Ozburn Hessey Logistics • Pan-American Life Insurance Company • Parallon • Parker Hannifin Corporation • Passport Inc. • Peak Completion Technologies, Inc • PepsiCo • Positec USA • PPG Industries • Prysmian Group • PwC • Red Classic Transportation Services LLC • Red Ventures • Republic National Distributing Company • RR Donnelley • SCANA • ScanSource, Inc. • Schneider Electric • ScottMadden Consulting • Seibels • Shaw Industries • Shell Oil • Signature Consultants • Smith & Nephew • Sonepar USA • Sonoco Products Company • South State Bank • SPAWAR Systems Center Atlantic • Starbucks • State Farm • Sub Saharan Africa Drilling • SunTrust • Synchro Financial • Syngenta • Target Corporation • Techtronic Industries, NA (TTI) • Textron • The Cason Group • The Home Depot • The Select Group • The Sherwin-Williams Company • Thyssenkrupp Elevator Corporation • TIAA • TNG Retail • Tomlin & Co. • Total Quality Logistics • Travelers • United Parcel Service (UPS) • United Technologies Aerospace Systems • Unitrends Inc • Vanguard • Volkswagen Group of America • Wells Fargo Securities

STATE OF THE SCHOOL 2018

BUILDING MOMENTUM



ALUMNI ENGAGEMENT

The Moore School has more than 48,000 alumni across all 50 states and in nearly 100 countries around the world. Understandably, most reside in South Carolina, followed by North Carolina, Georgia, Florida and Virginia to round out the top five states. When looking around the globe, Mexico, Germany, China, France and Canada are the top five countries where alumni live and work.

Working to expand alumni engagement:

- Registered attendance at regional alumni events in Washington, D.C., New York, Dallas, Atlanta, Charlotte, Greenville and Charleston rose impressively from 400 in 2014-15 to 1,050 in 2016-17.
- During 2018-19 the Office of Alumni Engagement will expand engagement activities in new regions called "Hub Networks." Activities planned for Hub Network locations will be focused on leveraging the strong alumni network to connect students with internship and full-time employment opportunities. The new Hub Networks will be in Boston, Chicago, Dallas, Raleigh/Durham/Chapel Hill, San Francisco and Seattle.
- There is an urgent need for alumni to open doors for students. In 2020, the first group of students graduating from the four-year business curriculum will graduate, and internships in the summer of 2019 and full-time job opportunities in both May 2019 and May 2020 will be essential. Contact the OCM at recruit@moore.sc.edu to add Moore School talent to your company.



2018-2019 ALUMNI NETWORK WITH MOORE EVENT DATES:

2018	Aug. 28	Raleigh/Durham/Chapel Hill area
	Sept. 7	Shuck & Shag
	Sept. 27	Greenville
	Oct. 16	Boston
	Oct. 18	New York City
	Nov. 1	Dallas
2019	Nov. 8	Charleston
	Jan. 29	San Francisco
	Jan. 31	Seattle
	Feb. 21	Atlanta
	Mar. 21	Washington, D.C.
	May 16	Charlotte
	May 23	Chicago

Benefits for alumni:

- Hiring a Moore School student for an internship or full-time job increases the number of Gamecocks at an employer, adding value to all alumni at the company.
- Alumni events also provide the opportunity to meet fellow alumni close by and develop work and social relationships that start with the shared experience of the Moore School. There is also the opportunity to reconnect with classmates.
- Finally, joining the recently established MooreConnect at mooreconnect.com provides alumni unparalleled access to the alumni network, enabling reconnection with classmates and an ability to give back with time and talent, and most importantly, to connect with the school or other alumni for career opportunities or advice.

STATE OF THE SCHOOL 2018

RESEARCH AND PARTNERSHIP CENTERS

RESEARCH AND PARTNERSHIP CENTERS

Research and educational centers enhance the Moore School’s capacity to conduct research, provide experiential learning and keep curricula congruent with business needs.

