I. Team Recommendation

The team recommendation reflects the opinion of the Peer Review Team (PRT) only. It will be reviewed for concurrence or remanded to the team by the Maintenance of Accreditation Committee. The role of the Accreditation Committee is to ensure consistent application of the AACSB International accreditation standards and processes across peer review teams.

Within ten days of receipt of this report, the applicant should send the team any comments and corrections related to factual information noted in this report. A copy should also be sent to the Maintenance of Accreditation Committee chair in care of the AACSB International office.

A. Team Recommendation

*Extend Accreditation Maintenance:* The unanimous recommendation of the Peer Review Team is that the accreditation of the undergraduate, master’s and doctoral degree programs in business offered by The Leonard N. Stern School of Business at NYU (Stern) be extended for an additional six years with a Maintenance Review to occur in year five. Concurrence by the accreditation committee and ratification by the Board of Directors are required prior to the confirmation of the accreditation decision. Following ratification by the Board of Directors, the applicant will be notified. The applicant must wait for this official notification before making any public announcement. AACSB International provides a list of applicants achieving accreditation to its members and the public.

B. Subsequent Review of Team Recommendation

The Maintenance of Accreditation Committee will review this report, and any response from the applicant, at its next scheduled meeting (normally, provided that the report is received at least three weeks in advance of the meeting).

The Board of Directors will consider for ratification the team recommendations to extend accreditation or suspend accreditation that have concurrence from the appropriate accreditation committee, as soon as possible after the accreditation committee concurrence.
II. Identification of Areas That Must Be Addressed Prior to Next Maintenance Review

- Additional implementation of Assurance of Learning practices and policies as prescribed in AACSB Standards. In particular, these practices have not yet been fully implemented in the undergraduate program. Ms. Dawn Witt, Director of Operations of the undergraduate program, has attended the AACSB Learning Assessment course and will play a role in implementation.

- As a school heavily reliant on tuition and fee revenue (83% of gross revenues in year ending August 31, 2008), Stern must regularly monitor the revenue generating capacity of its major programs. While demand currently remains robust for all degree programs, including the part-time MBA program, for which demand has softened at some schools given the economic environment, Stern must monitor demand by program and adjust capacity to ensure continued revenue flow to fund current costs and allow for investment in people and programs.

III. Relevant Facts and Assessment of Strengths and Weaknesses in Support of the Team Accreditation Recommendation

The Peer Review Team (PRT) was impressed with the overall high quality of the operations at Stern. The Dean and his team provide strong leadership for the school. The quality of the faculty is high and there is a vibrant research environment. There is a disposition to innovation in academic programming and the school wisely makes optimal use of its New York City location.

The school is committed to continuous improvement in its educational programs as evidenced by the high demand for them (e.g. approximately 5000 applications to the day MBA program) and student placement. Management of the school is very capable and financial resources are adequate to its mission and scale.

IV. Commendations of Strengths, Innovations, and Unique Features

The school displayed a number of important, distinguishing characteristics, including:

- A clear vision and mission statement for the school.
- A strong research commitment on the part of the faculty. Faculty generally connect research and teaching, seeing them as supporting, reinforcing activities rather than competing ones. Faculty regularly "bring their research" into the classroom.
- Junior faculty are "well taken care of" e.g. they are given priority in teaching assignments, provided adequate research support and given many opportunities to present their work at the school.
• Optimal use of New York City location. In many respects, the school embraces its New York City location and develops it as an important contributor to the intellectual lives of faculty and students. For example, a number of MBA program activities use the resources of New York City, e.g. the Stern Consulting Corps, the Industry Mentoring Initiative, and New York City cases.

• Innovative Undergraduate Program. The program provides significant international learning opportunities for all its undergraduates providing in-depth knowledge, rather than just tourism-type exposure. In addition, the required Social Impact sequence, which begins with the Business and Its Publics course in the freshmen year, is an outstanding mechanism for raising fundamental questions which young business leaders should confront.

• The school provides adequate support for faculty and students and, in some cases, goes well beyond the norm. For example, the school has established the Career Center for Working Professions for both current part-time degree program students and alumni. The staffing levels of the center show a real commitment to this population.

• The school has a rigorous, detailed process for the consideration of promotion and tenure cases, appropriately relying on both internal and external, and quantitative and qualitative data.

• The school’s leadership manages an effective resource allocation process for the school, including an effective Stern Teaching and Research Supplement (STARS) program for faculty support.

