

**A STRATEGIC ANALYSIS OF THE  
SIMON FRASER UNIVERSITY  
EXECUTIVE MBA ALUMNI ASSOCIATION CHAPTER**

by

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PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF

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in the Faculty

of

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## **ABSTRACT**

This project presents an operational strategy for the Executive Masters in Business Administration Alumni Association Chapter of the Simon Fraser University Alumni Association. This strategy supports the Chapter's vision of creating networking opportunities for alumni, improving the brand equity in SFU's Business School, and increasing participation in the alumni appeal and events.

This project first identifies what activities and services the Chapter offers its members, and describes the key issues faced by the EMBA Alumni Association Chapter. An analysis of other Alumni Associations provides insight into the organizational and operational models in use at other Universities. An industry analysis then shows the influence of the competition, suppliers, consumer and substitute products on the actions and structure of the Executive MBA Alumni Association Chapter. This is followed by a discussion of the factors influencing enrolment in MBA programs, which ultimately influences alumni profile. Next, an organizational analysis discusses the Chapter's internal structure and secondary functions. Following is a chapter on financials, which determines how much money the Chapter will need to operate its signature activities for the coming year. The final section provides a summary of the key issues faced by the EMBA-AA Chapter in its quest to provide value membership, a comprehensive presentation of the recommendations for the Chapter in order to address the issues, and a statement concluding the project.

## **DEDICATION**

This effort, and the two years of work leading up to it, is dedicated to Dave Pickrell.

## **ACKNOWLEDGMENTS**

Carolyne – thank you for presenting to me this project proposal. It provided for me the first of what I hope are many opportunities to give something back to the program.

To the entire Simon Fraser University EMBA Alumni Association Chapter Board of Directors: your humour, patience and guidance were always appreciated. You are an enthusiastic, focused and dedicated group of people, and I hope you see some value out of this project offering. Special thanks to Bob – I'm your biggest fan!

To the staff and faculty of the SFU Business Faculty, EMBA Program, SFU Alumni Association, past Chapter Presidents and alumni: your feedback and knowledge were critical in giving me direction and clarity. It would have been a shadow of an effort without all of your help. John, thanks for the honey – it is out of this world. To Anne, I'm ready to go to the driving range, just pick a day.

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# **1 OVERVIEW**

## **1.1 Objectives**

This project presents an operational strategy for the Executive Masters in Business Administration Alumni Association (EMBA-AA) Chapter of the Simon Fraser University Alumni Association (SFU-AA). The question to be answered in this analysis is: does the Chapter add value to its members? There are a number of internal and external factors that will influence the future strategic direction of the EMBA-AA Chapter. This strategy will examine these factors and, based on this analysis, draw conclusions as to what changes can be made to increase the Chapter's value to alumni. Finally, specific recommendations will be offered with respect to activities and structure to ensure the Chapter and the Executive Committee meet its mandate of providing value-added services and activities to its members.

The EMBA-AA Chapter runs two signature events: the EMBA Alumni Wine and Cheese, and the Executive Forum. Both have elements of networking and education. Alumni have many occasions to attend similar events outside of those sponsored by the EMBA-AA Chapter, which compete for alumni involvement. The EMBA Alumni Association Chapter can determine how to provide value-added services to their members by understanding how these events are planned, communicated and hosted. A comparative analysis of various University Alumni Associations (including that of Simon Fraser University) and other professional associations will provide information on how they communicate with members, and the means used to market and promote events.

The number of MBA programs being offered by Simon Fraser University has increased in recent years. Consequentially, there are a growing number of parallel Alumni Association Chapters, each sponsoring alumni events. Furthermore, the opening of SFU's Segal School of Business will bring Simon Fraser's graduate business students to one location. In order to add value to their members, the EMBA Alumni Association Chapter must develop a strategy in how they should best interact with other Business alumni Chapters.

Finally, the EMBA Alumni Association Chapter needs to determine if its internal structure supports the goals of both the SFU-AA and alumni, and enables its own sustainability. This analysis will determine the influence of tenure and turnover of the Board of Directors, and how roles and responsibilities of both EMBA and non-EMBA Board Members should be assigned.

## **1.2 History and Structure of the EMBA Alumni Association Chapter**

Since 1968 more than 1400 students have completed the Simon Fraser University's EMBA program. Upon completion of the program, graduates become members of both the Alumni Association, and the Executive MBA Alumni Association Chapter.

The EMBA Alumni Association Chapter was officially formed following the creation of its Constitution in 1979. Its purpose was to promote further post-graduate educational courses and seminars for Association members, provide a forum for the exchange of information among members, promote the further acceptance of the SFU MBA program, maintain and foster relationships among members, and maintain ties between the Association membership and Simon Fraser University. The organization was initiated and is run by alumni, who are the people best capable of creating activities most valued by its members-at-large.

The Board of Directors, also known as the Executive Committee, originally consisted of three volunteer appointed positions. These were the President, Vice President, and Secretary / Treasurer. In 1994 the Board split the position of Secretary and Treasurer. Over the past five years membership on the Board of Directors has grown to include both non-elected position members, and non-EMBA Business Graduates. There were eight members sitting on the 2000-2001 Board of Directors, and eleven in 2003-2004.

The 2004 Executive Committee includes members that graduated from 1995 to 2002. As noted by President Bradley, the majority of the Board is made up of recent cohort alumni. "This is an important point, and much like for profit businesses, our lack of diversity could be a serious detriment to overall organizational health...this is a serious problem, in my assessment" (Bradley, personal communication, June 15, 2004).

## **1.3 The Relationship between the Alumni Association and Alumni Groups**

A document published by the Office of University Advancement states the responsibilities the Simon Fraser University Alumni Association has to the Alumni Chapters, as well as what the SFU Alumni Association expects from the individual chapters. It expects regular communication of chapter activities and events to the office of University Advancement. Events should be held in the spirit of Simon Fraser's reputation, and, when requested, groups will participate in University sponsored events. In return, the office advertises chapter activities on the alumni website or through its e-newsletter, and provide alumni demographics and contact information.

The SFU Alumni Association supports the formation of individual Chapters. It recognizes graduates that want to stay connected with each other, and with Simon Fraser University, initiate Chapters. The SFU Alumni Association believes one role of individual chapters is to host activities that interest their members, and the Alumni Association may provide partial financial support for these chapter events. In return, the office of University Advancement is provided an opportunity to extract value in ways that will benefit the Alumni Association, which includes member donations to the Alumni Association.

#### **1.4 Mission Statement**

The goals of the EMBA-AA Chapter have remained consistent since 1979. In 2002 they were crafted into a three-part vision. The first part of the vision states that the Chapter intends to show people value in their membership within the alumni community by creating meaningful networking opportunities. The second comment mentions the desire of the EMBA-AA Chapter to improve the overall brand equity in SFU's Business School. By doing so, it is anticipated the degrees of all alumni would be worth more. The EMBA-AA Chapter President noted this would be accomplished if the Board of Directors works closely with the Faculty of Business to enhance the brand of the school. Working with the Faculty in this capacity is a departure from how previous Boards had chosen to operate. Finally, it is the intent of the EMBA-AA Chapter to mobilize alumni to be more involved with their alma mater. This includes increased participation in the annual Alumni appeal, and increased participation at alumni events.

This mission statement is used as a gauge to measure if certain events and activities should be considered. A particular plan will be considered if it is believed to advance the vision. For instance, a decision was made to open up attendance at the 2004 Executive Forum to the Certified Management Accountants Association. In doing so, the Board felt its mission statement objectives were met. Opening attendance created networking opportunities for participants and speakers. It also highlighted talented speakers from the Simon Fraser University Executive MBA program – both professors and graduates – to the external community, which helped to improve brand equity.

#### **1.5 Activities and Services Offered to its Members**

The EMBA-AA Chapter sponsors a number of events and initiatives to fulfill its mission statement. The performance indicator measured is participation by alumni. Although all events will meet the mission statement, specific objectives (for instance, attracting a specific number of alumni) will depend on the event. Some, such as the Wine and Cheese, are meant as a means to

socialize and network. Others, like the Annual Golf tournament, have become an opportunity to fundraise and network.

The Board of Directors appoints a Champion who owns the planning and execution of the event. He or she may call upon the Alumni Association or the Faculty of Business to provide assistance with the activity. For instance, the Executive Forum Champion worked closely with the Faculty of Business Director of Marketing and Communication to plan the Forum advertising, and called upon the Board of Directors for assistance in communicating the event to alumni.

Class Representatives are used to communicate events and activities. Member of the Executive Committee either telephone or e-mail the appropriate Class Representatives information on events and activities. The Class Representative passes on this information to alumni in his or her cohort. The Representatives also provides feedback from alumni to the EMBA-AA Chapter Board of Directors, which allows the Executive to host activities that meet the needs of its members. However, the number of classes represented accounts for just over 10% of the total number of classes, and the majority of the class reps graduated in the last ten years. These facts highlight the risk that events may be designed that mirror the interests of the Board of Directors and participating Class Representatives, rather than that of the alumni community of a whole.

### ***1.5.1 Executive MBA Contact Information Booklet***

The contact information booklet was intended to provide contact information of all Executive MBA Alumni to its members. Contact information included night cohort (NEMBA) or weekend cohort (WEMBA), graduating year, home and office mailing addresses, e-mail, and telephone number. It was updated annually until 1998 by the EMBA Alumni Association Chapter, and mailed to its members. Printing and mailing costs (2000 actual cost was just over \$1000) and the desire to keep the booklet updated on a timely basis prompted a 2000 initiative to publish the booklet electronically. However, the ongoing expense of maintaining the database on a website, interpretation by Simon Fraser University of what personal information could and could not be published as defined by the 2004 British Columbia Privacy Act, and a change in working priorities by the incoming Chapter Board of Directors meant fulfilling the project objectives were not guaranteed. The initiative has been on hold since 2003.

### ***1.5.2 The Executive MBA Alumni Chapter Website***

A website domain for the Executive MBA Alumni Chapter was purchased in 2001, and launched that July. Although its original intent was to house the electronic contact information booklet, potential website content expanded. It was expected to become an online source for opportunities (including business, employment, advertising and vacations), a means to communicate to the EMBA Alumni Chapter Executive Committee and other EMBA alumni, a site for an events calendar, the newsletter, and articles. Costs for this initiative were \$2620 in 2001, and \$3190 in 2002.

In 2003, the incoming Executive Committee performed a status evaluation of the website. Annual website maintenance fees coupled with yearly reoccurring support charges and development costs to meet the revised objectives were estimated in February 2004 at \$1867. The project is on hold pending a review and re-evaluation of the original objectives and website intent. Specifically, the assessment will determine if the SFU Alumni Association website can provide the same (or superior) benefits to members as what could be offered by the EMBA-AA Chapter website.

### ***1.5.3 Contributions to the Executive MBA Endowment Fund***

The graduating class of 1968 created an Executive MBA Endowment Fund in recognition of its 20<sup>th</sup> anniversary. The fund was established to fund programs and projects that would advance scholarship in the field of Business Administration at SFU. Made up of two separate accounts, one objective was to create funds for a professorship to attract outstanding educators, thereby enhancing the quality of EMBA instruction. Over the past fifteen years the EMBA-AA Chapter has elected to target fundraising contributions to this fund. In 2003 over \$3600 was allocated from profit derived from EMBA attendance at the Golf Tournament, bringing the principle up to an estimated \$247,000 in 2004. The capital generated from the interest on the principle is used for bursaries to assist EMBA students during their period of instruction. This account of approximately \$29,000 can be allocated for bursaries.

A second fund was created in 2002 to retain existing professors. Entitled the Dennis Culver Professorship Fund, it was initiated by a \$200,000 fund transfer from the Executive MBA Endowment Fund. The interest-generated funds are used to supplement existing talent within the EMBA program.

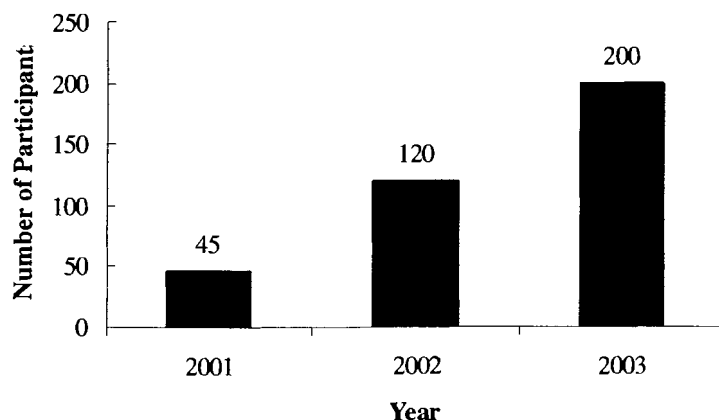
Until 2002, MBA students requiring financial aid would apply directly to the Executive MBA Alumni Endowment Committee. This committee, made up of EMBA faculty, staff, and alumni, would decide upon the student bursary awards and amounts. However, this practice violated Simon Fraser University policy. Application for award and decisions on financial aid are now handled through the Financial Aid Office.

The previous organizational structure of the Executive MBA Endowment Fund included a member of the EMBA-AA Chapter. Since 2002, the structure has changed such that EMBA alumni involvement is not necessarily an EMBA-AA Chapter member. This has reduced the Chapter's involvement in the fund from being an advisor, to that of a contributor.

Although it is outside the scope of this paper to make direct recommendations as to managing the Endowment Fund, it is noteworthy to mention the Executive MBA Endowment Fund Board of Directors has not met since September 2003. This means the \$29,000 bursary allocation has remained untouched for almost two years, and would provide a significant contribution to Simon Fraser University's bursary account if the Endowment Committee would transfer the funds to the Financial Aid Office.

#### ***1.5.4 EMBA Alumni Wine and Cheese***

The EMBA-AA Chapter has sponsored this event since 2001. In 2002 the invitation was opened to include present EMBA students as well as alumni. The Wine and Cheese event has been hosted on the same evening as NEMBA classes, at a Harbour Centre venue in 2001 and 2002, and at the Delta Hotel in 2003. The venue and timing has increased participation by EMBA students and alumni as shown in Figure 1.



*Figure 1 - Participation at the EMBA Alumni Wine and Cheese*



The goal of this event is to provide alumni an opportunity to network with fellow alumni, students, and staff. In 2003 the event was also a platform for presenting a retiring EMBA professor a parting gift from the Faculty of Business.

Expenses included a door prize drawing, appetizers and a free beverage. The event has been free of charge to alumni, with limited revenue collected from the cash bar. The event relies upon funding from the Faculty of Business and the Alumni Association to break even. The Alumni Association provided \$1200 of funding in 2003. In 2002 and 2003 the event was held the same evening as a NEMBA class, and the present classes were invited to the event in lieu of their dinner. The money usually spent by the EMBA Administration on dinner to that cohort was instead contributed to the Wine and Cheese event. The EMBA Administration gave \$2825 in 2002, and \$2271 in 2003.

There is only a weekend cohort to the incoming EMBA class. The EMBA-AA Chapter is not expecting much funding from the Faculty of Business for the Wine and Cheese event; since there is no 2004 NEMBA class, there is no dinner. This represents a significant amount of funding that will no longer be available from the Administration. The EMBA-AA Chapter Board of Directors feels the event supports its mission. Therefore, the Executive Committee must determine a source of funding for the event to break even in 2004.

### ***1.5.5 Golf Tournament***

In September 2000, the University, in partnership with the EMBA-AA Chapter, planned a fund-raising golf tournament, which also provided an opportunity to network and socialize. In March 2001, the University elected to host a casual golf and dinner in lieu of the fundraising event.

In May 2002 the EMBA-AA Chapter sponsored its own golf tournament, and paired it with the 2002 EMBA-AA Chapter AGM. The golf tournament was advertised as a social event, not a fundraiser. The event budget was created for the event to break even. Actual net costs showed the Eaglequest golf event was over budget by \$2100.

In 2003 the Faculty of Business held the SFU Business and Friends Golf Tournament. The EMBA Alumni Association Chapter supports and champions this event, rather than running its own golf tournament. The venue at the University Golf Club was advertised through the EMBA-AA network as both a means to network and to raise funds for the EMBA Endowment Fund. The 2003 event sold out, and a total profit of \$11,342 was made from funds collected from

the 164 participants (entry fees \$175 per golfer) and corporate sponsors. Of that, over \$3600 was collected from EMBA members and allocated to the Endowment Fund (see Figure 2).

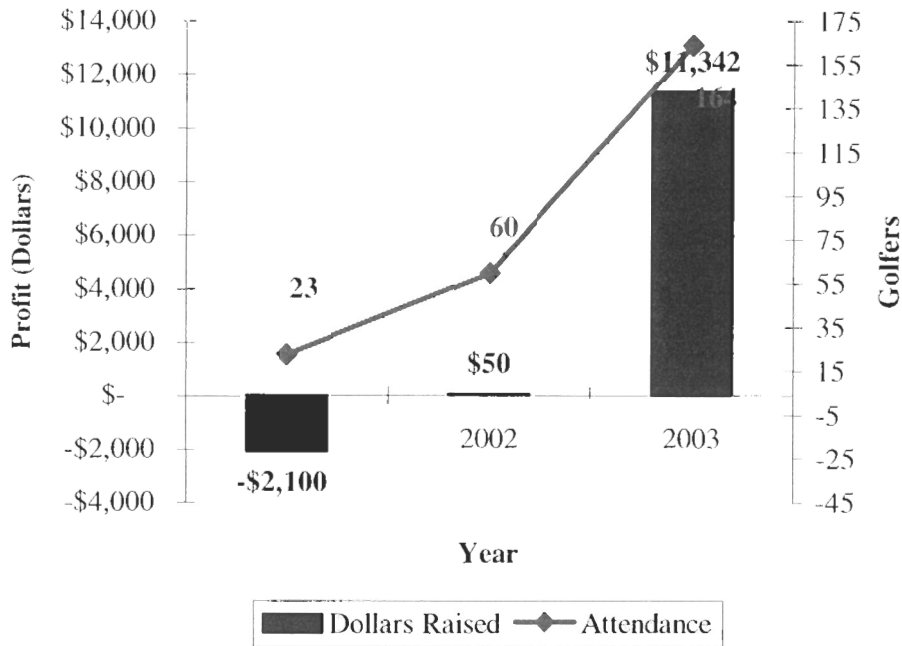
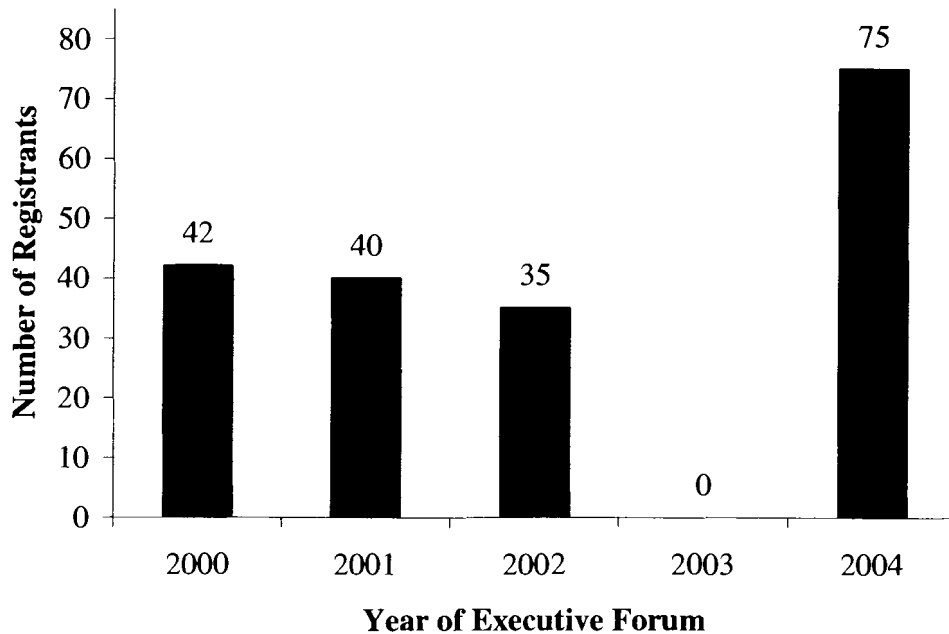


Figure 2 - Participation and Profit from the Annual Golf Tournament

### 1.5.6 Executive Forum

The Executive Forum is advertised as an educational and networking event. It was initiated in 1992, and originally called the “Pace of Change” forum. Past guest speakers have included both Faculty of Business professors and EMBA Alumni, with topics such as “Change in the New Economy – Is it the End of the Beginning?” and “Converting Intangible Assets into Bottom Line Value”. Future year topics are developed using participant feedback.