Centers work in different ways to educate and benefit students and the school:

- Several centers, particularly the **Operations and Supply Chain Center** and the **Center for Marketing Solutions**, provide educational opportunities for faculty-led student consulting projects. Center-led capstone projects increased from 38 in 2013-14 to 51 in 2016-17. Having students apply what they learn in class to real-world business problems is an ideal way to produce business-ready professionals. Most importantly, many are hired by center corporate partners after the impressive work done in projects.
- The **Center for Applied Business Analytics** is now focused on implementing the school’s Virtual Data Lab and on enhancing the data analytics curriculum.
- The **Folks Center for International Business** and the **Riegel and Emory Human Resources Center** advise on curriculum and related topics and secure internships and full-time employment opportunities for international business and MHR students respectively.
- The **Center for Executive Succession** works closely with Fortune 500 chief human resources officers to generate critical research on the inner workings of the C-suite succession process.
- The **Risk Management and Uncertainty Center** launched its first Risk Management and Insurance Day, to provide student networking and interview opportunities with many leading insurance and risk companies.
- The **Faber Entrepreneurship Center** held its annual Proving Ground business plan competition involving 37 student teams. The top six teams won a total of \$52,500.
- Our newest center, the **Center for Sales Success**, is dedicated to providing the highest levels of sales skills and hands-on experience by giving partner companies direct access to students. Following successful pilots, sales courses are now being rolled out to more students.



EXECUTIVE DEVELOPMENT

Executive education has enjoyed a threefold increase in revenues from 2014 to 2017, with its 2017 contribution the second highest ever and the 2017 revenues the third highest in 30 years. The introduction of certificate programs explains much of the increase over the period, mostly from the delivery of U.S. Army programs.

The **Certificate in Leadership Excellence** is a new program for high potential, next-generation leaders and small company owners who need to elevate their leadership skills. The program focuses on developing leaders who meet and exceed goals by translating strategy into actions that deliver real results.



STATE OF THE SCHOOL 2018

RANKINGS



RANKINGS

The stellar specialized rankings the school has achieved in programs and research have been mostly maintained, if not improved over the past two years. Rankings now needing attention are those not in the top 30. For example, U.S. News & World Report's 2017 undergraduate and full-time MBA program general rankings are 45 and 65 respectively, while Poets and Quant's 2017 undergraduate program ranking was 59. The Financial Times' 2017 MBA ranking was 77.

To reflect its status as a top business school, these general program rankings must rise. Improving overall rankings while maintaining or enhancing the Moore School's top specialized rankings is essential.

The Moore School's finest students are competitive with the very best, evidenced by their employment at organizations such as McKinsey, Amazon, IBM, Tesla, Google, Boeing, GE, Deloitte and PwC. However, when the history of the Moore School's next decade is written, progress should be assessed by whether this educational excellence is more widely spread than it is now. The prime motivation behind changes made over the past three years is to achieve this broadening. Moreover, the best (though imperfect) way to measure such broadening is in general rankings. Should average students receive educations closer to the Moore School's best, and should the jobs they acquire match their enhanced preparation, general rankings will rise accordingly.

CURRENT STATUS

Specialized Rankings — Undergraduate

- **No. 1** undergraduate international business degree – *U.S. News & World Report, 2018*
- **No. 13** undergraduate supply chain program in North America – *Gartner, 2018*
- **One of 20** Global Centers of Insurance Excellence – *International Insurance Society, 2017*

Specialized Rankings — Graduate

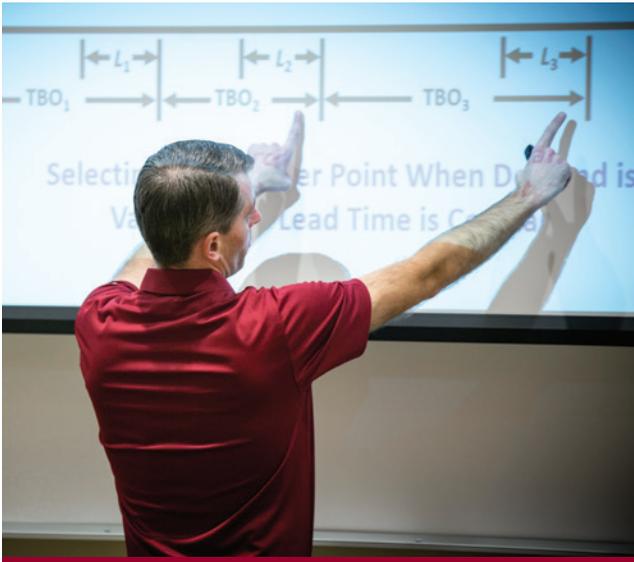
- **No. 1** graduate international business program – *U.S. News & World Report, 2019*
- **No. 15** graduate supply chain program in North America – *Gartner, 2016*
- **No. 22** part-time MBA program – *U.S. News & World Report, 2019*