V. Opportunities for Continuous Improvement Relevant to the Accreditation Standards

• Continue to focus on diversity of the community. The MBA Program appears strong on this dimension, the undergraduate program less so. The school should continue its efforts to attract and support a diverse set of faculty, particularly underrepresented minorities.

• More clearly articulate the role of global programs in the life of the school. The school has a wide variety of activities underway ranging from undergraduate travel (as mentioned above) to new master’s degree programs in risk management and banking with international partners with the exception of the joint Trium program, the Tenured and Tenure Track faculty, based on our small sample, however, seemed generally detached from these offerings.

• More clearly articulate the strategy for success in the non-degree granting Executive Education programs. On the demand side, this market has weakened substantially generically; on the supply side, it is quite competitive with both major schools and consulting firms having an active presence. Stern needs to be clear on how to leverage its unique capabilities to compete effectively in this market.

• In order to reduce its dependence on tuition revenues, the school should seek to develop alumni relationships and maximize their financial support for the school.
VI. Summary of Visit

A. Brief description of the school or accounting unit, including its size and the institutional setting:

The Stern School offers a broad portfolio of programs: undergraduate, MBA in a variety of formats – full-time, Langone Part-Time (evening) and Executive MBA – both as a Stern program and in partnership with London School of Economics and HEC of Paris, France. It also offers a PhD program. These programs generate revenues to provide adequate financial support for the school.

These programs are highly ranked in polls of general importance to those interested in such matters, e.g.

- Undergraduate – “Top 10” in BusinessWeek in U.S. News
- MBA - #13 in BusinessWeek (2008)
- Langone Part-Time - #1 in U.S. News
- PhD Program - #2 in Financial Times

The school leverages both its location in New York City and position within a great research university. It has a number of joint programs with other distinguished schools at NYU, e.g. an MBA/MFA degree program.

For academic year 2007-08, the school had 383 faculty – 220 full-time faculty and 163 adjuncts. On average, “full-time” faculty teach three courses per year, while adjuncts generally teach one course per year. Thus, about 80% of the courses are taught by “full-time” faculty.

The school recently completed its Capital Campaign, exceeding its $150 million goal by raising $180 million. Given its location, facilities can be challenging for the school despite efficient utilization with classes running 50 weeks per year, 7 days per week, “from morning until night.” The school does not have many degrees of freedom to add programs or increase program size. The school has a number of centers and institutes to foster research, e.g.

- Salomon Center – financial structure
- Gluckson Institute – securities market
- Ross Institute – accounting research
- Berkley Center – entrepreneurial studies
- Pollack Center (with Law School) – law and business
B. List of degree programs included in review:

<table>
<thead>
<tr>
<th>Degree Program</th>
<th>Majors/Departments</th>
<th>Graduates (2008)</th>
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<tbody>
<tr>
<td>B.S. in Business</td>
<td>8 majors offered</td>
<td>640 graduates</td>
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<tr>
<td>MBA</td>
<td>Multiple specializations</td>
<td>1141 graduates</td>
</tr>
<tr>
<td>PhD in Department</td>
<td>9 departments</td>
<td>26 graduates</td>
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<tr>
<td></td>
<td>• Accounting</td>
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<td>• Statistics</td>
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C. List of comparison groups:

**Comparable Peers:**
Columbia
University of Chicago
Northwestern University
University of Pennsylvania
MIT
University of Michigan
University of California, Berkeley
University of California, Los Angeles

**Competitive Group:**
None Submitted

**Aspirant Group:**
University of Pennsylvania
University of Chicago
Northwestern University
Stanford University
MIT
Columbia
D. Review Team Members:
Robert J. Dolan (Chair)
Dean, Stephen M. Ross School of Business

Lawrence M. Benveniste (Member)
Dean, Goizueta Business School

Bernard Ramanantsoa (Member)
Dean, HEC School of Management, Paris

E. Visit Schedule
SUNDAY, FEBRUARY 1, 2009

Introductory Dinner
Review Team and Stern Senior Administrators

Attendees:
Thomas Cooley, Dean
Sally Blount, Dean & Vice Dean Undergraduate College
Kim Corfman, Vice Dean MBA Programs
Paul Wachtel, Professor of Economics
Ingo Walter, Vice Dean Faculty

MONDAY, FEBRUARY 2, 2009

8:15a.m. – 9:15a.m.
School Wide Strategic Initiatives

Attendees:
Thomas Cooley, Dean
Sally Blount, Dean & Vice Dean of Undergraduate College
Kim Corfman, Vice Dean of MBA Programs
Thomas Pugel, Vice Dean of Executive Programs
Ingo Walter, Vice Dean of Faculty
Eitan Zemel, W. Edwards Deming Professor of Quality and Productivity