In 2000 and 2001, event revenue of \$7800 came from the registration fee (\$195 per person). Fixed costs of \$1656 were from speaker fees, room charges, and promotion (\$881). Variable costs (catering, registration and workshop materials) were \$6276, based upon a target of 40 participants. The actual number of participants at the 2000 event was 42. The event made over \$4800, of which \$3000 was donated to the Executive MBA Endowment Fund (see Figure 3).



*Figure 3 - Participation at the EMBA Executive Forum*

In 2004, there were 72 participants. Registration fees (\$175 for EMBA, Certified Management Accountant members, and \$199 for non-members) generated \$8393 of revenue. The British Columbia Certified Management Accountant Chapter sponsored the majority of the event promotion. Expenditures of \$4219 paid by the EMBA-AA Chapter included room catering and charges. Some advertisement costs were covered by the Faculty of Business, which resulted in a profit of \$4174 for the EMBA-AA Chapter.

The EMBA-AA Chapter Executive Committee feels the event was successful because it supported the mission statement of the Chapter. First, feedback provided by a majority of the participants said it did create a meaningful networking opportunity. By highlighting SFU Faculty as guest speakers, it improved the brand equity of SFU’s Business School. Finally, it mobilized alumni to be more involved with their alma mater: of the total number of participants, over 60% were EMBA graduates. Driven by the desire to ensure this remains a successful event (fuelled in part by the cancellation of the 2003 Executive Forum due to what the current President called “insufficient marketing”), the EMBA-AA Chapter Board of Directors authors and reviews an event post mortem.

### ***1.5.7 Outstanding Student Award***

This award was started in 1996 and recognizes a student in each graduating cohort that contributed significantly to the classroom, team, and their community. The recipient must have demonstrated personal growth, and an ability to maintain a balance between work, school and family. The awards recognize demonstrated excellence in the fields of executive learning as well as initiative, leadership and collegiality.

The EMBA-AA Chapter pursues the initiative by coordinating the nominations through e-mail balloting, purchasing the gift and presenting the award at a post-convocation gathering. Past awards have included pens and Graduation certificate frames.

### ***1.5.8 Annual General Meeting***

The EMBA-AA Chapter has held an Annual General Meeting since its inception, as per the Constitution. Content includes a summary of previous year activities (including an Income Statement), and nominations and elections for an incoming Board of Directors. In 2003 the EMBA-AA Chapter Annual General Meeting was paired with the Simon Fraser University Alumni Association AGM in an effort to reduce costs to the EMBA-AA Chapter (in 2000 expenses outstripped revenue by \$958; in 2001, \$1500) and increase participation by EMBA at the SFU Alumni Association AGM.

### ***1.5.9 Newsletter***

In his MBA final project paper, Holweg (1994) stated the Simon Fraser University Alumni Association *Alumni Journal* was the single-most important contact point for alumni, read by over 92% of graduates. The EMBA-AA Chapter saw a newsletter as a means to keep EMBA Alumni connected. The EMBA-AA Chapter Board of Directors started to publish and mail newsletters to alumni in 1997. Subsequent issues were written and mailed out three times a year to alumni, professors and staff within the Faculty of Business, and the EMBA Program Director. Content included a message from the EMBA Alumni Association President, an alumni / teacher profile, project reviews, special events (such as conferences and workshops) and regular upcoming events (including the Annual General Meeting). Newsletter content was agreed to and updated by the EMBA-AA Chapter Board of Directors. The EMBA-AA Chapter Newsletter Chairperson coordinated activities such as receiving incoming articles and newsletter information, editing, and supervising typesetting, printing and mailing.

The last EMBA Alumni newsletter was published in Spring 2003. The EMBA-AA Chapter Executive Committee understands that the newsletter is a valuable tool for keeping alumni connected. Continuation of this project is contingent on funding.

### 1.5.10 Fundraising

Since 1996, profits from select events, such as the Golf Tournament, have gone towards the EMBA Endowment Fund. In addition, the Executive Committee was at one time involved in the SFU Fall Calling Campaign. Funds went towards such initiatives as the library, the President's Choice Award and the EMBA Endowment Fund.

The previous responsibilities of the Fundraising Champion were to work with the Department of University Advancement to establish timing and design objectives of the fall fundraising campaign. The EMBA-AA Chapter President designed and sent letters to alumni, and all Board members were involved in the telephone campaign. Although the role of Fundraising Champion is no longer assigned, responsibilities such as writing and sending the fundraising letter are still performed by the Chapter President.

EMBA Alumni contribute the most funds per donation to Simon Fraser University as shown in Figure 4<sup>1</sup>:

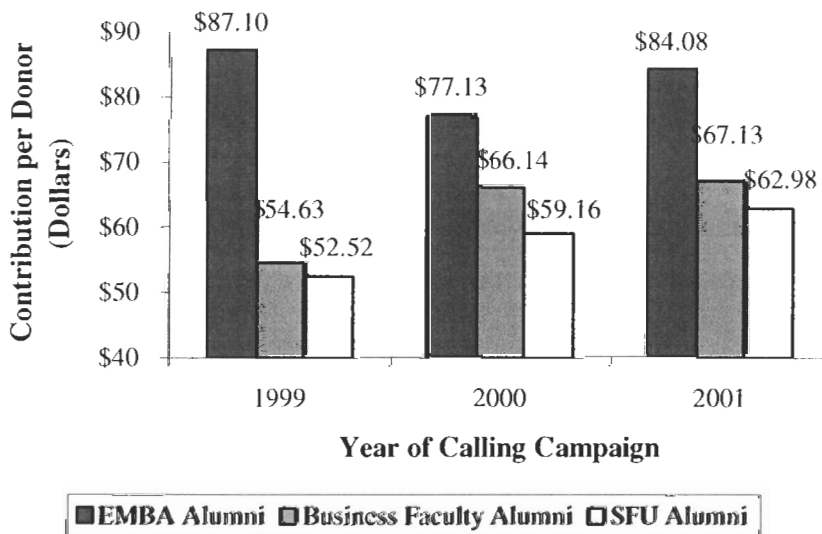


Figure 4 - Average Amount of Contribution per Donor, Fall Calling Campaign

<sup>1</sup> Data from 2002 and 2003 is not available due to complications arising from a software upgrade at SFU

Analysis of the percentage of graduates who contribute to the fall calling campaign show from 1999 to 2001 the average number of EMBA Alumni who are contacted and ultimately donate (19%) is less than that of either the Faculty of Business (22%) or the University as a whole (21%).

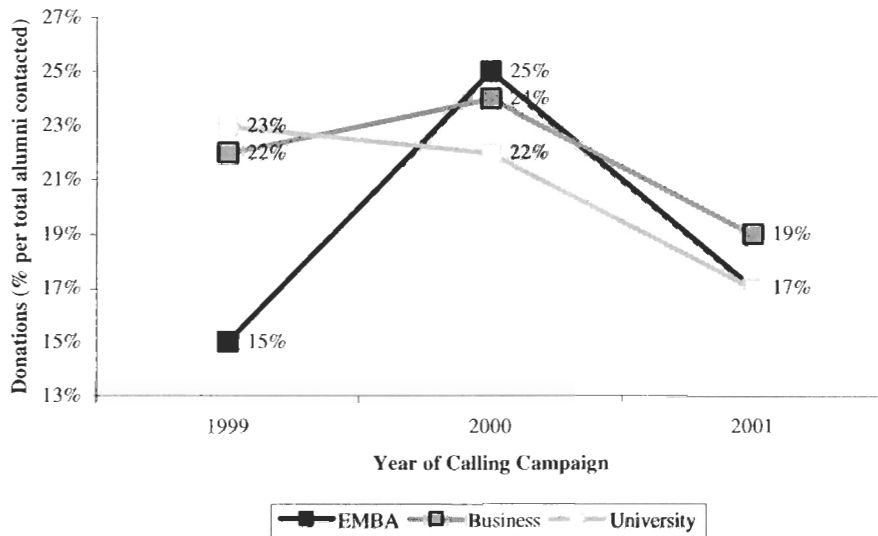


Figure 5 - Average Number of Alumni contributing to the Fall Calling Campaign

Figure 5 shows the percentage of alumni contacted that donated to SFU. Data from the SFU Alumni Association revealed that 490 EMBA alumni were contacted, out of a possible 1400. This means that 93 EMBA alumni contributed to the fall calling campaign. This low number of alumni that contributed raises questions as to the efficiencies of the calling campaign, an analysis of which is outside the scope of this project.

The present Board of Directors does not appoint a Fundraising Champion, nor do they volunteer during the calling campaign to man the phones. Alumni Chapter President Bradley does not see these activities as a good use of the Board’s talents, and instead turns to their mission statement as a guiding principle. If EMBA alumni members see value in the Chapter, and the brand equity of the school is improved, more funds will be raised. Holweg (1994) made a similar statement in explaining why alumni contribute. The reasons stated include alumni who want to maintain the integrity and accessibility of specific programs for future students, as well as graduates who are involved with their alma mater. Both of these points support the efforts of

the EMBA-AA Chapter to provide value-added services that would translate into to alumni fundraising contributions.

### ***1.5.11 Maintaining Contact with Cohorts***

The EMBA-AA Chapter Executive Committee believes all EMBA graduates form a community. In order to fully realize the potential of that resource, the EMBA-AA Chapter Executive Committee wants better and more regular contact with the members. They believe the use of Class Representatives best enables strong and regular communication with alumni.

The Executive Committee asks for a representative from each cohort to fulfill three functions. The first is to recruit alumni to events in order to increase participation and networking opportunities. Another is to provide feedback from the cohort as to how the alumni association can better show value to its members – what events could be held, and suggestions for improving existing activities. The third is to keep the Executive up to date on class activities and changes in class contact information.

The Executive Committee maintains a list of active Class Representatives. The President communicates with the Representatives, typically by email when their help is requested with drumming up participation at events, and to inform them when the semi-annual Endowment Fund request is forthcoming.

There was a historical list of Class Representatives. Unfortunately there was no hand-off of this information to the 2002 Executive Committee. Contact with the present Class Representatives was initiated in 2003, and has Representatives from the 1969 and 1990 cohorts, as well as from 1993 to present.

Participation by Class Representatives is critical to the success, and failure, of EMBA-AA Chapter sponsored events. The EMBA-AA Chapter Executive Committee believes the increase in participation at the 2003 Wine and Cheese was due to communication of the Class Representatives to their cohorts. However, Chapter President Bradley feels lack of Class Rep diversity (coupled with similar lack of diversity on the Board of Directors) is potentially a serious detriment to overall organizational health.

Of note is the EMBA-AA Chapter Executive Committee's effort to initiate and maintain contact with the present EMBA classes. They met with the 2003 students at an informal meeting following their first class, and were present at the 2002 class events such as the 2003 December International Business class, and the 2004 April retreat. The Chapter President feels connection with existing classes is crucial for students to start building a connection with their alumni

chapter, and to ensure the first contact with their Alumni Association is not during a fundraising calling campaign.

## **1.6 Issues faced by the EMBA-AA Chapter**

The Executive Committee faces a variety of issues. The first involves overall purpose. The EMBA-AA Chapter Board of Directors drafted a three-part mission statement in 2003, and hosts a number of events and activities that serve that mission. The sponsored events and services include educational events (the Executive Forum), networking and social events (the Wine and Cheese), and member services (the newsletter and website). The Executive Committee believes its existing events contributes to fulfilling its mission, but they want to explore if there are other means of ensuring value for their members. This can influence both how, and what, events and activities are hosted. When value is created for alumni, and alumni perceive there is a value in attending the events, it will mobilize alumni to be more involved. It will also help maintain a consistent purpose going forward when a new Board of Directors is elected (the existing President is in his last term in office). Finally, maximizing value for alumni – the customers - would dispel a concern voiced by the current President, and past two Presidents, of the SFU EMBA-AA Chapter. They all feared their passion and drive influenced the direction of the Chapter and the Board of Directors too much. The purpose of the Chapter has not changed radically over the last three Presidents, but the means in which that value is created has been different.

A second issue faced by the EMBA-AA Chapter is to determine how to maintain contact and communication with EMBA alumni. In order to determine if the EMBA-AA Chapter is creating value, it must maintain contact and dialogue with alumni. The EMBA-AA Chapter President talks to Class Representatives, but these alumni represent only a third of all graduated classes. The information booklet, at one time maintained by the EMBA-AA Chapter, is now out-of-date. Although Simon Fraser University and the Alumni Association has a database of graduates, even that has not proved to be a reliable source of contact information.

The opening of the Segal Centre in 2005 will bring all SFU Business programs together at one location. This will increase the potential interaction between all graduate business students. Relationships and alliances may be formed between students independent of their program affiliation. Thus, the EMBA-AA Board of Directors should determine if a merger with the other Business Alumni Association Chapters would be in the best interest of its members.

The SFU EMBA-AA Chapter needs to determine what events and activities best provide alumni value, the best way to communicate with alumni, and organizational structure issues. The



SFU EMBA-AA Chapter is not unique in their mission. Alumni Associations and Alumni Association Chapters at other Universities strive to achieve the goal of providing member value. If this is true, consistencies in the structure and activities between Alumni Associations could be Best Practices, to be adopted by the SFU EMBA-AA Chapter. The next chapter provides a summary of five Alumni Associations from Universities located in Canada and the United States, and concludes with a summary of Best Practices from this benchmarking exercise.

## **2 AN ANALYSIS OF ALUMNI ASSOCIATIONS AND CHAPTERS**

Alumni Associations and Alumni Association Chapters from other Universities were analysed to determine best practices at similar organizations. The first section discusses the structure and objectives of the SFU-AA, and its relationship with the EMBA-AA chapter. This is followed by a study of alumni associations at Universities that offer an MBA program in competition with the SFU EMBA program. Both the University of British Columbia's Sauder School of Business and Queens University were studied. The University of Calgary and its Haskayne School of Business is of comparable size to Simon Fraser University. For that reason, the University of Calgary's alumni association was studied. Finally, the alumni associations of the University of Western Ontario's Ivey School of Business and Rutgers University in New Jersey were evaluated. These schools hold a reputation for having close ties with their alumni.

Each section will present the individual alumni association organizational models. This will in turn provides information as to how they create value for their members.

### **2.1 Simon Fraser University**

The Simon Fraser University 2003 Alumni Annual Report noted the goal of the fifteen-member Alumni Association Board of Directors was to foster alumni connection, participation and support for Simon Fraser University.

The role of the SFU Alumni Association Board, elected at the Annual General Meeting every May, is to establish the strategic direction of the association, and to determine what project initiatives will be undertaken during the year to achieve the chartered direction. The Alumni Association Board of Directors includes a President, elected by the Board for a two-year term. Board membership also includes the Executive Director of the Alumni Association. This individual is appointed by Simon Fraser University into that position. In addition to her role as a member of the Alumni Association Board of Directors, the Executive Director of the Alumni Association is responsible for the overall operation of the SFU Alumni Association.

Alumni Association activities include arranging national and international networking events for alumni. Alumni reconnected with SFU's President and Vice-Chancellor, Dr. Michael Stevenson, during his tour of Asia. The Association also searches for partnership opportunities for alumni. These include insurance discounts, credit card affinity programs and SFU merchandise. These benefit the SFU Alumni Association by providing financial income in support of student and alumni programs. The Association also manages fundraising by organizing sponsorship and calling campaigns. The priorities for funds include financial

assistance for students, teaching and research, special capital projects such as the Segal Graduate School of Business. Finally, the SFU Alumni Association advertises events hosted by Simon Fraser University, individual faculties and alumni chapters. Details of the 2004 SFU Nobel Prize Lecture Series and the 2004 SFU Business and Friends Golf Tournament were two such activities highlighted on the SFU alumni website.

The Alumni Association recognizes fifteen alumni groups in the Lower Mainland (affiliated with either a specific program or sport), and fifteen groups in Canada and worldwide, created based on geography. In recent years, the Alumni Association has recommended against the formation of new chapters. Instead, interested alumni are encouraged to turn to existing chapters. Limiting the number of chapters helps to strengthen spirit and volunteerism within existing groups, rather than diluting membership in multiple groups with a similar purpose. It also allows the Alumni Association to focus sponsorship and support, thereby ensuring similar groups are not requesting funding for identical events.

The SFU Alumni Association supports Chapters by offering free alumni event advertisement in its online publication *aq Magazine*. It also provides annual event funding to the Chapters of up to \$2000. For instance, the SFU Alumni Association provided partial funding for the EMBA Wine and Cheese event.

As previously mentioned, individual chapters provide value for the parent Alumni Association by hosting activities that are in the best interest of their members, and in the spirit of the University as a whole. In addition, the EMBA-AA Chapter specifically provides value to the SFU Alumni Association by maintaining contact with EMBA alumni and sponsoring activities that interest their members. This increases alumni participation, and gets alumni involved in their alma mater. If the EMBA-AA Chapter can continue to offer activities to alumni, and if alumni see value in these events, they may be more likely to give back to the University.

A second way the EMBA-AA Chapter provides value to the parent alumni association is by increasing the number of EMBA alumni at the SFU Alumni Association Annual General Meeting (AGM). Over the past two years, the EMBA-AA Board of Directors has promoted the SFU Alumni Association AGM to its members. The EMBA-AA Chapter also paired its AGM with the SFU Alumni Association AGM.

Finally, the Executive Director of the Alumni Association stated that the EMBA Chapter is the most structured, longest standing and most active SFU Alumni Association Chapter. This is believed to be due to the fact that EMBA students start and complete their studies together. This format creates a high level of camaraderie within a class. One result of this camaraderie was

the formation of the EMBA Alumni Endowment Fund by the graduating class of 1968. This has a direct positive impact for existing students and the University as a whole by providing both a source for bursaries and as a means to fund exceptional professors.

## **2.2 The University of British Columbia and the Sauder School of Business**

The University of British Columbia opened its doors in 1915. Its Sauder School of Business is located at the main campus, and has recently expanded to include a satellite location at Robson Square. The Sauder School of Business started its part-time MBA program at its Robson Square location in 2003. It is a direct course translation of its full-time program, and competes against all of SFU's MBA programs.

The University of British Columbia (UBC) Alumni Association was the sole official provider of alumni services to UBC graduates for 87 years. Its mandate was "to further the interests of the university and the alumni", (Trek Magazine, 2004, 6) and it did so by updating address records, raising money through the annual fund, organizing class reunions, producing an alumni magazine, supporting various university initiatives and developing the Alumni Relations program.

Growing University enrolment (from 10,000 in 1960 to over 40,000 in 2004) and alumni base (50% of its over 208,000 alumni have graduated since 1990) caused the Alumni Association and UBC staff to restructure the association. The University realized alumni had been informally helping the University recruit new students, explain the realities of the workplace to current students, and encourage volunteerism in service of the University. However, there was no direct administrative link between the Association and the University to support and encourage these initiatives.