General Program Rankings — Undergraduate and Full-Time MBA

- **No. 45** undergraduate overall program – *U.S. News & World Report, 2018*
- **No. 59** undergraduate overall program – *Poets & Quants, 2018*
- **No. 65** full-time MBA overall program – *U.S. News & World Report, 2019*
- **No. 22** overall program, **No. 1** Professional MBA in South Carolina

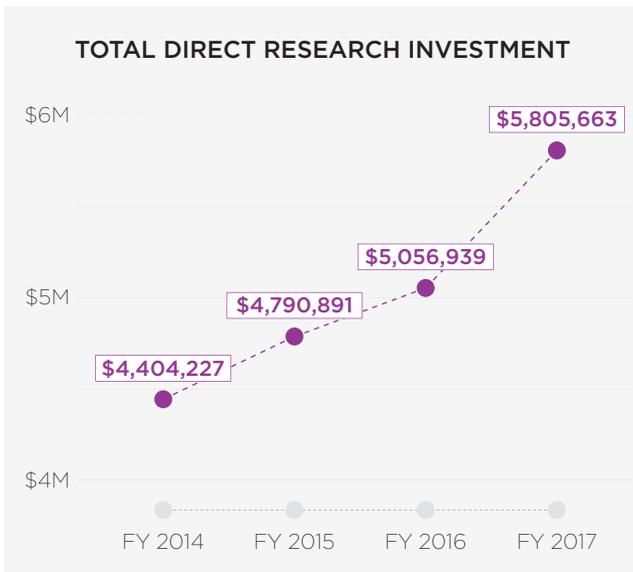
WORLD-CLASS FACULTY

RESEARCH EXCELLENCE



RESEARCH EXCELLENCE

Faculty research at the Moore School continues to distinguish the school worldwide. The Moore School's research faculty includes thought leaders across all disciplines that are bringing research insights to the classroom as well as to academic and business communities. To sustain this research intensity, direct financial investment in research has increased by nearly 32% over the last four years. This helps the school attract and retain top research faculty and Ph.D. students and enables the school to maintain world-class leadership in both research and academics.



RECOGNITION FOR RESEARCH PRODUCTIVITY

Moore School research productivity continues to be among the best worldwide. Five of seven academic departments rank in the top 25 worldwide. From 2013 to 2017, 438 unique publications came out of the Moore School: Most of the publications (325) have a five-year unique journal impact factor of 1.5 or greater. Of the publications, 205 have been in the Financial Times journal list. Two-hundred-and twenty have been in outlets with an Association of Business Schools rating of 4 or higher (top 6% of business journals), with 140 rated 4* (top 2.5%).

- No. 1 worldwide for human resources research productivity**
 - USC benchmarking 2014-2017; independently confirmed by Elsevier
- No. 1 worldwide for research productivity in international business 1990-2017, No. 3, 2013-2017**
 - Journal of International Business Studies
- No. 6 worldwide experimental accounting research productivity**
 - Brigham Young University, 2012-2017
- No. 10 worldwide supply chain research productivity**
 - SCM Journal, 2011-2015
- No. 22 worldwide marketing research productivity**
 - UT Dallas 2014-2017
- Top 50 worldwide for research productivity**
 - Financial Times, 2017
- Top 50 in the U.S. for research productivity**
 - UT Dallas, 2013-2016