8:15a.m. – 9:15a.m.
Undergraduate College: Strategic Issues, University Relationship
9:15-10:15
UC Overview – Curricular Innovations, Intellectual Rigor, Leadership Development

Attendees:
Sally Blount, Dean & Vice Dean of Undergraduate College
Susan Greenbaum, Associate Dean of Undergraduate College
Shana Carroll, Director of Communications of Undergraduate College
Erin Potter, Senior Associate Director of Undergraduate College
Diann Witt, Senior Director of College Planning, Financial Aid & Special Programs

10:15-10:45
Global Programming – BPE, World Studies Track, ISP, ILEP

Attendees:
Joseph Foudy, Clinical Assistant Professor of Economics & Management
William Guth,
Carmen Johnson,

10:45-11:15
Social Impact Core & Programming

Attendees:
Batia Wiesenfeld, Professor of Management & Faculty Fellow
Kristy McCadden,

11:15a.m. – 11:45a.m.
Undergraduate College: Strategic Issues, University Relationship

Attendees:
Paul Affuso, Associate Dean of Administrative Services & Facilities
Barbara Albrecht, Director of Administrative Services

12:00p.m. – 1:00p.m.
MBA Program: Strategic Issues & Program Overview

Attendees:
Kim Corfman, Vice Dean of MBA Programs
George Smith, Academic Director of The Langone Program
Gary Fraser, Dean of Students & Associate Dean of MBA Student Affairs
Beth Rubin, Assistant Dean of Academic Affairs & Enrollment Management
1:00 p.m. – 2:00 p.m.
Senior Faculty Lunch

Attendees:
Joel Hasbrouck, Kenneth G. Langone Professor & Chair of Finance Department
Sam Craig, Catherine and Peter Kellner Professor in Entrepreneurship, Arts & Media Management and Deputy Chair of Marketing Department
Zur Shapira, William R. Berkley Professor & Chair of Management and Organizations Department
Fred Choi, Dean Emeritus, Distinguished Service Professor of Business & Chair of Accounting Department
Dave Backus, Heinz Riehl Professor & Chair of Economics Department
Mike Pinedo, Julius Schlesinger Professor of Business Administration & Chair of Information, Operations and Management Sciences Department
Francis Milliken, Professor of Management and Organizations & Peter Drucker Faculty Fellow
Eitan Muller, Professor of Marketing
Jeffrey Simonoff, Professor of Statistics & Robert Stansky Research Faculty Fellow
Marty Gruber, Nomura Professor of Finance

2:00 p.m. – 2:45 p.m.
Alumni Relations & Development and The Stern Brand

Attendees:
Kerry Kruckel Gibbs, Managing Director, Alumni and Development
Elena Piercy, Senior Director, Alumni & Corporate Relations
Beth Murray, Chief Marketing Officer
Joanne Hvala, Associate Dean, Marketing and External Relations
Peter Golder, Professor of Marketing & George and Edythe Heyman Faculty Fellow
Isser Gallogly, Executive Director, Strategic Marketing

3:00-3:45
Curricular Innovations and New Programs Global and Social Impact Programming

Attendees:
Kim Corfman, Vice Dean of MBA Programs
George Smith, Academic Director of the Langone Program
Beth Rubin, Assistant Dean of Academic Affairs & Enrollment Management
Kyle Cunningham, Director of MBA Academic Affairs
Lizzette Hernandez, Executive Director of Strategic Initiatives & Relationships

3:45-3:15
School Finances meeting with CFO

4:15p.m. – 5:00p.m.
EMBA: Overview Discussion

Attendees:
Thomas Pugel, Vice Dean of Executive Programs
Jaki Sitterle, Managing Director, Executive Programs
Aaron Tenenbein
Erin Obrien

5:15p.m. – 6:00p.m.
PhD Program

Attendees:
Joel Steckel, Academic Director of Doctoral Program

TUESDAY, FEBRUARY 3, 2009

8:00a.m. – 8:45a.m.
Junior Faculty Breakfast

Attendees:
Dolly Chugh, Assistant Professor of Management and Organizations
Xavier Gabaix, Associate Professor of Finance
Gian Luca Clementi, Assistant Professor of Economics
Anindya Ghose, Assistant Professor of Information, Operations and Management Sciences
Robert Salomon, Associate Professor of Management and Organizations
Amitav Chakravarti, Associate Professor of Marketing
Christine Petrovits, Assistant Professor of Accounting