In April 2004 the new structure of the Alumni Association was introduced. Its goal was to provide more service and contact to alumni, ultimately increasing UBC's reputation and the value of a UBC degree. Newly created positions and departments include the Associate Vice President of Alumni Services, an Alumni Relations Unit, and an Advocacy Group that arranges interactions with appropriate business and government leaders to meet a goal of maintaining a voice for UBC within the community. UBC AA organizes their chapters under Regions or Regional Networks, including the Vancouver Alumni Network, USA Networks and International Networks. There are representatives in each of the Networks, with Hong Kong and Toronto being able to support an office location.

The Sauder School of Business does not have a separate Alumni Association or Chapter. Instead, it supports an MBA Society. This is a student-elected organization with a mandate to

represent the best interests of past, present and future students of the Sauder School of Business MBA program. Their goals include providing opportunities to involve alumni in program enhancements, increasing the profile of the Sauder School of Business, creating opportunities to promote personal growth for students within the MBA program, and initiating programs and projects that leave a strong positive legacy. Furthermore, the Society crafted four pillars of accountability to guide their decision-making processes. It mirrors the above four goals, and includes the desire to build a network of business contacts for their alumni. The Sauder MBA Society states they provide value to their graduate members by maintaining close communication with alumni chapters and members around the world in order to provide social, professional development and networking opportunities.

The Sauder MBA Society has three University staff roles handling Alumni Relations – similar to that of Simon Fraser University’s Alumni Association Executive Director and the Faculty of Business Alumni Affairs Officer. The posted mission of the Sauder MBA Society Alumni Relations staff is to bridge the efforts of the Sauder MBA Society with those of the UBC Alumni Office, create new opportunities for and foster relationships between Sauder School of Business Alumni and present MBA students, and to provide information and ideas with regards to alumni activities. Information received from the Member Services Coordinator of the UBC Alumni Association showed the Sauder MBA Society Alumni Relations staff works together as much as possible to keep the lines of communication open, as well as helping with the overall planning of all Alumni events.

The types of services and activities the Sauder MBA Society offers its alumni are aimed at their MBA grads. They include information sessions, dinners, and alumni network speaking series events. The cost for these events is typically between \$15 and \$20. The events are run on a cost recovery basis. All Faculty of Business graduates are invited to attend Sauder MBA Society Alumni sponsored events.

All communication with alumni is initiated and maintained by the UBC Alumni Association. The UBC Trek magazine is the main communication piece, used in conjunction with the Alumni web site. The Faculty of Commerce also sends out an annual publication to its alumni, entitled “Viewpoints”. Newsletters and e-mail are sent to selected groups for specific group events, such as class reunions. There is no full e-mail to all graduates, but the Member Services Coordinator of the UBC Alumni Association said they are considering sending a newsletter using this method. In addition, some faculties do coordinate their own newsletters and often ask the UBC Alumni Association for assistance from the Communications Coordinator.

Another means of communication is through their On Line Communication Network – the same approach abandoned by Simon Fraser University. This is operated by UBC and includes a searchable contact database, an online bulletin board where notes and personal photos can be posted, and a permanent e-mail forwarding system. Electronic business cards and “mentors online” increase alumni networking by providing alumni with business contact information or answers to career-specific questions.

### **2.3 Queen’s University and the Queen’s School of Business**

Queen’s launched its first business degree program in 1919. It offers a number of MBA programs, including a 15-month Executive MBA program. Although its School of Business is located in Kingston, Ontario, Queen’s is considered a competitor to Simon Fraser University for two reasons: its ranking (by Canadian Business Magazine) as Canada’s premier MBA program, and its use of videoconferencing technology to link participants at sites across Canada, including three teams in Vancouver.

The mission of the Queen’s Alumni Association is to foster a lifelong association with Queen's, engage members in the activities of the University, and to provide programs and initiatives that best serve their alumni community. The Association was formed from a merger in 1990 between the Alumnae Association (created by and for women graduates) and the Alumni Association, founded in 1926, to which all alumni belong. Historically working semi-autonomously from the University, since 1985 this department has been fully maintained by the University.

The Queen’s Alumni Association supports 61 branches and volunteer committees. It serves its members by offering social, sporting, education and community events. The Association supports the University through fund-raising and volunteer involvement such as homecoming, and provides member benefits that are similar to what is available at SFU. It also maintains overseas Branch Activities and Contacts – over 80 Branches worldwide.

In 2004, Queen’s promoted an alumni web initiative entitled “the Common Room @ Queen’s”. The project came from an identified need for better communication between the University and alumni, coupled with a goal to update its obsolete alumni directory. Features of the Common Room @ Queen’s are similar to those of UBC’s Sauder School of Business online web community. It also includes a searchable contact database, an online bulletin board, and a permanent e-mail forwarding system. Users can view an events calendar, with information on local Branches. There is also a secure site to donate on line. Queen’s also launched the @ Queen’s electronic newsletter, sent monthly to all alumni with an e-mail address. A new career-

networking feature will be added to facilitate alumni networking, pairing current students with alumni mentors.

There is a link to the Queen's School of Business alumni site on the main alumni web page. There are further links to the Queen's Business Clubs that were created based on geography rather than by program. These clubs consists of seven national and international chapters. The Vancouver chapter was created seven years ago by Queen's alumni. An informal structure was established, and a few events were arranged. The alumni turnout was small, and the Chapter ceased activities until three years ago. In 2001 Angela Kelleher, now President of the Queen's School of Business Vancouver Chapter, and two other alumni rejuvenated Chapter activities.

The Vancouver Chapter has a lean organizational structure .The only position on the Executive Committee is that of President. Fifteen volunteers support her by arranging guest speakers, and soliciting alumni feedback at events. Three events are planned per year that meets the interests of its members, as validated by alumni surveys at events. As an example, the President of Purdy's Chocolates, a Queen's alumnus, was a guest speaker at a recent Vancouver event. Prices for their activities were typically \$30 to \$35.

The Queen's Vancouver Chapter organizes three Speaker events per year. The President believes Queen's Business Alumni may be interested in other activities such as social events, but she feels they would take too much of her time and effort to arrange and coordinate these activities. Furthermore, some activities that alumni wanted had high up-front costs (such as a Golf Tournament). They are not within the financial reach of the Queen's Alumni Association Chapter.

Vancouver Chapter membership is open free of charge to all Queen's Business graduates. The typical turnout at events is approximately 40 alumni. These attendees provide feedback on what activities they value, and would attend. A large percentage of these attendees are Executive MBA alumni, and at least half have graduated within the last five years. This demographic may influence what types of events and activities the Vancouver Chapter sponsors.

The use of e-mail to solicit alumni feedback to the types and frequency of future events did not result in a high response rate. Instead, the President used what she termed a "high pressure survey" at events to get immediate feedback. Responses showed that alumni wanted three to four events per year, and liked the speaker events. The President hopes to serve a larger number of alumni by offering the same speaker event at different times, rather than by arranging

more activities. This was in response to alumni that were not able to attend a post-work activity, but could attend a lunchtime event.

The Queen's Alumni Association does not provide direct monetary funding to the Vancouver Chapter. The school has an active Alumni Coordinator, responsible for managing activities of the various Canadian Chapters. Her role also (along with the support of an assistant) includes maintaining the website and planning the Homecoming activities. The Alumni Association also handles all of the Vancouver Chapter's financials. The Queen's Business Alumni Association takes care of all event registrations, credit card transactions, and pre-payments at venues. Occasionally an event, planned on cost-recovery only, will not break even. The Alumni Association has agreed in some instances to cover the cost differences. This relationship means the Queen's Business Alumni Association is responsible for the financial risk, while the Chapter can concentrate on the strategy of planning, organizing and presenting alumni events – the value added services. Non-financial support also includes creating event nametags, as well as supplying door prizes and speaker gifts.

The Queen's Alumni Association also deals with all communication with alumni. The President believes that keeping alumni e-mail addresses up-to-date is a challenge. She has seen a better response to information mailed out than delivered via e-mail. The President collects business cards at events and ensures participants are comfortable both sharing their e-mail with others in attendance, and having their address forwarded to those that may value the network connection. She stated between 2/3 and 3/4 of those at the events participate in this communication activity.

The "virtual campus" model of the Queen's Executive MBA program means a majority of classmates do not meet until graduation. Every year there are over 200 Executive MBA graduates in 37 teams across 14 Canadian cities. Therefore, EMBA alumni are more closely linked to the University or a Faculty than a cohort. As stated, all Business alumni are invited to attend Queen's Vancouver Chapter events. This increases participation at alumni events. The disadvantage is that this may reduce the connection alumni feel towards their Chapter. Alumni are affiliated to a Chapter based on location, rather than being a member of a program-specific Chapter. However, Kelleher also noted that the longer the graduate has been out of school, the less they identify with their program. She further stated the quality of business students graduating from the Queens' undergraduate program is very high, reducing the differences between undergraduate and graduate level alumni. Finally, Queen's uses the "Common Room @ Queen's" to connect alumni to the University, not a specific program. This effort to keep alumni



interested in their regional alumni chapter may be validated by the University's heavy promotion of this initiative.

## **2.4 The University of Calgary and the Haskayne School of Business**

University of Calgary's age and student population is similar to Simon Fraser University. The University of Calgary is a comprehensive university that has been in operation since 1967. It is home to more than thirty research centres, institutes and groups, and membership in twenty-one National Networks of Centres of Excellence.

The University of Calgary's Faculty of Management was renamed the Haskayne School of Business in the fall of 2002. Its stated values are innovation, research and teaching excellence. Their MBA programs were started in 1978. They are either course based or thesis based, with a flexible schedule that allows students to graduate in as little as 16 months (daytime MBA) to up to six years (evening students). An Executive MBA is also offered in partnership with the University of Alberta School of Business.

The University of Calgary Alumni Association organizes events and benefits similar to those offered at Simon Fraser University. Electronic initiatives include alumni email, career mentoring and a voluntary directory through its online community program. Alumni events organized by the Association include workshops and speaking engagements, as well as advertising of events arranged by the various chapter groups. Its 24-member Board of Directors is responsible for determining, planning and executing alumni events. They also hold a number of coordinated meetings and subcommittee meetings. According to Nicole Wheatley, Communications Coordinator and previous Alumni Relations Manager, the main benefit of the U of C Alumni Association Board of Directors is the sense of engagement and connection that board members have with the activities they plan. The disadvantage is that due to its size and flexibility there exists potential tension between how some individuals interpret their three-part Alumni Association vision of "pride, communication and alumni relations" (Wheatley, personal communication, June 10, 2004), and the types of events they offer. This is solved in part by having the U of C representatives act as the final say to ensure events are not in any way interpreted as diminishing the overall University of Calgary brand.

In 1999, there were no program-based alumni associations. All alumni were members of the overall University alumni association. In September of that year, the Dean of the Business School communicated his vision of seeing the school's MBA program ranked as one of the top-50 in the world. To enable this, one of his first steps was to sponsor an independent market research survey of its business alumni to determine how to best serve its graduates. The results

showed alumni desired more active involvement with the Faculty, which prompted formation of an Alumni Steering Committee, later to become the Board of Directors of a brand new Business Alumni Association. The stated purpose of the Haskayne Alumni Association was to help improve the rank of its MBA programs (which is now ranked in the Financial Times “Top 100 MBA Programs”). Members with high business profiles from the undergraduate and graduate business programs were asked to participate in this strategic initiative. It also includes faculty members, including the Associate Dean of the Faculty of Business as well as a professor. The Board’s posted goals are to foster alumni fellowship and involvement, and participate in the development and assessment of the business educational programs. The part played by the Committee to achieve the Dean’s vision was to provide a voice for prominent business alumni in the focus and direction of the Business Program, thus aiding in the growth and success of their School of Business. To reach these goals, the Board limits its activity to an advisory role, and does not become involved in event and activity planning and execution. It meets three to four times a year, and uses the event as a means to provide and solicit feedback on Haskayne School of Business activities.

The 1999 market research survey also showed the majority of alumni were still located in the Calgary area, and most were interested in creating and participating in an alumni network. Based on feedback from alumni new events were initiated, such as a three-day Homecoming Conference in October 2000, and a Management Alumni Excellence Dinner, both now annual events, fully sponsored by local Calgary businesses. To reach their alumni, the School of Business External Relations group created an alumni newsletter in 2000. Funds to support the newsletter are generated from additional revenue captured from Alumni Excellence Dinner sponsors: again, local Calgary businesses.

The Haskayne Alumni Association also recognizes individual geographic chapters located in Canada and the U.S. These chapters are independently responsible for planning and executing events, based almost exclusively on cost-recovery. At informal networking events (such as pub nights) the Business School may pay a nominal amount for appetizers, but alumni are expected to pay all other incidentals. Chapters sponsor events and activities that have low up-front fixed costs. Individual alumni pay any variable costs at the events. The Business School does support the Alumni Association by paying the Alumni Relation Manager salary. It also provides administrative support to Chapters, sending electronic and invitation mail-outs to alumni. It also sponsors an annual reception at each Chapter location that includes the Dean, occasionally an alumni speaker, and a representative from the Haskayne Career Centre. When

asked if individual Chapters provide educational opportunities for their alumni, the Communications Coordinator mentioned that although there is interest, there are not enough MBA graduates at the various locations to have a break-even event. Instead, alumni chapters from the Haskayne School of Business have joined other Universities alumni associations such as the University of Alberta and the University of Saskatchewan to offer education events.

The Alumni Association provides activities for all business graduates from Haskayne for three reasons. First, the Haskayne EMBA program is offered jointly with the University of Alberta. For privacy reasons, Haskayne does not have personal contact information for any students that applied to the joint EMBA program through U of A. This limits the ability the Haskayne Alumni Association has in contacting alumni. Second, anecdotal feedback from EMBA alumni is that “they are pretty convinced they have nothing in common with the other MBA graduates” (Wheatley, personal communication, June 10, 2004). Fortunately, this position is not held by the EMBA alumni who do come out to the Business Alumni events, especially those who realize the Haskayne part-time MBA students have a very similar profile to themselves: active professionals in the business community that want an MBA but are not willing to leave employment to get one. Finally, there simply are not enough EMBA graduates to warrant a separate chapter or events. The EMBA alumni do have an annual Golf Tournament and monthly pub nights, and do support a website and online directory, but these activities are self-owned and operated.

To determine if alumni see value in activities sponsored by the Alumni Association, alumni participation level is measured. Two market research campaigns were also completed using phone interviews (the first was in 1999, with a follow-up call in December 2003) to solicit ideas for new events, and feedback on existing activities. Wheatley noted that using email to ask for feedback is a cost effective way to solicit feedback. However, comments from alumni who provided an e-mail address to the University (roughly 25% of the entire alumni population) may not reflect the opinion of alumni as a whole. She said that her best source of feedback was at events themselves, as well as mail surveys to specific geographic chapters to determine what area-specific events should be planned.

## **2.5 The Richard Ivey School of Business**

In 1919, the Dean of the Faculty of Arts at University of Western Ontario and the University Registrar developed a Commerce and Business option within the Faculty of Arts in response to student demand. They conducted a comprehensive study of all business schools, and determined that the Harvard School of Business case study method was the most effective style

of teaching. The University of Western Ontario School of Business was founded in 1922, and the program grew to include Canada's first MBA program, established in the fall of 1948. The Ivey Executive MBA program was established forty-three years later, with branches in Hong Kong (established 1998) and Mississauga, Ontario (2002). Ivey Business School continues to be known for using a case method for teaching, and is one of the two most important producers of business cases in the world, alongside Harvard.

As alumni, Ivey graduates gain access to a widely respected and global community of business leaders. One out of every six of the 16,000 MBA alumni is a senior executive, and the Ivey alumni network includes thirty-seven active chapters throughout North America alone. Unique Ivey membership benefits include its Alumni in Residence program that actively seeks opportunities to put existing Business students and alumni together (including a series that sponsors high profile speakers, which was founded by two MBA students in 2000). Another benefit includes using the Ivey Business Consulting Group (IBCG). This is "a team of current MBA...students backed by experienced senior consultants. IBCG's team provides an unrivalled mix of innovative thinking and fresh perspective, combined with seasoned insight and industry knowledge" (Ivey Business Consulting Group, 2004).

In 1973, the Dean of the Ivey School of Business used the 50<sup>th</sup> anniversary of the founding of the school as an opportunity to introduce the concept of clubs comprised of domestic and international alumni. The first club was organized in Toronto, and chapters in Montreal, Calgary, Edmonton, and followed.

The Ivey Alumni Association of BC (IAABC), located in Vancouver, is distinct from the University of Western Ontario's alumni association. It is an active chapter, and offers its members regularly scheduled Pub Nights, as well as six signature networking events and a speaker series. Rob Attwell, President of IAABC notes that having a planned event is key to alumni involvement. Actual participation may fluctuate, but he noted a best practice he follows is to facilitate the meeting of alumni on a regular basis by establishing a firm meeting day and time. All Ivey alumni meet at Steamworks the first Thursday of every month. The third annual "Dine with Wine" (the last event occurred in March, 2004. The admission price was \$95 for full alumni members, and \$120 for associate members) featured a wine from a South Okanagan Valley vineyard, a gourmet dinner and silent auction fundraiser. IAABC's sold out "Specialty Beer Tasting Event" (held in October, 2003) was an informal event, allowing alumni a chance to learn about the art and science of the brewing process while capitalizing on the social and networking benefits of an Ivey alumni event.

All IAABC alumni events are self funded, and run on a cost-recovery basis. A nominal fee of \$25 is charged for full alumni membership, which is returned to members through reduced pricing on events for the alumni and a guest. Other membership benefits include advanced notification of club events, a PDF roster of all IAABC members who wish to be listed, and notification of Employment Opportunities.

The President said IAABC provides value to its members by arranging these events. It is necessary, he says, to ensure there are as many active people as possible on their Board of Directors to assist when events are being planned. Over the years, the number of sitting Board members has changed. Rob has been culling the Board, now at twelve members with active roles. “It’s not enough to just sit and give ideas, they also need to organize” (Attwell, personal communication, June 10, 2004). Characteristics of every Chapter sponsored event include marketing, arranging a speaker, booking the venue and using what he called a “phone tree” to contact alumni directly about the events. Large Chapter sponsored activities, such as the “Dine with Wine” event, are coordinated by a Subcommittee Chairperson, but includes participation from every board member. Large event organization meetings occur weekly at least a month prior to the event.

The IAABC corresponds with its chapter members regularly using e-mail. There are no mail-outs to alumni from the chapter (if necessary, this is done by the school). The Chapter website is also a vehicle to keep people informed, and its sub-sites include an Executive contact list, event listing (both past and future) and details (such as an on-line map), an area to apply or update membership, and an e-mail link to the Executive Director in order to give her feedback on the website.

When asked how the Chapter ensures it is providing value for its members, the former Executive Director of the IAABC said she never had much success receiving feedback from alumni using mail-outs or event cards. Instead, the Chapter tries to get new graduates on their Executive Committee to suggest new event ideas, especially those events that would cater to newer graduates and therefore perhaps increase participation. She also mentioned sometimes alumni question the need for a \$25 membership fee. IAABC responds by stating that without the fee, it would not be able to run the events that are valued.

## **2.6 Rutgers University**

Kirk Hill, Simon Fraser University’s Faculty of Business’ Director of Business Development, recognizes Rutgers University, New Jersey’s state school, as a school known for a

strong alumni community. Established in 1766, Rutgers is the United States' eighth oldest institution of higher learning. Rutgers serves more than 50,000 students on campuses in Camden, Newark and New Brunswick/Piscataway, and offers more than 280 bachelor's, master's, doctoral and professional degree programs.