DEAN'S REPORT 2018

MOORE SCHOOL FINANCIAL REPORT

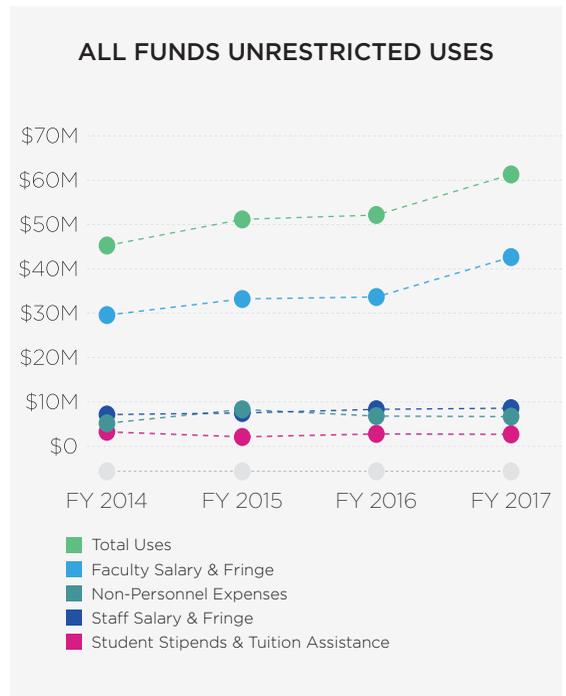
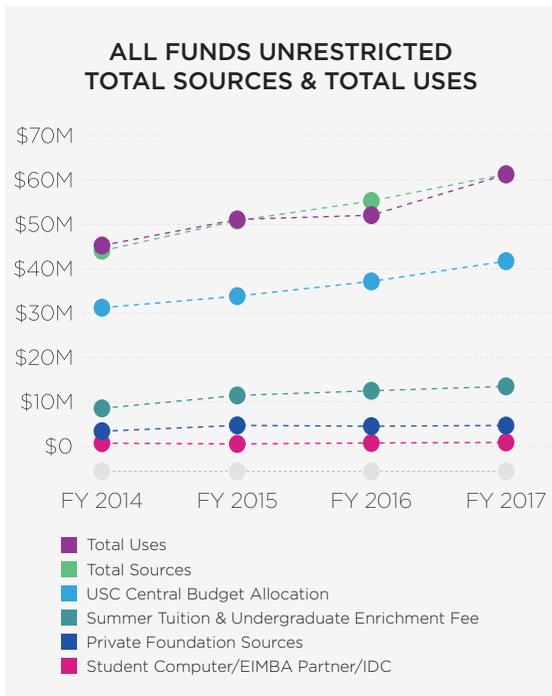


Three charts reporting the Moore School's All Funds Unrestricted Total Sources and Total Uses, the Moore School's A Funds State Operating Budget Resources, Expenditures, and Annual Ending Carryforward, for fiscal years 2014-17, and a table showing an All Funds Sources & Uses Statement (Unrestricted and Restricted) for fiscal years 2016 and 2017 report the school's financial condition from fiscal years 2014 to 2017.

All Funds Unrestricted report funds available on an unrestricted basis to sustain overall school operations, while inclusion of Restricted Funds in the table provides a full picture

by including resources unavailable for discretionary uses.

The data show that over the three fiscal years 2014-17, the Moore School spent less than it received only in fiscal year 2016, and that in the other fiscal years, expenditures exceeded revenues. These deficit operations are best summarized in the decreasing Ending Carryforward in State-based A funds seen in the A Funds State Operating Budget Resources, Expenditures and Ending Carryforward chart on pg. 22. Ending Carryforward increased over fiscal year 2016 given that in this fiscal year, Unrestricted Resources exceeded Uses.



DEAN'S REPORT 2018

MOORE SCHOOL FINANCIAL REPORT



Unaudited fiscal year 2018 figures again show deficit expenditures, with the Ending Carryforward also decreasing over fiscal year 2018. Higher recurring Faculty Salary & Fringe costs, and the flattening of revenues due to the undergraduate student cap and enrollment challenges in graduate programs are the primary contributors to the continued deficit expenditure.

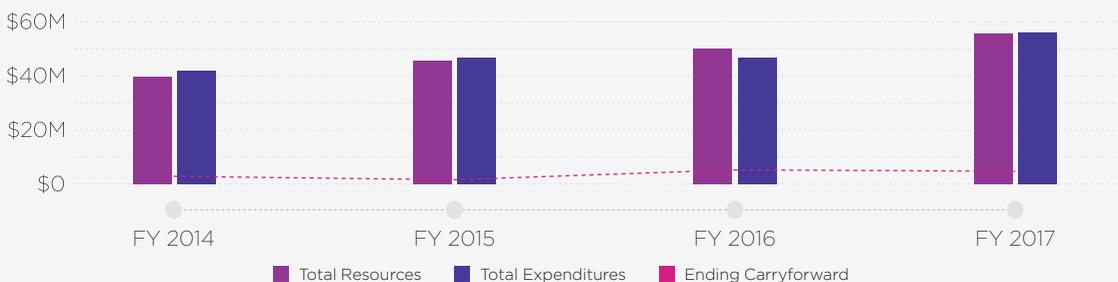
Unsurprisingly and given the nature of our business, the charts and table show that the most substantial use of funds at the school is for faculty and staff salaries. Further, and as is seen in the All Funds Unrestricted Uses chart, Faculty Salary & Fringe grew strongly from fiscal years 2014-17, with a significant jump, especially over fiscal year 2016-17.