8:45a.m. – 9:30a.m.
Research Environment

Attendees:
Ingo Walter, Vice Dean of Faculty
Karyn Jeannopulos,
Viral Acharya, Professor of Finance
9:30 a.m. – 10:15 a.m.
Faculty Development

Attendees:
Ingo Walter, Vice Dean of Faculty
Susanna Stein, Director of Faculty Services
Adam Brandenburger, J.P. Valles Professor of Business Economics and Strategy
William Greene, Toyota Motor Corporation Term Professor & Jules I Backman Faculty Fellow
Stijn Van Nieuwerburgh, Assistant Professor of Finance & Charles Schaefer Family Fellow 2006-2009
Robert Salomon, Associate Professor of Management and Organizations

10:30 a.m. – 11:15 a.m.
Review Team Private Time

11:15 a.m. – 12:00 p.m.
Meeting with Provost McLaughlin

12:00 p.m. – 1:00 p.m.
Preliminary Findings

Attendees:
Thomas Cooley, Dean
Sally Blount, Dean and Vice Dean Undergraduate College
Material Received/Reviewed

- AACSB Reaccreditation Team: Executive Summary (January 2009)
- Annual Maintenance Report Summary (January 2009)
- Fifth-Year Maintenance Report and Faculty Management Policies (January 2009)
- PowerPoint Presentations: NYU Stern Executive Programs, Full-Time and Part-Time MBA Program Overview, Full-Time and Part-Time Recent Initiatives
- Leonard N. Stern School of Business Promotion and Tenure Guidelines (February 2009)
- Summer Research Support Summary
- Course Syllabi
- Brochures:
  - NYU Stern Executive MBA Program
  - The Campaign of NYU Stern
  - NYU Stern Undergraduate College
  - NYU Stern Undergraduate College: B.S. in Business and Political Economy
  - NYU Stern Executive Education, March-June 2009
  - NYU Stern Guide for Recruiters
  - Trium Global Executive MBA
Best Practices Report

While the PRT was impressed with the school overall, several aspects stood out as worthy of note:

1. Dedication of the faculty to the development of intellectual capital with real impact. There is a vibrant research culture at Stern emanating from the faculty’s regular presence at the school, active seminar programs, and a commitment to rigorous, critical thinking.

2. Teaching and research are viewed as reinforcing rather than competing activities. Faculty bring their research into the classroom as students are desirous of the latest thinking on key management topics.

3. Systematic exploitation (in good sense) of NYC location. The school realizes that its NYC location can be a significant point of differentiation if programming is developed to make this value-added for members of the community. Such programs are effectively implemented.

4. Sense of innovation. There is a commitment to innovation and experimentation as a route to program improvement. This was most evident in the undergraduate program with its international experiences for all students and the particularly innovative Business and Its Publics course in its plenary/inquiry/discourse format.

5. The school has adequate resources to invest in important value-adding, supporting activities for students (e.g. student life, career services) and faculty (teaching support and assistance.)
Consultative Report

The following are some areas which largely are already apparent to the school’s leadership but bear formal notation from the PRT here.

1. The school has historically been viewed as a finance powerhouse. 77% of the MBA students have a specialization in some form of finance. A key question is: given the recent economic events should the school seek to reposition itself more broadly? It seems there have already been some activity around this to broaden the perceived expertise of the school and frustration, on the part of some, with lack of quick results. The PRT would just like to emphasize that if such repositioning is undertaken, it will require a major investment and a long-term view of when dividends are received.

2. The senior faculty are somewhat unclear on the relationship between the school and the university, e.g. is there an algorithm which determines the funds transfer from Stern to the university? How are such determinations made? The PRT believes more faculty knowledge in this area would be healthy, replacing incorrect assumptions and historical events, now of little relevance.

3. The economic model of the school is heavily dependent on tuition revenues. While Stern’s strong reputation is a buffer to potential developing softness, particularly in part-time programs, the school should develop contingency plans if enrollment declines were to occur. This is especially true given the space limitations the school operates under.

4. There were a couple areas in which the strategy of the school was not clear to the PRT and seemed unclear to some members of the community as well. These are:

   a) Global activities – there are a number of things happening, but to what desired overall end?
   b) Executive Education non-degree programs – what’s the purpose here? Revenues, brand development, faculty development? How can Stern effectively compete in this market?

5. The school is committed to diversity in its community. Women play an effective role in senior leadership positions in the school. The school should continue its efforts to ensure a diverse faculty; African-American faculty should be a priority given current low representation.