The three Rutgers campuses have individual Schools of Business. Programs include an EMBA, MBA programs in select fields (for example, an MBA in Pharmaceutical Management), non-MBA Masters Programs (Master of Quantitative Finance), an MBA with a concentration (MBA with a concentration in Entrepreneurship), and Dual Degree programs (for instance, awarding a degree in Law, and a Masters of Business Administration).

The total alumni community includes 320,000 living graduates. They receive a number of benefits for a \$35 annual fee. These benefits include travel services, career services, and membership at the Rutgers Club, which offers a full restaurant and meeting room services.

According to Lisa English, Director of Alumni Relations for Rutgers Business School (RBS), the sheer number of alumni graduating from its business programs guides the structure and actions of the Business Alumni Association. All 24,000 alumni from the three business schools are part of the RBS Alumni Association. If alumni move out of New Jersey, they can either keep their association with the main RBS Alumni Association, or become members of a local college club. The clubs are formed in various geographic locations by volunteers, and represent all Rutgers Alumni, not just Business School graduates. The main Rutgers Alumni Association provides these groups help with informational mail outs, but it is up to the local clubs to both plan and fund all events.

The RBS Alumni Association Director of Alumni Relations oversees administration and co-ordination of all local events. Although there are specific events for Business Alumni, such as a Golf Clinic, most activities are open to all of Rutgers alumni. This includes career networking events and annual dinners – events that, for some Universities, are open only to graduates of certain faculties. Furthermore, there are no individual geographic or program related Business alumni chapters. The RBS Alumni Association holds events and activities that are in service of the University as a whole: from event advertising to fundraising.

RBS does not fund the Alumni Association directly, however it does pay for the Director's salary. The assistance of the Faculty of Business in this respect is crucial, because the Alumni Association cannot afford to fund her position and the associated operating costs.

The Alumni Association collects fees from its various affinity programs, and the Business School also collects membership dues to fund Business alumni events. These dues

generate the majority of income for the RBS Alumni Association, which is returned to the alumni members in the form of event fee subsidies. Non-alumni members generally pay actual cost. The RBS Alumni Association does not aim to make a profit. It is an official non-profit organization.

The sell-out attendance at the various events, coupled with the participation across all business lines and graduate years, is proof to the Director of Alumni Relations that the RBS alumni programs do add value for alumni. She has rarely used surveys as a means to solicit feedback from alumni on what events to offer, and instead tracks participation as well as receiving comments and suggestions by participants at the various events. The Director of Alumni Relations commented that event communication is an important word-of-mouth vehicle even for those alumni who do not participate. "If alumni see that their association is active, they will both think and state they *have* an active alumni association" (English, personal communication, June 2, 2004). This has a positive branding effect on both the RBS Alumni Association and Rutgers as a whole, improving their reputation as a school known for maintaining a strong alumni community.

RBS Alumni Association does not focus on providing any one genre of activities, but instead offers many events that draw graduates interested in different events. These include two annual educational programs, a couple of sports events, one to two networking activities, and one to two events as requested by students, such as career fairs with a Headhunting firm. Logistically this is more work, but this results in having at least a few events that appeal to any alumni.

The Director of Alumni Relations believes that it should not matter who plans events, as long as they are adding value to alumni and positively contributing to the Rutgers brand. RBS does not focus on creating value for Rutgers Business Alumni through program- or geographic-specific benefits and activities. Instead, the Alumni Association, Dean, and Faculty of Business initiate and sponsor events.

The sheer number of Business Graduate programs could cause fracturing of the alumni community if they created their own chapters and personalized activities. This would also dilute the brand image of Rutgers. The University has adopted a structure of one-ness in its branding, which is a key strategy to increase alumni membership and presence at events.

The RBS Director of Alumni Affairs admits this focus on what she called "one alumni" is both a source of strength and weakness. Historically, Executive MBA groups saw little value in having a centralized Business Alumni Association. However, once EMBA alumni participated in co-program events they came to realize they "were not that different from the other Business programs" (English, personal communication, June 2, 2004). The Director of Alumni Affairs did

not allow the small minority that perceived a difference in alumni to detract her from providing events and activities the majority of alumni valued.

The RBS Board of Directors includes alumni representatives from all Rutgers Business programs. There are also five non-voting student liaison members. Each holds a one-year term on the Executive Committee. They actively participate in organizing and planning alumni events. These seats are extremely popular with the present classes, and typically leads to these students seeking permanent Board posting once they have graduated.

The popularity of the RBS Alumni Association has caused a growth in the number of Directors. English admits to lack of participation by some members in subcommittee activities. With forty-five sitting members, full participation at Board meetings or subcommittee meetings is rare. Board terms run for three years, and she hopes over the next few cycles to ensure only those members that show up to meetings remain as Board members.

One Best Practice The RBS Alumni Association follows is a reliance on subcommittees. Small teams are responsible for planning and executing RBS Alumni Association events, and meet on a more frequent basis than the overall Board of Directors. The benefits of this model are that subcommittees can meet at a frequency that fits the schedule of specific events. The subcommittee meeting topics are also built around an event or activity, and are action based rather than information sharing. This meeting structure is different than the quarterly Board of Directors meeting, which have a more formal agenda and meeting time.

## **2.7 Summary**

The preceding alumni associations were studied based on three criteria: competitive position compared to SFU; those that were comparable in alumni size; and schools with a reputation for close ties with their alumni. No conscious effort was made to study schools that have an organization or activity roster similar to SFU EMBA-AA Chapter. Therefore, common or consistent practices between Alumni Associations and Chapters are considered to be potential Best Practices. What follows is a summary of insights following from this benchmarking.

First, it is entirely possible for Alumni Association Chapters to operate without financial support from the host school. Some Chapters do ask for a membership fee, but this is usually returned to the members in the form of lower event fees. Although this could affect the types of events that are organized (for instance, it would limit sponsoring of activities with high up front costs like a Golf Tournament), events can be offered with enough diversity to attract many alumni.



Second, research on external Alumni Association Chapters showed there was little evidence of financial support from either the Faculty of Business or the Alumni Associations. However, most Chapters do rely on operational support. This can be in the form of assistance with event logistics (for instance, mailing out invitations), or staff support. This enables the Chapter Board of Directors to concentrate on its value added activities, while allowing the Alumni staff member to best coordinate the activities of the Chapter in the best interest of the school. Without this, the Chapter runs into the risk of asking for events that conflict with other University sponsored events.

Third, the most successful Alumni Association Chapters rely on an active Board of Directors, with Subcommittees, to lead and coordinate their activities. The disadvantage to dispersing responsibility is the potential lack of localized planning. This occurs when delegated Board members fail to attend meetings or take on responsibility for championing events. Rob Attwell, President of IAABC, used the term “all hands on deck” when describing what he expected from all of his Board Members. Most Alumni Associations are conscious of the optimal size of their Board of Directors. It should be large enough to ensure events have an active Champion, but not so large that decision-making is halted.

Next, contacting members about future events and to solicit feedback is a challenge faced by all Chapters. Some Alumni Associations have tried to solve this using an action-oriented approach. A number rely on their University Alumni Association to lead the effort to maintain contact information. Others will ask for business cards at alumni sponsored events, and update a contact list. Most websites pursue a more passive approach, and alumni are given an opportunity to update their own information. In this case, although the vehicle for communication is there, it is up to the alumni to play an active role in maintaining contact.

Most Alumni Association Chapters measure the value they provide to their members by participation at the events. Many of them recognize that not all alumni are equal, and respond by either having a number of different events for alumni, or focus on increasing value of a specialty event (such as the Queen’s Speaker Series) which satisfies a small but active number of alumni.

Finally, none of the Alumni Associations contacted have different Chapters based on program specialization. The President of the Queen’s School of Business Vancouver Chapter and Rutgers’ Director of Alumni Relations both mentioned how much value the cross-program alumni groups provided in enriching the quality and quantity of events.

### 3 INDUSTRY ANALYSIS

#### 3.1 Introduction

Porter (1980) stated that the key to formulating a strategy is to understand how a company relates to its competitive environment. Since competitive forces can have broad, encompassing implications, the first step in this process is to define the industry in which the firm competes. The book goes on to say that once industry structure is defined, the competitive rules of the game for the firm can be determined, which enables formulation of a strategy that best allows the organization to successfully compete in the marketplace.

Porter (1980) adopted the definition of an industry as firms that produce products that are close substitutes. Thus, the industry in which the Simon Fraser University Executive MBA Alumni Association Chapter competes in is defined by organizations that offer networking, social and / or educational services, activities and events to qualified members. This industry definition can be applied to both nonprofit organizations like alumni associations and the Vancouver Board of Trade, and for-profit organizations such as the Justice Institute in New Westminster.

Competitive dynamic analysis is relevant for not-for-profit organizations like the SFU-AA Chapter. The fact that the EMBA alumni association Chapter is a nonprofit organization should not preclude the organization from acting as a for-profit, or, as Chapter President Bradley states, as a business. Porter (1980) states, “every firm competing in an industry has a competitive strategy, whether explicit or implicit” (Porter, 1980, xxi). All organizations, regardless of tax status or size, can benefit from the information gleaned from an industrial analysis. Performing this analysis for the Chapter, which will ultimately help in the development of strategic recommendations, further ensures the Chapter operates in a way that maximizes value for its members.

This analysis will show the influence the competition, suppliers, the consumer and substitute products have on the actions and structure of the EMBA-AA Chapter. These are four of the five factors defined by Porter as the forces driving industry competition<sup>2</sup>. It is these forces that establish the intensity of competition within the defined industry. What will also become

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<sup>2</sup> The fifth force is “potential entrants”, affecting industry capacity, market share, prices and profitability. This force is not considered relevant. A new entrant, another Executive MBA Alumni Association Chapter, is not a likely scenario.

apparent is which force is has the greatest influence. This will play a crucial role in determining how the firm should formulate its strategy.

### **3.2 Rivalry Among Existing Competitors**

The influence of competitors on the EMBA-AA Chapter activities is low, in part due to the narrow definition of a competitor. One rival would include other MBA programs. Prospective students are making a choice to attend Simon Fraser University. They will either become SFU EMBA alumni, or they will not. Another of EMBA-AA Chapter competitors is the other SFU Business Alumni Chapters, directly competing against each for finite resources such as funding or staff support. All alumni chapters can apply for funding from the Alumni Association, but the award itself is discretionary. The Business Administration Alumni Affairs Officer is also tasked with providing assistance to all Business Alumni Chapters, and must divide up her time appropriately.

This section has purposefully left out discussion of other organizations and activities competing for alumni attention, such as professional organizations like the Certified Management Accountants Association. Although they offer events and services that are similar to those sponsored by the EMBA-AA Chapter, they are not in competition for alumni. Rather, they offer substitute products – they are in competition for alumni *attention*, and will be discussed in a later section.

#### ***3.2.1 The Influence of Competitive MBA Programs***

One factor influencing the profile of future EMBA alumni is the increase in the number of MBA programs in the Lower Mainland. As the number of choices increases, prospective students can investigate the merits and benefits of multiple programs, and decide what program meets their professional expectations (for instance, can the student take time off of work to attend class) and individual needs (is a flexible on-line program a better choice than one that requires graduation with the same cohort). This can affect the type of student applying to the SFU EMBA program, which in turn will influence the alumni profile.

Technological advancement over the past ten years was a factor in how many online programs have become available. In the early days, virtual MBA programs such as Royal Roads (established in 1996), Athabasca (first on line in 1994) and University of Phoenix (its first virtual class graduated in 1991) were not considered to be in competition for SFU students. Some online programs did not have the same reputation as Simon Fraser; for instance, entrance requirements

for Athabasca does not include a GMAT score or work experience. Instead, their value statement was that they were flexible. Students can conveniently access the lectures at any time and any place. Their target student was the Manager or Executive that wanted to further his or her career, but could not afford to take time away from the office or from business travel requirements. Many virtual programs do not offer any face-to-face learning, which was mentioned by Simon Fraser University's EMBA Executive Director as highly valued by its students.

The increasing number of virtual MBA programs and the common use of the Internet in business means that being an online MBA does not in itself create a sustainable competitive advantage. Virtual Universities must offer an MBA program with value-added services within their course content and course delivery methods to remain in this competitive environment. As an example, the University of Phoenix, the world's first accredited on-line University, now offers a weeknight classroom MBA program in Burnaby. Athabasca introduced an on-line Executive MBA in February 2004, with a one-week national or international residential elective. Traditional face-to-face programs are also changing. In 2003, UBC's Sauder School of Business started a part-time MBA program at its Robson Square campus.

Prospective MBA students in the Lower Mainland can choose to attend SFU or UBC. Students enrolled in the Simon Fraser Executive MBA believe the SFU program is superior, because it is more practical than the full-time UBC MBA program. However, if UBC also identifies this as a real weakness to their new part-time program, there could be changes to course content and offerings to make it more business savvy and less academic.

This evolution creates the possibility that competitive MBA programs could start to resemble the SFU MBA programs in terms of course content, course delivery, and program length. Applicants to SFU MBA programs could have more MBA choices that closely resemble those offered by SFU. The SFU EMBA Executive Director has noticed a recent trend in the types of students applying to the program. The number of prospective students (and thus eventually alumni) living outside the Lower Mainland has been decreasing. In the past, there were students in the program from outside the Lower Mainland. In the 1998 WEMBA cohort, seven of twenty-eight students resided outside of Vancouver (two from Vancouver Island, three from Kelowna, one from McKenzie, British Columbia, and one from Fort McMurray, Alberta). In 2004, not even one EMBA application was received from outside of the Greater Vancouver area. There are two possible conclusions to this information. The first could be that fewer students outside of the Lower Mainland are applying for MBA programs. The second is that the overall number of applicants is not changing, but they are choosing to attend schools other than SFU. Comments

from the Director of Business at Terasen (a company that has consistently sponsored its employees to take an MBA) suggest the latter is true, and specifically mentioned the Royal Rhodes MBA as an alternative to the SFU program.

This conclusion has both positive and negative connotations. First, if more EMBA alumni reside in the Lower Mainland, it can positively influence alumni attendance at EMBA-AA Chapter events. Second, direct communication with alumni would be also easier and affordable (via a local telephone number, for instance). Finally, as the number of competing EMBA program increases, it can be inferred that incoming students must believe there is value in a Simon Fraser University Executive MBA program. This in itself can create a connection between students, thereby establishing a bond with their alma mater and the EMBA-AA Chapter.

The disadvantages to having more EMBA programs in Vancouver is that the student profile may become more homogeneous. As the number of potential Executive Business programs increases, the differences between the programs could be such that it targets a certain type of student, or business professional. For example, the number of independent consultants both applying to, and accepted to the EMBA program has increased over the past two years. Secondly, a turndown in the economy has reduced the number of large businesses, such as ICBC and Terasen, sponsoring students in the EMBA program. Whether these companies are in fact sending the students to other EMBA programs (as mentioned above), or are delaying external Executive Business education for employees at any University, ultimately influences the incoming student profile.

There is an indirect influence of competitive MBA programs on the SFU-AA Chapter. Over time, there may be a change in the type of students (and therefore alumni) that apply and attend the EMBA program. This would influence on the activities of the Faculty of Business as it plans and evolves the EMBA curriculum. However, competitive pressure has been in existence since the inception of the EMBA program at Simon Fraser. It is recommended that the EMBA-AA Chapter Executive Committee maintain awareness that changes to the EMBA program could influence the alumni profile, and thus the types of activities and services it offers to its alumni.

There are other factors that can influence the types of students applying to the EMBA program. As mentioned above, competitive MBA programs can affect the type of student that applies. However, strengths and weaknesses of internal services can influence reputation of the EMBA program, affecting the brand equity of SFU's Business School, and ultimately influencing the type of applicant. For instance, both the Queen's School of Business Alumni Association Vancouver Chapter President and the SFU-AA Chapter President mentioned that the Ivey School

of Business has an active and valuable alumni network. Prospective students may apply to Ivey because of this fact, or not apply to SFU's EMBA if they perceive it has a poor alumni network. Furthermore, weaknesses, which at first glance could seem to be of little influence, could affect applications. As an example, EMBA-AA Chapter President Bradley has contacted both the EMBA office and Alumni Affairs to voice his concerns about inefficiencies in SFU's record keeping. He raised an interesting point: "As an outside observer it is very easy for me to say, 'If Simon Fraser University can't even keep track of people's addresses accurately, then can they actually teach me anything of value about being in business? If they can't solve a simple problem, I wouldn't trust them with any bigger ones'" (Bradley, personal communication, July 7, 2004). He also stated that this linkage, even if it is perception, could influence whether or not alumni support fundraising campaigns, and whether or not students will attend SFU's Business programs. In the end, negative perceptions can influence the brand equity of the University or the Business programs.

In light of potential changes to the quantity or quality of either MBA programs or the applicants, the EMBA-AA Chapter Executive Committee may want to ask itself if it can provide additional value to the Faculty of Business.

### ***3.2.2 The Influence of other SFU Business Alumni Association Chapters***

At the top level, all graduates of Simon Fraser University are alumni, belonging to the Alumni Association. Based on Summer 2003 statistics, the number of alumni is 77,623. Of that, 8539 (11%) graduate from Faculty of Business graduate and undergraduate programs.

Besides the Executive MBA Alumni Association Chapter, there are alumni groups representing almost every business program. Undergraduates are members of the Bachelor's of Business Administration Alumni Association (BBA-AA) Chapter. Master's level groups include the Graduate Diploma of Business Administration Alumni Association (GDBA-AA) Chapter, the Specialist MBA Alumni Association (SMBA-AA) Chapter and the Management of Technology MBA Alumni Association (MOT-AA) Chapter. The Global Asset and Wealth Management MBA program graduated its first students in June 2004, and has not formed an Alumni Association Chapter. The GDBA-AA Chapter is registered with the SFU Alumni Association, but is not active.

Two chapters outside of the EMBA-AA Chapter hold regular meetings and events. The first is the MOT-AA Chapter. It was established in 2002. Its goal is to maintain a sense of community derived from the program, and to provide networking opportunities to roughly 150

alumni. Its informal structure is reflected in the types of events it sponsors, which include casual pub nights, drawing roughly thirty alumni. Although there is neither a drafted constitution nor Annual General Meeting for this group, there are regular Board of Director meetings with attendance by alumni, the MOT Executive Director, and the Business Faculty Alumni Affairs Officer.

The second active Chapter is the Specialist MBA-AA Chapter. It is most similar in structure to the Executive MBA-AA Chapter. The SMBA-AA Chapter has a three part mission statement: to enable and foster a sense of community for its alumni, to create opportunities to leverage the alumni network for personal and business growth, and to promote the SFU MBA degree to the business world at large (Specialist Masters in Business Administration, 2004). Its five-member Board do not have elected roles, but instead rotate the responsibilities of Chairperson and Secretary. In addition, each member takes on one specific project for the course of the board's term. The SMBA-AA Chapter held its first Annual General Meeting in 2004, paired this with an event sponsored by the Faculty of Business called Connections 2004, which offered a Career Fair, public speaker, and an opportunity to network. The SMBA-AA Chapter Executive Committee holds regular meetings, and combines them with a post-meeting Social event at various restaurants in downtown Vancouver. In recent years, the Executive Committee has invited EMBA-AA Board members to their meetings, and encouraged EMBA students and alumni to attend the Connections 2004 event. The chapter also promotes Faculty events, such as the SFU Business and Friends Golf tournament.

Most MBA alumni events are open to all alumni of graduate business programs. The EMBA-AA Chapter Executive Forum invited all graduate business disciplines. Business alumni are also encouraged to attend the SMBA-AA Chapter Pub Night events at Steamworks. This shows that the Business alumni Chapters are not in direct competition for member attention. Instead, competition is for scarce supplier resources (human and financial). As an example, until recently the Dean of the Faculty of Business provided between \$6000 and \$7400 of funds annually from the Student Operating Budget to the EMBA-AA Chapter. No other Business Alumni Chapters requested financial aid from the Business Faculty, but it may be assumed that if they presented a strong business case for support, they would request funding for a Chapter initiative. Both the Specialist MBA-AA Chapter and the Executive MBA-AA Chapter have received partial funding for specific events from their respective Program Directors. These two examples show that Business Alumni Association Chapters are competing for a finite financial

resource. This resource is for part of the Operating Budgets of either the Faculty of Business, or the Business program.