Non-personnel Expenses were contained over the three fiscal years, while Student Stipends

& Tuition from unrestricted sources also remained relatively flat. Notably, Staff Salary & Fringe increased relatively little over the three years, even though staff numbers grew substantially.

The data show the Moore School is operating at far higher costs in 2018 than it was in fiscal year 2014, mostly due to a flattening of revenues and growth in costs driven by Faculty Salary & Fringe increases. Over the coming years faculty costs especially must be managed so that attracting and retaining outstanding faculty is done without driving up costs to unsustainable levels. With the cap on undergraduate admissions and the competition for graduate students, increasing revenues on a sustainable basis is difficult. The school is also working to balance its budget so it operates within available resources on an unrestricted basis.

A FUNDS STATE OPERATING BUDGET - RESOURCES, EXPENDITURES AND ENDING CARRYFORWARD



DEAN'S REPORT 2018

MOORE SCHOOL FINANCIAL REPORT

FY 2016 & 2017 ALL FUNDS SOURCES & USES STATEMENT - UNRESTRICTED & RESTRICTED

	FY 17 SOURCES & USES FROM:			FY 16 SOURCES & USES FROM:		
	USC	Private	All Funds	USC	Private	All Funds
BILLED TO NET TUITION:						
Billed tuition received by USC (net of tuition abatements)	81,175,338		81,175,338	70,265,822		70,265,822
Less Board Mandated Fees (BMF)	(9,587,217)		(9,587,217)	(8,399,393)		(8,399,393)
Billed tuition received by USC after BMF	71,588,121		71,588,121	61,866,429		61,866,429
Funds retained by USC	(23,088,795)		(23,088,795)	(19,168,065)		(19,168,065)
Tuition allocated to Business School	48,499,326		48,499,326	42,698,364		42,698,364
SOURCES:						
Tuition allocated to Business School	48,499,326		48,499,326	42,698,364		42,698,364
Partner University Graduate Program Fees	536,232		536,232	244,587		244,587
Student Fees (UG enrichment and computer fees)	7,233,902		7,233,902	7,311,844		7,311,844
Net Tuition & Fees Available to Business School	56,269,460		56,269,460	50,254,795		50,254,795
Executive Ed, Research Centers and other educational programs		2,981,352	2,981,352		2,156,881	2,156,881
Grants, Sponsored Contracts & Indirect Cost Recovery	928,951		928,951	1,022,368		1,022,368
Other academic sources	928,951	2,981,352	3,910,303	1,022,368	2,156,881	3,179,249
Endowment & Program Restriction Satisfaction Support	43,933	2,817,329	2,861,262	10,398	2,220,182	2,230,580
Foundation Contributions, and other receipts	88,677	2,809,035	2,897,712	217,183	1,599,732	1,816,915
Other nonacademic sources	132,610	5,626,364	5,758,974	227,581	3,819,914	4,047,495
TOTAL SOURCES	57,331,021	8,607,716	65,938,737	51,504,744	5,976,795	57,481,539
USES:						
Faculty Salary & Fringe	41,151,193	1,638,208	42,789,401	33,104,809	1,364,520	34,469,329
Staff Salary & Fringe	7,829,026	733,007	8,562,033	7,511,435	692,724	8,204,159
Student Stipends & Tuition Assistance	2,640,535	1,968,594	4,609,129	2,628,697	1,479,429	4,108,126
Miscellaneous personnel	146,412		146,412	159,045		159,045
Personnel & Tuition Assistance	51,767,166	4,339,809	56,106,975	43,403,986	3,536,672	46,940,658
Non Personnel - Note 1	5,267,858	3,284,086	8,551,944	4,689,304	3,341,211	8,030,515
TOTAL USES	57,035,024	7,623,895	64,658,919	48,093,290	6,877,883	54,971,173
ANNUAL OPERATING MARGIN (LOSS) - NOTE 2,3	<u>295,997</u>	<u>938,821</u>	<u>1,279,818</u>	<u>3,411,454</u>	<u>(901,088)</u>	<u>2,510,366</u>

Note 1 - Includes expenses ranging from travel, tech equipment and software, advertising, educational supplies, research and library data subscriptions, registration and memberships, site building leases, event food and space rental.