There is greater competition between Business alumni Chapters for human resources than for financial resources. Events can be self-funding if properly planned and executed, eliminating the need for external funding. However, insufficient manpower can limit how much work can be accomplished, and the result is that an activity can lose money.

The Business Faculty Alumni Affairs Officer has helped Business alumni Chapters plan and execute an increasing number of value-added events, such as the SFU Business and Friends Golf Tournament. As the Chapters continue to look towards sponsoring high profile events, faculty members spend an increasing amount of time planning and executing the initiatives. This has the direct effect of reducing the time that these people can spend working on individual events. Those participants include the staff directly involved in the planning stages (including the Faculty of Business Director of Marketing and Communications, and the Business Faculty Alumni Affairs Officer), and the faculty asked to participate in multiple signature events. One could extend this participation commitment to include leaders in the Business Community, who are asked to attend or participate in perhaps a growing number of events hosted by local organizations and associations. As Business Leaders are asked to be involved in more activities, they are less able to attend or participate in any one event.

A disadvantage to having Chapters (including EMBA, SMBA and MOT) run as separate entities from the Alumni Association is the potential for conflicting events. The Faculty of Business Administration Alumni Affairs Officer stated: “we cannot have twenty signature Business Alumni dinners” (Campbell, personal communication, June 21, 2004). An event conflict would be either two events on the same night, or two very similar events planned by separate Chapter groups with the same target customer. Either case has the effect of potentially reducing turnout, as well as taking up more time from members that may be involved in organizing or planning both sets of events.

In summary, these issues suggest there are potential strategic alternatives that can be considered to ensure the EMBA-AA Chapter is maximizing the value it provides for its members.

### **3.3 The Power of the Consumer**

There are three consumers considered in this analysis: the Executive MBA Alumni, non-EMBA Alumni (including present students), and SFU Business Faculty and Staff. All have a potential impact on the purpose and vision of the EMBA-AA Chapter. This influence is



considered moderate, which was determined by factors including participation at events, feedback, and means of communication with the alumni, all of which will be discussed below.

### ***3.3.1 Executive MBA Alumni***

Executive MBA Alumni can influence the activities of the EMBA-AA Chapter using a number of conduits. The easiest measured and most analysed is the direct feedback received at alumni sponsored events. Most members of the Executive Committee are in full attendance at their sponsored events, and make a concerted effort to network with alumni in an effort to receive comments on the events. More formally, the Executive Committee prepared and distributed a questionnaire at the 2004 Executive Forum, and the responses were analysed at an event post-mortem. The feedback was almost all positive, and the majority of attendees enjoyed the speakers, topics, venue, and stated they would consider attending future Executive Forums. However the data was not split into alumni and non-alumni responses; only aggregate data was analysed. It is not known how much of the feedback (returned from approximately 50% of attendees) was from SFU EMBA alumni.

A second way alumni can influence EMBA-AA Chapter activities is their presence and comments at the Annual General Meeting. This venue provides alumni an opportunity to hear from the Executive Committee a summary of the Chapter's activities over the previous year, and, especially in recent years, a restatement of the Chapter vision and projection of future events. The purpose of this event is to provide a summary of events to alumni and solicit their feedback on future direction. In past years quorum at the EMBA-AA Chapter AGM (at least 25 alumni) was not reached, and since 2002 the EMBA-AA Chapter Board of Directors has paired their AGM with the Alumni Association as a whole. This has increased the participation of alumni at the EMBA-AA AGM.

However, comments made by alumni at events represent only the opinions the alumni at the events. Feedback received at events, especially positive comments, may be self-fulfilling. Alumni who do not see value from the events are not at the activities providing feedback on what events they would in fact value. That being said, the suggestions and comments received from alumni at sponsored events is extremely valuable, because it represents those alumni who do want to extract value from the events they are attending. In reality, there are SFU EMBA alumni who will see no value in continuing a relationship with the University, and do not show up to any Chapter sponsored events.

The third way the Chapter encourages feedback is through communication by alumni with their class representatives. The Executive Committee maintains a list of recent class representatives. However, the number of classes represented accounts for just over 10% of the total number of classes, and the majority of the class reps graduated in the last ten years. The Board of Directors is not receiving unsolicited feedback from alumni via the class representatives on the quantity and quality of events. Although Class Representatives comment when asked, EMBA-AA Chapter President Bradley stated, “none of them pick up the phone and volunteer feedback” (Bradley, personal communication, June 15, 2004).

The Executive Committee has noticed that most alumni attending its events are recent graduates. The alumni demographics could influence alumni involvement at events. For instance, recent alumni could be more interested in networking events to further their business contacts – especially true for consultants. Alumni that graduated in early years could already be established in the business, and are not seeking the types of social activities sponsored by the EMBA-AA Chapter. However, it could also be concluded that the number of pre-1990 graduate alumni are not participating in events (especially non-networking events like the Executive Forum) because they have not been informed of the events. EMBA-AA President Bradley speculates that for those alumni that graduated prior to 1990, there is perhaps accurate contact information on about 25% of graduates. Additionally, alumni may know about the events, but are not interested in what the Chapter is offering. Finally, a study by Holweg (1994) of the Simon Fraser University Alumni Association states “response to events and ‘homecomings’” is frequently reported (as a means to measure success) but can be problematic as a key success factor because of the high cost associated with events” (Holweg, 1994, 19). Some alumni may not be coming to events like the Executive Forum because of where the price for the event lies on their internal demand curve. This thought was echoed by Greg Basham, a 1982 MBA alumni and President of the SFU Alumni Association, who felt the Chapter holds “big ticket events, which might not bring in the average self-employed (alumni)” (Basham, personal communications, April 28, 2004).

In summary, the influence of EMBA Alumni on the types of events remains moderate. Just as there is not one alumni profile, neither can it be assumed there is one single event that all alumni would appreciate and attend.

### ***3.3.2 Non Executive MBA Alumni***

Most alumni events are opened up to include non-EMBA alumni participants. The Annual Wine and Cheese extends an invitation to present EMBA students. Preliminary data

showed less than half of attendees at the 2004 Executive Forum were alumni.<sup>3</sup> The question is: do these non-EMBA alumni affect the EMBA-AA Chapter structure and function? To answer this question, it will be shown what events non-alumni attend.

A demographic analysis of non-EMBA alumni event participants that attended the 2004 Executive Forum event showed they fell into two general categories: present EMBA students, and members of other associations (such as CMA). Although there was a general advertisement in the *Vancouver Province* for the 2004 Executive Forum, the questionnaire responses showed nobody attended the event from the general public. Thus, the non-alumni participants at events are similar to alumni in that they see value in attending business-focused educational and networking events. Also, a percentage of non-alumni are present students – future alumni. It is questionable whether or not these attendees would have an opinion on event and activity value in contrast to that held by existing alumni. Thus, their input should be treated similar to that of EMBA alumni, and therefore their influence on competitive dynamics also should be considered moderate.

MBA alumni from schools other than Simon Fraser University could influence SFU EMBA-AA Chapter activity. The President of the Ivey School of Business Alumni Chapter stated he was interested in participating in cross-populated events with Simon Fraser University Executive MBA alumni.

If there were co-events, the unique needs of SFU EMBA alumni could be overshadowed by a more powerful business alumni association. This may influence what types of events the SFU EMBA-AA Chapter holds, or when. At the extreme, it could mean cancelling or moving events because of conflict with Ivey activities. However, the benefits of these types of opportunities would strengthen the over Vancouver EMBA network, as well as satisfying the mission statement of the SFU-AA Chapter. As stated by Professor Ed Bukszar, a business improves by utilizing and strengthening their core competencies. If, as Bukszar stated, one core competency of the SFU Faculty of Business is its faculty, then it should showcase its talent at events like the Executive Forum, and welcome non-SFU EMBA alumni to these events.

### **3.4 The Pressure from Substitutes**

SFU EMBA alumni chose to spend their time and money on substitute events and activities. This section will concentrate on substitutes available in the Lower Mainland, because

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<sup>3</sup> Data showed 38% of the attendees were alumni; 62% were Partners in Business, members of CMA or had no affiliation. Data excluded paying staff in attendance and guests. Of the 62%, it was recognized that some

that is the geographic focus of events and activities offered by the EMBA-AA Chapter. The substitutes to events and activities offered by the SFU EMBA-AA are similar with respect to content and venue. The advantage EMBA-AA Chapter activities provide to alumni must be some characteristic that cannot be provided by substitute products.

This competitive force is considered high, and will remain so. There are a number of polished, professional seminars and educational series readily available within the Lower Mainland that meet the needs of alumni looking to enhance their education. The Faculty of Business realized this fact. Instead of competing with the Vancouver Board of Trade for speakers, the Faculty of Business will offer incoming 2004 EMBA students vouchers to attend these events. Also, a number of EMBA alumni are members of other professional associations, such as CMA or the Association for Professional Engineers and Geoscientists of British Columbia (APEGBC). These organizations sponsor education events, which may be more applicable to specific areas of alumni work interest. Other less structured activities like pub nights are competing for alumni time. This is a substitute product for similar activities, which can take away from time spent with family or friends.

### ***3.4.1 Educational Events***

Substitute educational events include courses with business content. They are similar in format to the SFU Executive Forum event, but run over multiple days. Another could be a seminar that has business focus, with a similar timeframe to the Executive Forum event. Finally, there are substitute events that may not have a business focus, but are offered by professional associations, such as designation refreshers.

The Director of Business Development for SFU Faculty of Business stated: “once people have an MBA, there is not much other than niche topics that would interest those alumni considering further formal education” (Hill, personal communication, June 10, 2004). These include single courses at UBC, or at the Justice Institute.

The University of British Columbia, Sauder School of Business offers open-enrolment business seminars. These short-course programs are intended to expand the basic skills of managers, and provide value by linking theory back to real business issues. Close to fifty classes are offered at the downtown campus, with multiple courses in such areas as “Leading the Organization”, “Communication and Negotiation” and “Sales, Marketing and Customer Service”.

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attendees could have been both alumni and CMA, although those identified as alumni were counted as such.

A survey of various seminars showed the average length was two full days (offered during the work week), at \$995 for the session. Each class is advertised with a summary of course content, and spells out the benefits of attending by listing seminar deliverables.

Similarly, the Justice Institute offers courses in Conflict Resolution, and Leadership and Community Learning. Although their vision is to be a leader in education, training and professional development in the practice of justice, public safety and human services, their target audience for the Organizational Behavioural classes are professionals who are agents of change in their communities and organizations. The cost for each seven-hour course is \$125 for the first certificate, and \$50 for subsequent classes.

Although the focus of some classes may be similar to what is offered in the Executive Forum, these types of events are not considered true substitutes. The UBC programs are longer in length, and higher in cost than the SFU Executive Forum event. UBC charges close to \$1000 per seminar. The hypothesis is that attendees are sponsored by their employers and expected to put their education to practical use. In this sense, the seminars are in fact more of a true substitute for EMBA elective courses, which are offered to alumni at a reduced cost.

Both the UBC and Justice Institute classes are offered to the general public. They are also focused on academic deliverables. Both of these facts reduce the opportunity for spontaneous networking opportunities within the courses. Attendees may not have similar backgrounds or interests to support networking, and the short but intense course timeframe limits opportunity for casual participant interaction.

EMBA alumni can attend a number of business forums that are of similar content and timeframe as the Executive Forum. The Vancouver Board of Trade offers both educational and networking opportunities. This analysis will focus on the former, and the latter is addressed in a subsequent section.

The Vancouver Board of Trade is Vancouver's oldest and largest business association. It receives no funding from government or institutions, and its greatest source of funds is annual membership dues. Members (and non-members, at open events) also pay for speaker luncheons and seminars. The Board offers 560 educational and networking opportunities per year. The educational sessions offered by the Vancouver Board of Trade are focused on a specific topic (such as "From Margins to Mainstream: Bottom-Line Benefits of Ethical Decision-Making"), with knowledgeable speakers from the public and private sectors.

Membership at the Vancouver Board of Trade runs from \$888 per year for a full membership, to \$240 for students. In addition to member-only educational and networking

events, members are provided access to trade shows, networking roundtables, and a Vancouver Board of Trade newsletter. Full members are also invited to display their organization at the trade show, author articles in the newsletter, sit on a number of committees, and are offered two-for-one corporate member savings at events. These additional offerings provide their full members opportunities to connect with a large number of members. The Vancouver Board of Trade Membership Coordinator noted that their newsletter is circulated to over 30,000 members, with articles frequently cited in national newspapers.

The EMBA-AA Chapter Board of Directors decided that the 2005 Executive Forum would cost under \$200 per person. Some substitute events available to EMBA alumni cost less than this amount. For instance, the Vancouver Board of Trade offers seminars (for \$15, non-members attended a lunch box workshop on “Providing Great Customer Service”), a two-hour Distinguished Speaker Program (for \$80, a non-member is provided a lunch and an opportunity to hear Judi Hess, President of Creo, speak about Thought Leadership), or a policy forum (one recent discussion was on offshore oil and gas activity on the North Coast of British Columbia. Individual non-members could register for \$60).

The Vancouver Board of Trade Membership Coordinator commented that their membership size usually guarantees sell-out event. Over 46,000 members are notified of upcoming events via e-mail at least three times, and word-of-mouth of the events helps guarantee attendance. Furthermore, the size of their events ensures some discount at local hotels, further reducing the fixed costs.

These events are most like the Executive Forum, and are the strongest competitor to the SFU sponsored event. It is useful to concentrate on what makes the Simon Fraser events unique. It is also useful to determine what are the competitive advantages of the substitutes activities. First, the SFU Executive Forum highlights alma mater talent – both faculty, and alumni. These individuals make a real connection back to the visiting alumni, which may influence alumni presence at these events. Word-of-mouth discussion with attendees at the 2004 Forum showed graduates wanted to see their previous professors.<sup>4</sup> Secondly, because the alumni attending know the professors, asymmetric information is decreased. Alumni know through their past classes the calibre of SFU professors, and alumni may be more willing to spend the money and time to see them a professor at another University. Next, because these events are advertised to alumni, they

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<sup>4</sup> The corollary may also be true: there were no present students at the 2004 Executive Forum because they saw less value in seeing faculty speak. As one WEMBA 2002 student put it, “we just had (that professor) last semester. Why would we want to see him speak?”

see this event as a means to connect back with each other. While not formally advertised to alumni as a networking event, this level of engagement would and does occur. One of the big strengths of a Simon Fraser University event is simply that: it is a Simon Fraser University event. What they offer that the Vancouver Board of Trade events cannot is a connection back to the EMBA faculty, staff and other alumni. Finally, the SFU Educational events, unlike the Vancouver Board of Trade seminars, have limited external sponsorship. Although less sponsorship funding can somewhat limit the events (for instance, in terms of selected venue), it ensures the forums remain focused on educational content rather than perhaps aimed at selling the services of a sponsoring firm<sup>5</sup>. The 2004 Executive Forum event did see funding for advertisement covered by the CMA, but this had an influence on a fee reduction by CMA attendees, not on the content of the forum.

The third consideration is substitute educational events sponsored by other professional associations. APEGBC is examined first. Its mission, to highlight educational opportunities for its members, is discussed. A similar analysis of the CMA follows. These organizations provide examples; many other associations provide similar activities.

Each province has its own Association of Professional Engineers. The APEGBC is one chapter of a professional self-regulated engineering organization committed to ensuring its members attain and maintain high levels of excellence, productivity and ethical conduct. Once an associate pays the entry fees (the minimum Professional Engineer fee in 2004 is just over \$1000, as well as a \$256 annual fee) and meets the high entry standards that proves engineering competency, the Association expects its members to maintain a specific professional level by requiring members to undertake 90 professional development hours over three years. Since 1997, the Association's Continuing Professional Development Committee has launched an extensive suite of technical and non-technical courses to ensure members have access to both relevant and timely professional development opportunities throughout the province.

The APEGBC offers educational courses that meet its internal guidelines for acceptable member professional development. Classes fall into one of three categories. The first are technical and specific to the engineering discipline ("Seismic Assessment Training" and "Advanced Building Science Theory"). Others develop transferable skills ("Time Management"; "Managing Building Projects"). The third are either behavioural or business related ("Creating an Effective Business Plan" and "Coaching for Commitment"). These classes are similar in

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<sup>5</sup> One EMBA Alumna who had attended a number of Vancouver Board of Trade activities comment that she felt she was sitting through a sales pitch for the sponsoring firm.

content to the SFU Executive Forum. Most events are held over two days, and 2004 prices are \$870 for members, and \$930 for non-members.

The Certified Management Accountants of Canada is a nationally self-regulated body granting professional designation in management accounting, representing over 35,000 CMAs. Because CMAs receive specialized training in management accounting and learn how to integrate all areas of business, their background and business interests are perhaps the closest to MBA alumni.

The organization requires that their members take 75 hours of continuing professional education credits over a three-year period. Acceptable categories include self-study, or volunteering on a Board of Directors. Both are capped at ten hours a year. The third type of acceptable professional education events is seminars. The Executive Forum is advertised to the CMA members as a way in which they can receive education credits.

The EMBA-AA Chapter Executive Committee felt that advertisement directed to these associations helps the Chapter achieve its three point mission statement: to show people value in their membership, to improve the overall brand equity in SFU's Business School, and to mobilize alumni to be more involved with their alma mater.

In summary, the educational events that should be considered as real substitutes are those with a content and timeframe similar to what can be offered by the SFU EMBA-AA Chapter. The ways in which the EMBA-AA Chapter Board of Directors can enhance value to its alumni is by determining the positive differences between the Executive Forum and other like events.

### ***3.4.2 Networking and Social Events***

Most EMBA-AA Chapter Board members feel networking and social events are not separate activities. Realistically, no networking events, even those advertised as such, are without at least some social element. For example, the annual Wine and Cheese event provides an opportunity to catch up with friends and professors, although some people do attend because they see value in its networking capabilities, and believe the venue is an excellent opportunity to establish or strengthen business contacts.

Networking exists even at social events. The present Board of Directors sets a venue at a local restaurant to meet the incoming class. The Board makes an effort to be in full attendance at this fall event such that new students can put a face to a name as well as perhaps see the Board as a potential connection point to the entire alumni family.



The impact of substitute networking and social events is considered the strongest competitive factor. The availability of such opportunities for alumni, especially in the Lower Mainland, occurs daily. This could be as innocuous as pub nights between friends or EMBA cohort years, or as formalized as the Business Network International (BNI).

The BNI advertises itself as the world's largest referral organization. Its primary objective is to assist its members to effectively network. Members sponsor guests to attend meetings in order to potentially become members themselves. Guests are pre-screened to check their viability of becoming full members (one prerequisite is each chapter can only have one person per professional specialty). Members are invited to weekly networking meetings, and provided tools such as referral slips and chapter marketing materials. As well as networking, members benefit from sharing of ideas, contacts and referrals.

The Alumni Affairs Officer, Business Administration, stated that networking may not be as developed as in other cities like Toronto. Instead, "what Vancouver relies on are connections" (Campbell, personal communication, May 25, 2004). The reasons why connections are so important are perhaps due to the types of businesses in the Lower Mainland. The largest growth sectors were Professional Services (33.5% growth over ten years), Information, Culture and Recreation (37.2%) and Management Services (46.6%) (Statistics Canada, 2003). All three of these areas use word of mouth and networking techniques to build client bases and business contacts.

Substitute networking occurs when alumni attend class or cohort activities outside of those sponsored by the EMBA-AA Chapter. Cohorts meet at either established venues (for instance, the 1999 WEMBA class meets the second Thursday of every month), or for shorter events, like a Ski Weekend at Whistler. These events compete against EMBA-AA Chapter events. If a conflict occurs, alumni must choose whether to attend an alumni association sponsored event, or a class sponsored event. That being said, the Executive Committee takes the view that these activities could enhance the value provided by the EMBA-AA, because they do meet at least part of the mission statement (show people value in their membership within the alumni community by creating meaningful networking opportunities and mobilize alumni to be more involved with their alma mater by increased participation at alumni events)

Casual class-based activities satisfy alumni who see value in socializing. They have made a choice to forego other activities that are similar in nature, such as meeting with colleagues after work. However, there are also those alumni who may see more value in more formal networking events, such as those sponsored by the Vancouver Board of Trade. In these

cases the alumni are making a choice to network with each other for professional or business purposes.

The Vancouver Board of Trade offers both open and closed networking events. There are three open networking events per month throughout the Lower Mainland. The Membership Coordinator at the Vancouver Board of Trade expected the end-of-June 2004 event to attract 200 people, while a July 2004 networking activity at the Pacific National Exhibition grounds will likely draw over 1000 people. In addition to the free events, there are member-only networking roundtables. Guests are seated at tables, and each talks for a few minutes about his or her company and its needs, or as a prospective employee and his or her interests.

The EMBA-AA Chapter has an opportunity to capitalize on offering networking opportunities. The fact that everyone at the event has an MBA establishes an educational or business standard, and a common bond between alumni. Most networking organizations have to create barriers to membership; some are monetary (such as the Vancouver Board of Trade), while others also select members from sponsors (as is the case with BNI). One selling point for EMBA-AA Chapter networking opportunities is that membership is guaranteed for alumni.

The Executive Committee stated that many people come to the Wine and Cheese event to network, not to socialize. Feedback solicited from this event in the future could determine if there is an opportunity to modify the event in any way to meet the expectations of the attendees. This does not need to be a change to a more formal event, but instead would require people to indicate their background or business on their nametag. Another idea would be to collect business cards, with the intent of emailing the results to everyone that attended, perhaps cross-referenced to their graduate year and program. Neither of these would increase the cost, but perhaps increase the value.

In summary, there will always be substitute networking and social events. The key for the EMBA-AA Chapter is to provide opportunities that serve the needs of the members to counteract the impact of these substitutes.

The study of other Alumni Association Chapters showed that all offer similar events for their alumni. Secondly, most offer a number of different events and activities, such as social events, educational and networking. This has the effect of attracting the most Business Alumni; an alumna that is not interested in a Boat Cruise may instead see value in a Speaker event. Therefore, educational and networking events should be included in the EMBA-AA Chapter value chain, which is consistent with observed made in other Business Alumni Association chapters.

### **3.5 The Power of Suppliers**

Suppliers provide resources to the firm. Resources can be money, time, effort and energy. The EMBA-AA Chapter has three suppliers: the Faculty of Business, the Simon Fraser University Alumni Association, and its own alumni membership. The Faculty of Business and the SFU Alumni Association have low influence on the type or frequency of activities offered by the EMBA-AA Chapter. The third supplier, its own alumni, has high influence on Chapter activities. The Faculty of Business and SFU Alumni Association provide financial and operational support, as well as customers: the students accepted to the EMBA program by the Faculty of Business ultimately become alumni. Alumni, the third supplier, make up the Board of Directors. Alumni Class Representatives also volunteer their time and efforts to the Chapter.

The Chapter, the Faculty of Business and the SFU Alumni Association have some common goals. All three want increased member participation, improved contact with alumni, and positive word of mouth about Simon Fraser University and its MBA programs. However, each may have different reasons for reaching those goals. For instance, the Faculty of Business desires superior applicants, and one role of the SFU Alumni Association is to increase alumni contributions. In the past, these differences were seen as a potential source of conflict with the EMBA-AA Chapter Executive Committee. In the 1990's the Board of Directors tried to distance itself from the school both physically and ideologically, holding their Board meetings away from the SFU Harbour Centre campus. It was not until 2001 that a member of the Faculty of Business became an ex-officio Board Member. However, it is believed that a strong relationship between the Chapter and its suppliers is positive. As mentioned by members of other Alumni Association Chapters (such as those from Rutgers and Ivey), the focus should not be on who organizes and operates events, if alumni receive positive results.

#### ***3.5.1 Simon Fraser University Faculty of Business***

The Faculty of Business has low influence as a supplier on the movement of the EMBA-AA Chapter.

The Executive Director of the Executive MBA program sits on the EMBA-AA Chapter Board of Directors. She has a dual role in that she represents the Faculty of Business on the Board of Directors, but is also the conduit for the Executive Committee to communicate back to the Faculty of Business. She provides updates to the Executive Committee on the EMBA program (such as changes to content, student activities, upcoming events), and also receives requests from the Board to interact with the students at their activities.

The Director of Marketing and Communications for the Faculty of Business contributes to EMBA-AA Chapter initiatives as requested. She assisted the Chapter Board of Directors to communicate and market the Executive Forum in 2003. She has experience as a Marketing Professional, and is SFU EMBA alumna. As such, her input and contribution is valued.

The Faculty of Business has little supplier influence, even though the Faculty Dean provided a monetary stipend to the EMBA-AA Chapter. In the past, the Dean would receive a letter from the Chapter President, detailing what funds were needed for which initiatives. The money was provided without real spending conditions. The present EMBA-AA Chapter Executive Committee is now in its second term of operating without funds from the Faculty of Business.

There is upside potential for the Faculty of Business (specifically, the EMBA Program) to leverage the alumni contacts as a resource for prospective EMBA students. As previously mentioned, past alumni represent an important reference for program applicants. A way to ensure favourable word-of-mouth from alumni to applicants is by creating a positive experience for future alumni during the program.

Professors in the Faculty of Business also have an incentive to contribute to SFU EMBA-AA Chapter events. By participating as a speaker at the Executive Forum event, they highlight themselves as a subject matter expert. This can potentially result in further speaking or teaching engagements.

### ***3.5.2 Simon Fraser University Alumni Association***

The supplier influence of the Alumni Association on the EMBA-AA Chapter activities is considered low. The Executive Director of the SFU Alumni Association believes “the current Board of Directors President is doing some good things” (Horne, personal communication, May 5, 2004), and feels the Alumni Association and EMBA-AA Chapter complement each other well. This, she said, adds to the overall value of membership. Realizing the Chapter is the most structured, longest standing, and most active of all SFU Alumni Chapters means the SFU Alumni Association has even less of a need to control or influence the EMBA-AA Chapter activities.

The Alumni Association does have some power in its ability to grant or withhold support for various Chapter requests. It is a fairly recent phenomenon that the EMBA-AA Chapter has asked the parent organization for resources. As the number of requests to the SFU Alumni Association for support increases, so likely will their power (to say no) increase in the coming months and years.

The SFU Alumni Association, like the Faculty of Business, can also extract value from the alumni network. For instance, the participation at the 2003 and 2004 SFU Alumni Association Annual General Meeting was increased when this activity was paired with the EMBA-AA AGM. Data also shows that the amount of funds donated by EMBA alumni is higher in the Fall Calling Campaign than for the average SFU alumni. Thus, it could be inferred that the influence of the EMBA-AA Chapter on the Alumni Association is high, which means it is in the best interest of the Alumni Association to support its most active Chapter.

The Faculty of Business Alumni Affairs Officer sits on the EMBA-AA Chapter Board of Directors as another ex-officio member. Her participation is influenced by the skills and abilities she brings to the Board, which include event planning and coordination (for instance, ensuring there is no conflict between Business events), cost reduction (such as providing the EMBA Outstanding Student Award at no cost to the Chapter), and using her connections to the community, which she has built over the past two years.

The Faculty of Business Alumni Affairs Officer was hired by the Dean of the Faculty of Business to provide support to the EMBA-AA Chapter. However, her role has yet to be discussed by the Board of Directors. Anne has provided support and assistance at a number of events, but there is an opportunity to use her skills in a way that adds more value to the Chapter.

### ***3.5.3 Simon Fraser University EMBA Alumni***

Executive MBA alumni are customers of the EMBA-AA Chapter. However, EMBA alumni are also suppliers, because they themselves make up the organization. This supplier provides a resource arguably more scarce than dollars: volunteers. As a supplier of volunteers for the Board of Directors, Class Representatives and other ad-hoc volunteers, the alumni themselves have moderate influence on the EMBA-AA Chapter.

To justify this assessment, one needs to look at the level of participation by alumni. Over the years, the Board of Directors has done a good job at getting those alumni involved who want to be involved. The Board of Directors is an especially passionate and active group, but definitely represent a small percentage of the entire population of alumni. The same can be said about the sixteen Class Representatives (of which almost half were at one time, or presently are, on the EMBA-AA Chapter Board of Directors).

There is no waiting list to join the Board of Directors, or to become a Class Representative. People get involved because they want to, or are solicited by the EMBA-AA Chapter for help. This may reduce the diversity of the Board of Directors. Present members ask

those alumni they know to get involved. The present EMBA-AA Chapter President mentioned this lack of diversity as a potential cause for concern. However, another reason for involvement by alumni, especially on the Board, could be because they may not agree with the direction the Board is taking.

There are benefits and disadvantages to having SFU EMBA alumni as an influential supplier. The advantages would include increased alumni volunteerism in planning and organizing existing activities. Having strong alumni presence also means communication with the EMBA-AA Chapter Board would increase. This would translate into timely feedback from alumni on how to improve existing activities, as well as input on what new events should be considered. Increased overall involvement and participation would ultimately create strong alumni networks, thereby fulfilling the EMBA-AA Chapter mission statement.

On the downside, a large and active organization may lose sight of the mission statement. That is, alumni could become involved because of the activities and events themselves, rather than understanding or believing in how they best serve the University and the Faculty of Business. Another scenario may be that pockets of alumni, interested in just one thing, splinters from the main Chapter functions. Neither of these two points are strong disadvantages. Both would perhaps create an EMBA-AA Chapter organization resembling a members-only club. This may have a positive impact to drive alumni to be active in their chapter, and prospective applicants to become students and enrol in the EMBA program. What this analysis reveals is perhaps an opportunity for the EMBA-AA Chapter to look at ways to make this supplier relationship *stronger*, and work with its other suppliers to make this so.

### **3.6 Summary**

The forces that have the most influence on the formation of the EMBA-AA Chapter strategy are substitutes, followed by consumers. There are many meaningful and established networking, social and educational events offered in the lower Mainland. The EMBA alumni that attend such events must see added value in the similar events hosted by the EMBA-AA Chapter. The strategy for the Chapter going forward must include a clear determination of what types of events and activities would have the most value for its members.

There are potential mutual advantages of working with the Chapter's competitors, which includes other alumni chapters, and its suppliers: the Faculty of Business and the Simon Fraser University Alumni Association. There is value in changing these relationships in order to

supplement the strategy of the EMBA-AA Chapter. These changes will be discussed in the recommendations.

## **4 EXTERNAL ANALYSIS**

### **4.1 Introduction**

This chapter will discuss some of the external factors influencing enrolment in MBA programs. Environmental factors can potentially affect both the quality and quantity of Simon Fraser University EMBA alumni, and ultimately that may influence the strategy of the EMBA-AA Chapter.

Most external factors are relevant to all types of graduate business programs, including the traditional full time MBA, EMBA, a part time MBA, and online programs. However, any differentiation of factors that are specifically dependent upon program type will be mentioned.

This discussion of the factors will be followed by a description of how different business schools are responding to the competition for applicants. This discussion will comment on their implication for the SFU EMBA Alumni Association Chapter.

The final section of this external analysis will discuss the impact of the new Segal School of Business on the actions of the SFU EMBA-AA Chapter. Although construction on this new site is not complete, its influence on the future actions of the Chapter should be considered now.

### **4.2 An Analysis of the MBA Marketplace**

The enrolment in and offering of both undergraduate and graduate business degrees have soared over the past fifty years (Pfeffer and Fong, 2002). In 1955 - 1956, only 3200 MBA degrees were awarded in the U.S. Forty-two years later, this number grew to over 102,000. In 2001, 92% of all accredited colleges and universities offered an undergraduate major in business (Cassidy, 2002), with 93% of surveyed business schools planning to either increase or maintain target class size (Graduate Management Admissions Council, 2004).

Although there are a growing number of business alumni and business programs, the supply and demand of this market is cyclical, especially at the graduate level. Schneider (2004) noted a significant decline in applications at the top U.S. Management schools during the 2003 admission season. Recent figures showed a one year decrease in student interest, from 16 to 29% for U.S. schools, which included Wharton, down 21% from last year, and Indiana University, with a 30% decrease in applications (Schneider, 2004). In response, schools are changing their programs. University of Miami stopped offering distance MBA programs (Broder-Singer, 2003). Indiana's Ball State is reducing the number of hours in its MBA program from 36 to 30



(McKimmie, 2003), and Indiana University's business school opted to eliminate one of its four cohorts of students for the class of 2006 (McKimmie, 2003).

One reason for decreased numbers are due to demographics, which is independent of the quality or quantity of graduate business school programs and the economy as a whole. The demographic targeted by business schools for MBA and EMBA students is typically in the 25-to-34 year old age category. The University of Miami notes the average age of their Executive MBA applicants (which will ultimately has an impact on the age of accepted students) has decreased over the past ten years (Broder-Singer, 2003). Globally, the average age of an MBA student in 2003 was 26.9 years (Fisher, 2003). At the Cranfield School of Management, located outside of London, England, the average age of an MBA student in 2002 was 31 (Cassidy, 2002). In countries like Brazil, Peru and Argentina, the average student age is 29 (Quacquarelli, 2001). This targeted demographic is on the decline in the United States (Stafford, 2003). Furthermore, the Graduate Management Admissions Council (GMAC) stated trends in the number of people writing Graduate Management Admissions Tests (GMAT) are an early indication of trends in student applications to graduate level business schools. Ten years of data (from 1992 to 2002) showed there has been a decrease in the number of tests taken in the United States by 9% (Graduate Management Admission Council, 2004). This especially affects U.S. schools that typically do not attract an internationally diverse mix of students (Schneider, 2004 and Stafford, 2003). Making matters worse are the effects of U.S. security measures put in place after the September 11 attacks, causing delays or denial of student study visas for the United States.

In 2003 GMAC surveyed over 10,000 members. The council's goal was to understand the characteristics and behaviour of students during decision-making processes to pursue graduate management education. The primary reasons listed for why prospective students consider graduate business school is not surprising. Over 85% believed an MBA would help them to develop management knowledge and technical skills, remain marketable in a competitive environment, achieve personal satisfaction and achievement, increase financial stability through gains in long-term income, gain professional credentials necessary for advancement, provide personal challenge, prepare them for a good job in the business world, gain specific skills to succeed in their present job, and make good connections for future job or career potentials. These factors were consistent with the results accumulated from past surveys. What varied was how students felt an MBA degree would enable them to achieve these goals. These reasons were not universal, and how the degree increases career options depended upon the individual. Students pursued an MBA degree because they believed it would increase their ability to change from one

occupational area or industry to a new one, to start or manage one's own venture, gain experience before re-entering the job marketing, prepare for international employment and build on a non-business undergraduate degree.

Prospective students remained consistent in response to why they desired an MBA degree. What changed is how they believe an MBA will help them achieve their goals. The following section provides a discussion on the factors that may influence a student applying to a graduate business program.

#### *4.2.1 The Changing Job Market*

Many MBA programs require their applicants to hold some practical work experience. The full-time MBA program at Cranfield, for example, requires at least eight years of business experience (Broder-Singer, 2003). The Warrington College of Business at the University of Florida has a minimum admission requirement of either to twelve years of experience, of which five have to be in management (Broder-Singer, 2003).

Graduate business schools require work experience, and most students who apply do have a record of employment. A 2002 survey of graduate students revealed that 87% of MBA students work while attending school. Of that figure, 75% work at least 35 hours a week. Even those enrolled in a full-time MBA program are still employed full time: 61% work while attending classes (Graduate Management Admissions Council, 2004). In 2003, that number rose to 80% (Fisher, 2003). Furthermore, 71% of MBA students identify themselves as employees who are enrolled in school, rather than students (Graduate Management Admissions Council, 2004).

This realization that most MBA students work while completing their degree means the decision to attend a school is influenced by the economy; specifically, the job market. This can have both positive and negative influences on student applications.

One paper provides what seems to be conflicting information. In 1998, the slumping Asia-Pacific economy was mirrored in a reduced number of MBA applications. However, in 2001, economic uncertainty was in part responsible for an all-time record in MBA demand (Quacquarelli, 2001). This situation is explained if opportunity cost is considered. Normally an economic downturn benefits business schools and other educations programs, as people opt to sit out trying to compete in a tough job market by spending time in the classroom. However, the longer the economic downturn, the less willing people are to give up the security of their jobs to

go back to school regardless of their feeling of satisfaction (or, more appropriately, dissatisfaction) with their present employer (Graduate Management Admission Council, 2004).

This seeming conflict in statistics may be explained by looking at both the MBA student profile, and the graduate business program the applicant is considering. In an economic turndown, applicants that considered a full-time program believed there was a greater economic opportunity attending school versus spending the equivalent classroom and study hours at a job. These were the students that calculated a positive return on investment on the value of the education with respect to future employment. This does not mean there were not students that did not *desire* an MBA degree. Rather, this first group were the applicants willing to give up one activity or resource (such as employment or the money needed to pay tuition fees) for another.

Another group of prospective students had a higher opportunity cost attached to a full time program. For them, a part-time MBA, an EMBA, or an on-line graduate business degree was a better option, since they could continue to work. In some instances the opportunity cost was reduced if the employer was willing to be a sponsor. One study showed this financial arrangement between students and employers was on the decrease, or else came with a contractual arrangement that the alumna or alumnus either remained at the sponsoring organization for a certain number of years, or paid back the tuition fees if he or she left the firm (Broder-Singer, 2003).

Both of these seemingly conflicting yet explainable scenarios are present in data collected from GMAT test takers by the GMAC, from 1997 to 2002. The question posed was: what is your intended area of MBA study? The data in Table 1 provides the answer by number of total students, and percentage of the total:

Intended Area of Study	1998-99		1999-00		2000-01		2001-02		2002-03	
Full Time MBA	105188	60.0%	109922	62.7%	124916	71.3%	140372	80.1%	130586	74.5%
Part Time MBA	45631	26.0%	47186	26.9%	52082	29.7%	62864	35.9%	54461	31.1%
Executive MBA	15537	8.9%	15776	9.0%	19300	11.0%	1969	1.1%	8837	5.0%
Undecided	8960	5.1%	8999	5.1%	5471	3.1%	17282	9.9%	16190	9.2%
<b>Total</b>	175316		181883		201769		222487		210074	

Source: Profile of GMAT Test Candidates, 1998-99 to 2002-03, Graduate Management Admissions Council Survey, 2004.

*Table 1 - GMAT Test Takers by Intended area of Graduate Business Study*

The number of test takers considering a full time MBA program rose from 1999 to 2001, and fell in 2002-03. The number of test takers considering an Executive MBA program dropped from a three-year high in 2000-01, to less than two thousand GMAT writers in 2001. Although there has been some recovery (5.0% of all GMAT test takers were considering an EMBA in 2002, up from 1.1% from the previous year), this number remains lower than was seen in past years. Also of note the number of students that were undecided as to their destination program. This is up 11,811 students from the year before, and more than eight times the number of test takers who were considering doing an Executive MBA.