Note 2 - Annual margins increase or decrease cash reserves. The goal of Moore School governance over budget and stewardship is a balanced budget. The positive fiscal year 2016 USC operating margin resulted from the timing required to address faculty separations from fiscal year 2015, resulting in approximately \$2.1M in budget savings along with a \$1.1M increase over fiscal year 2015 in undergraduate enrichment fees resulting from a policy change that eliminated the enrichment fee cap of six semesters.

Note 3 - Private activity is a combination of BPF Operations located on pg. 4 of "The University of South Carolina – Business Partnership Foundation and Subsidiary Consolidated Financial Report June 30, 2017 & 2016" as well as the Moore School spendable income statement from the Ed Foundation accounting system. Additional sources of funds not reported as BPF operations and Ed Foundation Moore School spendable include endowment contributions and investment returns, other restricted contributions, and grants received which were not available for spending during the fiscal year.

DEAN'S REPORT 2018

LAUNCHING THE NEXT CENTURY



In 2019, the Darla Moore School of Business will celebrate its centennial from its start as the University of South Carolina School of Commerce in 1919. Special events commemorating several milestones in its 100-year history will be held as part of the centennial celebration.

Key events in 2019 will include:

- **Proclamation Day** - March 1, 2019
- **Centennial Gala** - April 18, 2019
- **Founders Day** - Nov. 1, 2019

More information about these events will be shared with the Moore School community over the coming months.

LAUNCHING THE NEXT CENTURY

The school's centennial provides an excellent opportunity to position a robust Moore School for the next 100 years. Alumni and friends are invited to invest their time and resources in shaping the second century of business education at the University of South Carolina by funding scholarships and fellowships, supporting faculty and programs and dedicating time and expertise toward moving the Moore School to greater prominence in 2020 and beyond.

INVEST IN MOORE

Investment in the Moore School makes a difference daily to students, faculty and staff. The impact of this investment is visible to those

who mentor students, hire interns and add Moore School graduates to their organizations.

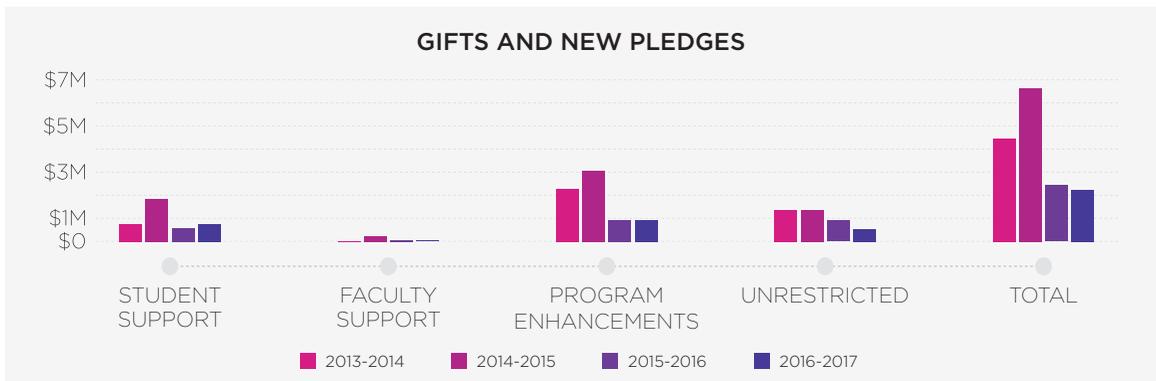
More than 100 mentors and student mentees are sharing perspectives about their careers and aspirations, while an additional 150 thought leaders lend their expertise to the Moore School's industry and interest-specific centers. In 2017-18, more than 2,000 investors in the Moore School made it possible for nearly 500 students to benefit from donor-funded scholarships and fellowships. Additional support from donors like you will ensure more students benefit.