Changes in intended application numbers and percentages can be explained by considering opportunity costs. Coupled with this would be the reaction of employers. In 2001, the economy was reacting to the collapse of the high tech sector and a softening of the U.S. economy, which eventually led the United States into recession in 2001 (U.S. Bureau of Labor Statistics, 2003). Both prospective students and employers would be affected by an unstable employment situation. Firms would be less inclined to send their employees to educational programs if their own long-term viability is uncertain, and undecided students may wait until making a further program decision until the economy changes and they perceive potential career benefits.

#### ***4.2.2 Post-Education Financial Expectations***

One of the many reasons people take an MBA is to increase long-term income and financial stability (Graduate Management Admissions Council, 2004 and Harvey, 2004). However, many educators are frustrated with what they believe is a student focus on post-graduation salaries. Both the Dean of the School of Business at Anderson University and Dean of the College of Business at Ball State University mention they fear students believe that simply holding an MBA degree ensures a salary increase (McKimmie, 2003).

The reason for this future earning expectation is in part due to a need to ensure a return on investment. The up front cost of an MBA can run from \$25,000 (£10,000 GBP) upwards of £40,000 GBP (Harvey, 2004), with a median price of schools at approximately \$47,000 USD (Forbes, 2003).

One report looked at 85 MBA programs at U.S. business schools, and calculated the return on investment for students based upon the pre- and post-salary of alumni, and tuition fees. The report quoted job decreases in the consulting and investment banking sectors; the two that usually recruit the most MBA graduates. That being said, the change in ROI outcome was

favourable. Overall, the return of an MBA has improved from a 3.53-year payback in 2001, to 3.09 years in 2003. Further analysis of the data by comparing only those schools studied in both 2001 and 2003 (69 in all) showed a change in return on investment payback of 3.51 years in 2001, to 3.05 in 2003 (Forbes, 2003).

Data showed there is an improving return on investment of an MBA. Some educators fear that students believe it is the degree itself that holds the key to improved salary. The reality is that MBA alumni are valued because they apply their new business skills in order to improve their organization. If alumni are not seeing a return on their MBA investment, it is perhaps because they are not applying their skills in appropriate business sectors. However, Pfeffer and Fong (2002) have refuted that hypothesis. They analyzed the salaries and performance evaluations of both MBA and non-MBA consultants and investment bankers – two fields traditionally the destination for a large fraction of graduates, particularly from elite programs such as Harvard. What they found was that non-MBA employees did no worse and, sometimes better, than their MBA holding counterparts.

Students should believe some benefit from their investment on an MBA education is non-monetary. For instance, some students can be inspired to take a new career direction, resulting in a decrease in salary, but an increase in overall personal satisfaction. Others may try their newly minted skills in a new business venture, with a return period longer than if they were to stay with their present employer.

As more people complete a graduate business degree, the demand for alumni holding an MBA decreases. However, one potential benefit of having an MBA is that “like hires like”. If a manager has an MBA, the more likely they may be to hire someone with a similar business education background.

Some articles note that the ROI payback period on an MBA has increased (McKimmie, 2003). The Director of MBA Admissions and Financial aid at Wharton believed its MBA program ROI payback period has increased, when in fact it has improved over the past three years (Yung, 2004). The Forbes report showed Wharton’s MBA program ROI has improved. The difference between perception and reality may be due to one of two scenarios. Either the sample of schools studied by Forbes is not a true indication of the wider business market in general, or there is simply a generalized perception that the return on investment payback period for an MBA has increased. It is this second statement that should most trouble business schools, as it may influence how the value of an MBA should be communicated to MBA applicants. Further analysis and validation of the data is recommended.

### 4.2.3 *Changing Perception of Business Education*

The majority of students take an MBA to develop management knowledge and technical skills (Graduate Management Admissions Council, 2004). An Executive MBA, with its condensed timeframe and practical and applied learning approach, is considered a valuable way to attain a lot of knowledge in a relatively short time (Broder-Singer, 2003). An MBA also complements other specialties. Although the majority of students entering into an MBA program hold an undergraduate in Business and Commerce (Graduate Management Admissions Council, 2004), many other fields of study are represented, including Sciences, Humanities, and Social Science. Some students see the benefits of an MBA as widening their abilities. One article mentioned that students with engineering or accounting backgrounds find that, after enrolling in an MBA, they found the most benefit from “people management” courses (McKimmie, 2003). Others, when they expanded their knowledge out of their niche areas of specialization learned to speak the same business language as the senior officers in the company. A different group of students with work experience felt the program focused existing business skills (Stafford, 2003).

There are many opinions on the benefits of business education. However, one cannot ignore the influence of negative press on big business. Stafford (2003) stated that the news of corporate malfeasance, bankruptcies and middle-management job losses, the idea of entering the business community doesn't quite have the appeal that it once did. Part of it is a concern about what they hear on the news about business leaders. The Enron stories, WorldCom – there are so many (Stafford, 2003, ¶ 24-25).

A posting by the Association for Research on Nonprofit Organizations and Voluntary Action (1999) showed that some people equate people in business (specifically for-profit) as those trying to make money, versus those wanting to do good works in the non-profit sector. For-profit businesses were furthermore seen as belonging to the “corruptible sector” (Association for Research on Nonprofit Organizations and Voluntary Action, 1999). Pfeffer and Fong (2002) argue that MBA programs still focus too much on analytical problem solving and implementation, rather than problem *finding* (Pfeffer and Fong, 2002). Furthermore, this overemphasis on analysis comes at the expense of integrating knowledge, developing wisdom, building leadership and interpersonal skills, creating “...a weird, almost unimaginable design for MBA-level education that distorts those subjected to it into ‘critters with lopsided brains, icy

hearts and shrunken souls” (Leavitt, 1989: 39). With perceptions that a business degree changes individuals for the worse, it is not surprising that potential applicants may hesitate pursuing an MBA.

The Associate Director at Harvard stated that a lot of people were questioning as to why they should attend business school in the first place (Yung, 2004). If applicants are wondering about the value of a Harvard MBA, one of the top ranked programs in the world, chances are they will have the same questions about other schools with more humble reputations.

Finally, Pfeffer and Fong (2002) looked at how the MBA student profile influences post-degree success. They first saw financial benefits accrued to those graduates of the most prestigious programs. Others have also observed little economic gains unless the graduate comes from a top-ranked program (The Economist, 1994). One explanation notes that graduates from these competitive, elite programs achieve greatest earnings because these people were selected based on above average capabilities and credentials. “This interpretation, that what matters are the personal attributes of the attendees not what they learn in attendance, is consistent...across schools of different degrees of selectivity” (Pfeffer and Fong, 2002, 82).

### **4.3 Response of Business Schools**

As the number of substitute products increases and student enrolment decreases, business schools are seeking opportunities in which to enhance their offerings. What is evident is that there is no one “right” solution. There is no evidence that schools are softening their selection standards. Instead, business schools have responded to the changing marketplace by providing options and solutions that they hope match the expectations of their target market.

#### ***4.3.1 Attracting and Highlighting Talent***

Students, especially those in Executive MBA programs, expect to receive knowledge they can apply at work, and apply immediately. That means the curriculum must be up-to-date, current, and relevant (Broder-Singer, 2003).

One way that schools have responded is to make sure their executive education faculty have practical, relevant business experience. This is coupled with selecting professors to teach that would have the best “fit” with the types of students in the classrooms. The Vice Dean of Graduate Business at the University of Miami says that

not all faculty want to teach in (the Executive MBA) program, and not all faculty are invited to teach in this program. There’s hundreds of years of experience

among the students when you walk into that classroom, so you have to be state of the art (Broder-Singer, 2003, ¶ 13).

Cost is the barrier to attracting and retaining top faculty, especially subject matter experts. The number PhD graduates at the top ten doctoral producing schools has decreased, and forecasts show this decade will produce only half as many PhDs as in the 1990s (Pfeffer and Fong, 20002). This affects the business schools that concentrate on attracting academics to their program. At the Executive MBA level, the difficulty is enticing business professionals to perhaps leave the lucrative private sector, and teach at Universities. The Executive MBA Endowment Fund Board of Directors has responded to this challenge in part by awarding its Dennis Culver Professorship, which is intended to supplement a professor's salary. Using endowment funds can be a good response to a competitive market, and the Executive MBA Endowment Fund Board of Directors is well advised to try and ensure the long-term viability of its fund.

Universities also try to attracting talented students. There is no evidence that business schools are decreasing admission standards, but some are in fact concentrating on enticing more experienced students (Pfeffer and Fong, 2002). Wharton expects its students to hold eight to twelve years of management experience, at least five of them managerial (Broder-Singer, 2003). A decrease in the number of prospective students applying to MBA programs, and the shrinking size of the 25 to 34-year old target market, means schools may have to reconsider workplace experience as a barrier to entry.

#### ***4.3.2 Increased Number of International MBA Offerings***

There are a growing number of MBA programs that have an international focus. Programs either cater to international students, or have global content in their curriculum. The College of Business Administration at Florida International University does both. Their Executive program meets two weekends per month, and includes an international trip. Their Global Executive MBA meets for five one-week sessions to cover the same course content as the Executive MBA, and holds Internet courses in between sessions.

Schools offering virtual international campuses, and are opening traditional campuses worldwide. For instance, the Chicago School of Business set up its own Executive MBA in Barcelona. INSEAD also has a campus in Singapore.

Duke University's Fuqua School of Business bridges both these ideas through its two global MBA programs. One is their Cross Continent program, consisting of nine one-week



residencies over 20 months in either North Carolina or Germany. The Global Executive MBA is five terms: two weeks of residency, and ten weeks of Internet-based virtual learning.

#### ***4.3.3 Joint and Exchange Programs***

Some schools have extended their market reach by partnering with other international business schools. Wharton has entered in to a partnership agreement with INSEAD in which they share faculty, and campuses. In this way, both the professors and the students benefit from cross-cultural learning and experiences (Quacquarelli, 2001). A similar relationship was forged between Columbia's Business School and the London School of Business. An added bonus of these partnerships is the effect it has of raising the global profile of partnered schools, especially with MBA graduate recruiters (Quacquarelli, 2001).

#### ***4.3.4 Providing Enhanced Financial Support***

Students begin the MBA application process by first considering their ability to finance their education (Graduate Management Admissions Council, 2004). This comes before a student narrows down his or her choice to a specific school. A full 46% of respondents who felt it would be difficult to be admitted into graduate business school cited (lack of) financial resources as a potential barrier (Graduate Management Admissions Council, 2004). Respondents who had already applied to graduate business school were more likely to have secured employee reimbursement or sponsorship. Those who had not applied were not sure how much money they would be reimbursed from their employer. Although data was not collected on how likely these pre-applicants were to look towards loans and financial aid, business schools are well advised to include evidence of innovative financial options in their initial marketing message.

Some schools, in order to promote enrolment, are providing travel reimbursements or increased financial aid. Cornell University's Johnson Graduate School of Management is offering \$2M USD in MBA loans and scholarships – twice its usual level (Schneider, 2004). This is less risky than it first seems, as what is offered is usually much more than what is actually spent. Other schools making real financial investments in its applicants includes the Stern School of Business, which has reintroduced its two-year, full-tuition dean's scholarship (Schneider, 2004). Twenty percent of students at Kenan-Flagler School of Business will be receiving some sort of fellowship, up 7% from the previous year (Schneider, 2004).

#### **4.3.5 *New Marketing Techniques***

General advertising is not always the most effective way to promote an MBA program.

Graduate business schools are not market makers. That is, a school generally cannot convince someone who is not interested in an MBA to pursue one. It is only after prospective students consider themselves candidates and initiate the first application steps that they enter a school's sphere of influence (Graduate Management Admission Council, 2004, 4).

A number of schools are looking at innovative ways in which to boost interest in their programs. Due to a shrinking number of applicants, Duke University's Fuqua School of Business will be advertising its full-time MBA program for the first time this year. In the past, they relied on information sessions and e-mails to GMAT test takers (Yung, 2004).

Southern Methodist University's Cox School of Business is trying to increase applications by using present MBA students to reach out to prospective students. In the past, this type of contact was limited only to those already admitted. This goal of this plan is to improve the application rate, which decreased by 10% in 2004 – 2005 (Yung, 2004).

At Texas A&M University's Mays Business School, a number of new venues are being used to promote the school. Career fairs and professional conferences are two new means to market their program. Early data shows these techniques may be successful. The number of applications received for the coming academic year is holding steady after dropping 16% the previous year (Yung, 2004).

#### **4.4 Impact on the EMBA Alumni Association Chapter**

The MBA marketplace is dynamic. Curriculum and teaching methods considered successful only a few years ago are in question. The MBA Director at Wharton School of Business is quoted as saying that "any school that is heavily reliant on the (Harvard) case study method is out-of-date and out of touch with the best modern learning tools" (Quacquarelli, 2001). Decreased enrolment at even the most prestigious business graduate schools is causing most Universities to assess what they could do or change in order to attract applicants.

The challenge faced by Simon Fraser University is the same as is experienced by other institutions. First, prospective students must be identified and targeted in order to provide information on its various graduate business programs. Next, that interest must be translated into applications. These applications must also come from a certain calibre or type of student – those

meeting the expected profile of a Simon Fraser University MBA student. The SFU EMBA Executive Director mentioned that the best type of applicants would, upon graduation, become good ambassadors of the program.

As Simon Fraser University considers changes to its graduate business programs in response to a competitive marketplace, it could influence the type of student it accepts, which will ultimately affect the alumni profile. For instance, a small number of students are accepted into the EMBA program outside of the profile of an “average” student. This includes some applicants without an undergraduate degree, or those lacking the required amount of management work experience. This should not imply that Simon Fraser is relaxing its admission requirements; typically the students that lack certain requirements make up for it by other means (such as real-life experience for those without an undergraduate degree, or superior but limited management experience). That this does happen, however, suggests that the overall student profile of, specifically, an EMBA student may be changing. The EMBA-AA Chapter must therefore be conscious that these new alumni may have different interests and needs. This implies that there should be regular assessment as to the value provided by the Chapter’s sponsored activities and events.

#### **4.5 The Impact of the Segal Graduate School of Business**

The Segal Graduate School of Business is scheduled to open in September 2005. Although this fact has low influence on the present actions of the SFU EMBA-AA Chapter, the school could have a significant impact on the Chapter’s strategy going forward.

The physical act of bringing all SFU Business in one place will increase contact and networking between students, alumni, faculty and staff. Tacit knowledge sharing will be facilitated because of the proximity. Over time, students become alumni, and there may be future requests from members to hold joint alumni events. This would be especially true if some Chapters hold events that are considered greater value than what is offered presently. This in turn may lead the separate alumni association Chapters to consider a merger into one Business Alumni Chapter – as is the norm with most of the external Alumni Associations used in the earlier benchmarking exercise.

The Segal School of Business could increase the power that suppliers (both the Faculty of Business and the Alumni Association) have on the SFU EMBA-AA Chapter. First, University staff and faculty could use the various Business Alumni Association Chapters to identify prospective students. This does not mean EMBA Alumni only recognizing future EMBA students, but instead, all Business Alumni promote any of the Segal School of Business graduate

programs to applicants. Next, the Alumni Association could decide to stop supporting separate Alumni Chapters. This is likely, considering that all business Alumni Associations will be located in one area at the Segal School of Business.

Both the Faculty of Business and the SFU Alumni Association may conclude that it would be in the University's best interest to suggest the Business Alumni Chapters merge. This proposal will be discussed in more detail in the recommendations section.

#### **4.6 Summary**

The job market, post-education financial expectations, and the perception of the value of business education all influence the type and number of students applying for an MBA. This in turn impacts how business schools compete for applicants. Some schools have responded to the factors influencing enrolment by attracting and highlighting their faculty. Others offered more international MBA programs, or partnered with other MBA programs. A third solution was to provide enhanced financial support, while some schools changed their marketing strategy.

Any changes to Simon Fraser University's MBA programs in response to a competitive marketplace may influence the type of student accepted to the EMBA program. One evolution that was discussed was the Segal School of Business, opening in 2005. Changes like this and others could impact the quantity and quality of EMBA alumni, ultimately impacting the operational strategy and structure of the SFU EMBA-AA Chapter.

## **5 ORGANIZATIONAL ANALYSIS**

### **5.1 Introduction**

An organization's structure will affect the operations, regardless of the type of organization. There are a number of reasons why an organizational analysis is appropriate for the SFU EMBA-AA Chapter.

First, the structure itself will influence how the Board of Directors communicates and interacts with the SFU Alumni Association, and the Faculty of Business. The structure also supports a certain decision-making model. For instance, an autocratic organization, although efficient at making decisions, can ultimately limit group input or involvement of its members in extreme cases.

With volunteer groups, such as the SFU EMBA-AA Chapter, members get involved because of a passion for the cause. In some cases, they may lack certain skills (such as planning, or marketing) that are necessary to promote their cause. In the case of the EMBA Board of Directors, the basic skill sets bodes well for a well-functioning group. That being said, an analysis of the organization may lead to recommendations for improvement. An agreed-upon structure or understanding of formal processes benefits groups of volunteers in that they can work effectively within better defined roles.

By drawing upon the organizational structures of other model alumni associations, recommendations can be made that are shown to be successful in similar organizations, which can ultimately become Best Practices that live on past the lifetime of the present Executive Committee.

### **5.2 Organizational Structure**

This analysis will look at both the internal players (the Executive MBA Alumni Association Chapter) and external, ex-officio partners on the Board of Directors (including the MOT and SMBA Alumni Association Presidents, the EMBA Executive Director and the Officer of Alumni Affairs).

#### ***5.2.1 EMBA Alumni Association Chapter Board of Directors***

The EMBA Alumni Chapter Constitution and Bylaws states that seven elected directors will serve two-year terms (three elected in year 1, four elected in year 2). At the first regular

executive meeting following the AGM, the seven directors elect three officers: President, Vice-President and Secretary / Treasurer. Each holds the office for one year (until the next AGM).

Since 1994, the Board has elected four directors by splitting the office of Secretary and Treasurer. The Constitution also states that no officer shall hold the same position for more than two consecutive years.

In addition to the stated structure, the present Board of Directors also expects Board members to champion at least one EMBA-AA Chapter event or activity. The Champion is expected to create an event plan and budget, while relying on all Board members to make spending decisions, as well as provide support as necessary during the event.

The evolution into using Champions or subcommittees has had a positive impact. First off, there is less reliance on a centralized figure to make decisions or come up with ideas, promoting involvement of the rest of the Board of Directors in events and at monthly meetings. An external example of how one Alumni Association's Board of Directors functions is provided by the Haskayne School of Business. At Haskayne, the School of Business is responsible for planning and executing events. A Board of Directors is involved to provide input to the activities. Nicole Wheatley, the Alumni Relations Director at the Haskayne School of Business commented that this democratic structure ensured the Board does not become self-serving; that they are working in service of the overall School of Business. Wheatley did mention in the past, she had seen evidence the Board may have been working "versus, not with, the School of Business" (Wheatley, personal communication, June 10, 2004) in its event suggestions. This would be one symptom of having a strong, central President on the Board of Directors that uses an autocratic decision-making model.

Champion involvement also means more events can be planned and executed. The more people that are involved, the more events can be executed. The Queen's School of Business Vancouver Chapter has well planned and well attended events, but these are limited to three speaker events a year because of the organizational structure. Angela Kelleher, President of the Vancouver Chapter, is the only alumna performing the primary logistical functions for the events. Although she realizes perhaps alumni would be interested in social events, one reason they are not being planned is because Kelleher realizes she would not be able to organize and coordinate many more events on her own.