Investor's time and money play a significant role in the school's continued academic leadership in areas such as international business, global supply chain, risk management and insurance, and human resources. Through your own personal and professional development, you can influence students in ways that change their lives and the lives of those around them and make possible that which state funding does not.

Gifts received by the Moore School from 2013-14 to 2016-17 are shown below. Impact Reports are published annually detailing gifts to the school and honoring donors. The most recent report can be seen at https://www.sc.edu/study/colleges_schools/moore/invest_in_moore/index.php.

Please consider how you prefer to invest in the school: http://sc.edu/study/colleges_schools/moore/invest_in_moore/

BE PART OF A GREAT SECOND CENTURY AT THE MOORE SCHOOL!





The Moore School celebrates its centennial in 2019, and as it did over its first century, it will continue to prepare business-ready graduates who are armed for their first jobs out of school and equipped for their careers.

SECOND CENTURY GRADUATES

For undergraduates that comprise 88% of our 6,300 students, the Undergraduate Excellence Initiative is the heart of the transformation underway to ensure every student is ready for the world they will face upon graduation.

Over four years of hard work, undergraduates will receive a rigorous and challenging education that not only leaves them data proficient, analytically capable and functionally grounded, but also equipped with the soft skills needed to engage in high-value, complex 21st century work.

Our second century graduates will stand out individually but be able to work collaboratively in teams, know when to lead and when to follow, and be globally aware but locally sensitive. Words that associate with them will include professional, resilient, hardworking, analytical, adaptive, innovative and, most importantly, effective. And as this report emphasizes, master's students leaving our halls will possess the same capabilities and display similar characteristics.

When the history of the Moore School's next decade is written, progress should be measured by whether its educational excellence,

previously mostly accessed only by the top or most engaged students, is more widely spread than it is now. The time any student spends at our school is an expensive and serious investment, and it should be treated this way by all involved — faculty, staff and students.

SECOND CENTURY SCHOOL

To advance from good to great, effective leaders envisage credible but ambitious futures that move organizations forward and then work with resilience and fortitude to ensure the new frontiers are reached, typically with adjustment and iteration along the way. Surrounded by visionary leaders all around our school, and by a stellar faculty and staff, I look forward to working alongside all to accomplish what we set out to do.

World-class research faculty at the efficient frontier of business knowledge, combined with expert clinical faculty deeply vested in current market realities, supported by our centers, corporate partners and world-class student services that connect students with employers, will provide the way forward for all the Moore School has the privilege to educate.

Please join us as we construct our second century school, built upon a first century foundation of accomplishment and excellence. There is much to do, but also much to look forward to.



THERE ARE MANY WAYS TO BE A PART OF THE MOORE SCHOOL'S SUCCESS:

CONNECT:

- Join MooreConnect.com — the online alumni community
- Follow the Moore School on social media
- Join fellow alumni at Shuck & Shag
- Network with alumni at regional events
- Attend the annual Leadership and Awards Dinner
- Sign up for Moore School newsletters at http://www.sc.edu/study/colleges_schools/moore/index.php

ENGAGE:

- Mentor a Moore School student
- Provide internships for students at your company
- Participate in a Business EXPO career fair
- Hire a Moore School graduate
- Share your experience with students on campus
- Serve as a regional alumni leader
- Nominate an alumnus for a distinguished award

INVEST:

- Support the dean's initiatives with an annual gift
- Deepen your support with an estate gift
- Develop your skills with Executive Development courses

CONTACTS TO START YOUR PARTNERSHIP WITH THE MOORE SCHOOL

OFFICE OF CAREER MANAGEMENT

Jane Willis Mayer
Jane.Willis-Mayer@moore.sc.edu

EXECUTIVE DEVELOPMENT

Angie Brown
ABrown@moore.sc.edu

DEPARTMENT OF RESEARCH

Joseph Von Nessen
Joey.VonNessen@moore.sc.edu

ALUMNI ENGAGEMENT

Mary Ruffin Childs
MaryRuffinChilds@moore.sc.edu

INVEST IN MOORE

Mark Richter
Mark.Richter@moore.sc.edu

DEAN'S OFFICE

Wendy Hennessy
Wendy.Hennessy@moore.sc.edu

#MOORESCHOOL

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Darla Moore School of Business