Finally, having Champions work on the detail of the individual events and activities means that the monthly Board of Directors meetings focuses on problem solving and moving forward, since specific questions on event finances or logistics have already been postulated for

debate by the subcommittee members. At Rutgers, relying on more frequent subcommittee meetings on an as-needed basis (frequency tends to change as the event date approaches) means the main Alumni Association needs to meet only four times a year. Holding less frequent main Alumni Association meetings has translated into a higher likelihood of achieving greater Board member attendance. English realistically stated that nobody had time for one more meeting. She also realized that Board meetings were competing for time from those members active in other Rutgers-related or external events.

There are alumni associations that have different structures than what is used at Simon Fraser. At Rutgers, all activities are arranged at one central location, and satisfy the needs of a large alumni base from the three colleges. Others alumni association (for instance, that at the University of British Columbia) do not have chapters. In these cases, a centralized structure is the best means to guarantee their alumni message or purpose is properly branded.

Whether or not the structure depends upon one central decision-making person or a diverse group is of little consequence, as long as the members (alumni) perceive value in the events and activities. It is only when the structure itself starts to cause that value to be eroded that the organizational structure warrants scrutiny.

Since the internal structure is working well for the EMBA-AA Chapter, it does not make strategic sense to change. However, there may be some areas that could be improved to ensure this winning organizational structure is maintained after the lifetime of the Board of Directors.

First, each Board member could reflect on and author something equivalent to a job description. This would be broader in scope than what is mentioned in the Constitution, which lists the minimum required of each officer. This way, roles are defined for new Board of Director members, as well as those considering running for office positions. It also provides each Executive Committee member a framework in which an officer can operate, holding them accountable to a shared understanding of roles and responsibilities. Writing job descriptions would also provide consistency from one President to the next, which is important considering how influential this role can be with external suppliers such as the Alumni Association and the Faculty of Business. Similarly, each Champion position should be spelled out. This allows new Champions to understand the expectations of their roles.

On the same vein, it is recommended that some sort of information exchange should occur when previous Champions or Board of Director members step down and new members are elected, are appointed, or volunteer. The present Board of Directors has already done this with the upcoming 2004 Wine and Cheese, where both a previous organizer and a new Board member

are paired in the event planning efforts. A similar process is expected to occur for the Spring 2005 Executive Forum. Although this information sharing is occurring on an informal level, it is recommended that this process be more formalized.

There has been some discussion at the Board meeting that the next President should be high profile, or a notable EMBA alumnus / alumna. The question that must be answered is: other than raising the profile of the Board and the Chapter, what value would this serve? It is unlikely that the actual value-added activities and events would change. It may perhaps get more alumni to attend events if these participants equate value to the profile of the President. What is might also do, however, is increase the workload of other Board of Director members. Figurehead syndrome could be experienced, whereas the high profile President is unable to participate as much as needed. A compromise that could be considered would be to award a “Honourary Life Membership”. As defined by the Simon Fraser MBA Association June 1979 Constitution, this is “(a)n individual involved in business, education, government or other public service who by the Board of Directors resolution, is awarded a membership in the Association in recognition of his special effort and achievements towards the Simon Fraser Executive MBA Program or the Association” (Simon Fraser MBA Association, 1997, 2). A person that fits this description may be both willing to participate in EMBA-AA Chapter meetings and events, as well as promoting the Chapter to external stakeholders.

The sitting Board is also actively recruiting new members, wishing to bring their voting members up to ten. This move is supported, as it is believed that having new members improves ideas sharing on improving value activities, brings in people with potentially different skill sets, and also ensures there are enough active participants on event logistics. As a comparison, the IAABC, a successful Vancouver Chapter, has twelve people on their Board.

The SFU EMBA-AA Chapter Board of Directors should also consider placing a cap on ex-officio memberships. There is an upper number of Executive Directors mentioned in the Constitution – seven. There is no upper limit to the number of participating Board members. There is believed to be an appropriate size. Both Haskayne (that had 45 Board members at its height) and IAABC (Chapter President Rob Attwell is working at cutting Board size down to twelve) said that too many Board members led to ineffective decision-making. Too many members also means there is a chance not all Board members would be actively participating, which decreases what was previously mentioned as passion for the cause. IAABC also saw that with a large number of Board members, *less* people were willing to volunteer for activities or



follow through. According to that alumni association, there was an assumption that someone else would do the work.

### ***5.2.2 Ex-Officio EMBA Alumni Association Chapter Members***

A small number of EMBA Alumni Association Board members play important roles as non-voting members. As mentioned in the discussion on suppliers, Diane Cross and Anne Campbell have critical liaison roles, as well as providing input on Chapter events and activities, and donating their time and support to help run events.

Other non-Board of Director sitting members include the Presidents from the MOT and SMBA Alumni Association Chapters. They have been a part of meeting invitations since 2003, and are a valuable source of information to and from their respective Chapters. Finally, some people (including the Director of Marketing and Communications for the SFU Faculty of Business) are offered an open invitation to attend EMBA-AA Chapter meetings.

All of the external alumni associations studied in the benchmarking exercise had both staff and alumni members. In most, the overall Alumni Association was the primary driver of activities and events (as was the case at Rutgers, Haskayne, and UBC). This is believed to be the most effective structure for these Universities because the Chapters were developed based on geography, not program affiliation. Because these chapters had geographic location as their commonality, it perhaps meant that the best way a consistent message and value could be maintained was by having the Alumni Association control the chapter. In some cases (Rutgers), the Chapters are specifically involved in activities that provide value to local members who have formed a Chapter because of geography. These events are usually not focused on a targeted alumni group from a specific discipline, and try and draw a large number of alumni who want to maintain some contact with their school. One example of a successful event hosted by S.O.A.R. (Southern Ontario Alumni Relations) in Vancouver invites grads from all Universities throughout Southern Ontario (including McMaster, University of Toronto, Western and Waterloo) to a barbecue at Spanish Banks.

The Executive Director of the SFU Alumni Association stated that there are no clear advantages to increasing the amount of control the Alumni Association has over the EMBA Chapter. This is agreed, considering the present Board of Directors. The Chapter is capable of operating without a high degree of support, and the relationship between the Chapter and its external staff stakeholders is stronger today than it has been in the past. What must be considered are recommendations that ensure this relationship is maintained.

### **5.3 Secondary Functions of the EMBA-AA Chapter**

The SFU EMBA-AA Chapter is the driver of events and activities, and solicits support from the Alumni Association and Faculty of Business. The advantages of having activities planned for members, by members, is that the Chapter can offer events that would have the most interest for alumni. The Chapter Board of Directors also has a vested interest in ensuring the events do add value to alumni, as they themselves participate in the events. However, this means the EMBA Board of Directors are tasked with managing services and secondary activities that are not part of the Chapter's Value Chain. One example is the responsibility of owning and operating the EMBA Alumni Association Chapter Website. Countless hours and thousands of dollars have been spent in an effort to keep the website functioning. Only one other benchmark Alumni Association Chapter (IAABC) keeps up their electronic offerings to their alumni. At SFU, both the EMBA and SMBA Alumni Association Chapters have their own websites.

Another initiative that would fall under this secondary service category would be the EMBA Contact Booklet, last updated by the EMBA Executive Committee in 1999. The Board has not been actively maintaining the booklet because of lack of funds. That being said, if the contact information maintained by the University was sufficient, it would remove the need to update the contact booklet. Unfortunately, this does not seem to be the case.

The EMBA-AA Chapter has had varying degrees of success contacting the alumni. Realizing the EMBA contact booklet is virtually obsolete, and respecting Simon Fraser University's interpretation of the Freedom of Information act means request for alumni contact information goes through the Alumni Association. Unfortunately, obtaining this information has not been entirely successful. Recent software upgrade problems at the University have made information retrieval difficult. This issue will be resolved, but there are indications that the actual information in the master contact database is suspect. An informal poll of the EMBA-AA Chapter Board of Directors showed half of the members are not receiving any mail-out information from the EMBA Office. EMBA-AA Chapter President Bob Bradley is especially concerned with this statistic, as he knows the Board of Directors represents a group that has made an effort to keep their contact information up to date. He fears the integrity of the data that represents alumni that have not made an effort to keep in touch is poor. These issues are causing the Board of Directors to consider what are the best options to ensure EMBA alumni information is kept current.

## **6 EMBA ALUMNI ASSOCIATION CHAPTER FINANCIAL POSITION**

### **6.1 Introduction**

The financial position of EMBA-AA Chapter resembles a nonprofit organization. Profit from events, and funds received from the Alumni Association and the Faculty of Business, are directed back to its members. For example, alumni attending the 2003 Wine and Cheese were provided a beverage and food, free of charge, in part from EMBA-AA Chapter funding. Another recipient of monetary resources is the Endowment Fund. Close to \$3600 was provided to the fund from EMBA alumni attendance at the 2003 SFU Business and Friends golf tournament.

As previously mentioned, being a nonprofit organization does not reduce the organization's responsibility to follow sound business practices. It then follows that the firm should have a financial plan. If the EMBA-AA Chapter meets its financial goals (whatever they may be), it can afford to offer its planned events and activities, and members will benefit. A secondary advantage of financial stability benefits the Alumni Association (and the Faculty of Business), in that the EMBA-AA Chapter is not asking for funding. Money that was at one time allocated to the EMBA Alumni Association Chapter can be put towards other Alumni Association initiatives, or EMBA student functions.

The financial goals of the Chapter do not need to be any more aggressive than simply breaking even by the end of the year. True, if there were more money in the bank, the EMBA-AA Chapter could run more events. But the question to be answered is not: how much money is needed to operate. "This question is similar to: how much money do you need to retire? Or, how much money do you need to fix your house? As every good consultant knows, the answer to all of those questions is, it depends" (Vinish, personal communication, July 12, 2004). Thus, the purpose of the following section is to look at the financial position of the EMBA-AA Chapter, and determine how much money the Chapter will need to operate without a deficit given the events and activities it has planned for the following year.

### **6.2 Income Statement and Balance Sheet**

As per their Charter, Income Statements and Balance Sheets are created and presented at the Annual General Meeting of the EMBA-AA Chapter (see Figure 6). The fiscal year runs from April 1 to March 31.

SFU EMBA Alumni Chapter  
**Balance Sheet**

	March 31, 2004	March 31, 2003	March 31, 2002
<b>ASSETS</b>			
Cash	\$ 6	(\$89)	\$ 7,405
Accounts Receivable	\$ 4,174		\$ 838
Prepaid Golf Tournament	\$ -		\$ 2,000
<b>Total Assets</b>	<b>\$4,180</b>	<b>(\$89)</b>	<b>\$ 10,243</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	(\$89)	\$ 684
Member Equity	\$ 4,180		\$ 9,559
<b>Total Liabilities and Members' Equity</b>	<b>\$4,180</b>	<b>(\$89)</b>	<b>\$ 10,243</b>

**Income Statement**  
For the twelve months ending March 31

	2004	2003	2002
<b>REVENUES</b>			
Faculty Grant	\$ -	\$ 7,200	\$ 7,200
Pace of Change Seminar	\$ 8,393	\$ 2,835	\$ 2,621
Golf Tournament	\$ -	\$ 2,445	\$ -
Alumni Assoc. Contribution	\$ 1,200	\$ -	\$ 300
Bank Interest	\$ -	\$ 3	\$ 15
<b>Total Revenues</b>	<b>\$9,593</b>	<b>\$ 12,483</b>	<b>\$ 10,136</b>
<b>EXPENDITURES</b>			
AGM	\$ -	\$ 372	\$ -
Executive Meetings	\$ -	\$ -	\$ 720
Newsletter and Postage	\$ -	\$ 5,341	\$ 3,982
Website Maintenance	\$ -	\$ 2,340	\$ 3,867
Wine & Cheese	\$ 2,000	\$ 1,015	\$ 850
Outstanding Student Award	\$ -	\$ 178	\$ -
Pace of Change Seminar	\$ 4,219	\$ 832	\$ 1,394
Golf Tournament	\$ -	\$ 4,193	\$ -
<b>Total Expenditures</b>	<b>\$ 6,219</b>	<b>\$ 14,271</b>	<b>\$ 10,813</b>
<b>Excess (deficiency) of Revenues Over Expenses</b>	<b>\$3,374</b>	<b>(\$1,788)</b>	<b>(\$677)</b>

*Figure 6 - EMBA-AA Chapter Balance Sheet and Income Statement, 2002 - 2004*

Revenue and expenditures were always booked in the fiscal year in which funds were received or spent. In 2002 and 2003, the Pace of Change (now known as the Executive Forum) revenue and expenses were recorded after the fiscal year closed. This was not the case in 2004. However, Executive Forum costs in 2004 do not include any costs from the previous year, since the 2003 event was cancelled. The same timing issue holds true for the Faculty Grant. This \$7200 revenue booked for 2002 and 2003 was from the 2001 and 2002 grants, respectively.

No Faculty of Business money has been received since the EMBA-AA Chapter's 2001 – 2002 term. This is not to say that the Faculty did not support the Chapter. In 2002 the Office of the Dean hired the Alumni Affairs Officer for the Faculty of Business. Her support was seen as

an alternative to giving money to the Chapter. This was seen as a positive change. The EMBA-AA Chapter is fortunate to rely upon the Alumni Affairs Officer's talents as an event coordinator and planner, and the money typically spent on the EMBA-AA Chapter by the Faculty of Business is now used to fund other student activities.

The cessation of Faculty of Business funds has also moved the Executive Committee to become more rigorous in its approach to budgeting and forecasting events and financial need. In the past, the Office of the Dean would receive a letter from the EMBA-AA Chapter President, consisting of a one-page summary of upcoming events. The present Board of Directors now creates a budget forecast for Board approval for all of its activities and events before any funds are committed. Modifications to the forecast are also done in a post-mortem activity following the event to maximize the possibility of future success –from both a value-added and a financial perspective.

When funds are needed, the Chapter turns to the Alumni Association of Simon Fraser University. This is a more appropriate source of funds. The Alumni Association provides funding for events that meet their definition of approved alumni activities, and the EMBA-AA Chapter events and activities meet that definition.

### **6.3 Financial Position**

Coming into the 2003 – 2004 term, the financial position of the EMBA-AA Chapter was desperate. This meant one main goal of the EMBA-AA Chapter in 2003 – 2004 was to get out of debt. Unfortunately, it meant some activities (such as the newsletter and the website) were put on hold until sufficient funding came available. Inconsistent spending patterns (for instance: lack of consensus when and how funds would be spent) coupled with erroneous financial information (the May 2003 Treasurer's Report showed over \$8000 was to be received from SFU: funds that were never approved by the University, but spent by the EMBA-AA Chapter) meant the 2003 – 2004 EMBA-AA Chapter Board of Directors was faced with a deficit from the start. The group worked hard to establish and follow spending best practices, and seek opportunities for cost savings when possible. The Executive Committee, with the help of the Faculty of Business and the Alumni Association, were able to not only end the term with funds in the bank, but also do this without compromising event quality. Alumni participation rates increased for every event.

Going forward, the financial position of the EMBA-AA Chapter looks stable given the two signature events it expects to run in the coming term and its zero cost activities (such as "Meet the New Class"). The following sub-sections will present the proposed budget for the events, based upon work completed by EMBA-AA Chapter Board members.

### 6.3.1 EMBA Alumni Wine and Cheese Budget

As mentioned in section 1.5.4, this event is run at cost recovery. Figure 7 is the budget for this event, as prepared by the 2004 EMBA-AA Chapter Board of Directors.

REVENUES		Number of Attendees:	200
EMBA Program Contribution	\$ 1,000		
Alumni Association Contribution	\$ 2,000		
Attendees (200 @ \$10)	\$ 2,000		
<b>Total Revenues</b>	<b>\$5,000</b>		
EXPENDITURES			
Room Rental	\$ -		
Food (200 @ \$20)	\$ 4,000		
Drink (200 @ \$5)	\$ 1,000		
Outstanding Alumni Award	\$ -		
Advertising	\$ -		
<b>Total Expenditures</b>	<b>\$ 5,000</b>		
<b>Excess (deficiency) of Revenues Over Expenses</b>	<b>\$0</b>		

*Figure 7 - Forecast of Budget: EMBA Alumni Wine and Cheese*

The contribution from the EMBA Program is confirmed, and the request for funding from the Alumni Association is to be confirmed in early August. This year attendees will be asked to contribute \$10 towards this event in order to break even. This is the first year that participants will be paying for the event, which could impact attendance. Thus, there must be a clear message communicated to alumni as to why there is now a fee, and what value they will receive for the \$10 cost. The appeal of dinner and drink will help validate the value statement, and is therefore seen as a necessary expenditure.

No money has been allocated for advertising. The Board of Directors will be using their existing network (using class representatives and talking to the EMBA classes), taking advantage of existing mail-outs by the EMBA office and the Alumni Association to include an insert on the event, and advertising on the Alumni Association Upcoming Events section on their website.

If the event does go over budget, the Board of Directors has approved an over-run of up to \$500 will be covered by EMBA-AA Chapter funds.

### 6.3.2 Executive Forum

The Executive Forum should make money. Figure 8 provides a forecast of revenue and expenditures based, which was created based upon costs from the 2004 event.

		Registration Fee (members): \$175		
		Registration Fee (non-members): \$195		
REVENUES	Number of Attendees - members	20	30	40
	Number of Attendees - non-members	5	10	15
	Registration Fee	\$ 4,475	\$ 7,200	\$ 9,925
	<b>Total Revenues</b>	<b>\$4,475</b>	<b>\$7,200</b>	<b>\$9,925</b>
<b>EXPENDITURES</b>				
Fixed Costs	Speaker Expenses (3 @ \$375)	\$ 1,125	\$ 1,125	\$ 1,125
	Room Rental - Segal Room	\$ 585	\$ 585	\$ 585
	Advertising			
	Brochure Printing (1000 @ \$0.15)	\$ 150	\$ 150	\$ 150
	Websites (CMA, Alumni Assoc)	\$ -	\$ -	\$ -
	Mailout brochures	\$ 490	\$ 490	\$ 490
	Envelopes	\$ 50	\$ 50	\$ 50
	Staffing Support	\$ -	\$ -	\$ -
	Speaker Gift	\$ -	\$ -	\$ -
	Variable Costs	Breakfast (\$8 per person)	\$ 200	\$ 320
Lunch (\$20 per person)		\$ 500	\$ 800	\$ 1,100
Breaks (2 @ \$5 per person)		\$ 250	\$ 400	\$ 550
Registration (tax receipts, mailing, etc)		\$ 125	\$ 200	\$ 275
Workshop Materials				
Folders (\$2 per person)		\$ 50	\$ 80	\$ 110
Presentation Handouts	\$ 250	\$ 400	\$ 550	
<b>Total Expenditures</b>		<b>\$ 3,775</b>	<b>\$ 4,600</b>	<b>\$ 5,425</b>
<b>Excess (deficiency) of Revenues Over Expenses</b>		<b>\$700</b>	<b>\$2,600</b>	<b>\$4,500</b>

Figure 8 - Forecast of Budget: Executive Forum

The sensitivity analysis looked at the impact of member versus non-member attendance (a member is defined as an EMBA student or alumni, or a member of CMA). Since the target audience is the member, this number should be greater than non-members. These values were estimated based upon the 2004 event attendance records.

Not considered in the analysis were those participants who would pay the cost-recovery price only. This includes EMBA-AA Chapter members, and EMBA faculty and staff. The number of attendees in 2005 is expected to be similar to that seen at the 2004 event.

The CMA and the Faculty of Business covered the 2004 event advertising costs. The CMA will be invited to participate in the 2005 event, and they will be approached and asked to cover some (or, at best, all) of the advertising costs.

A speaker price was included, but this may be negotiable. Although some speakers in the past have charged a fee, others have not, or elected to donate their fees to the EMBA Endowment Fund.

It is assumed volunteers will provide support before and during the event, for such activities as checking in guests, and producing the informational brochure. In return, these volunteers would be invited to attend the Executive Forum, free of charge.

### **6.3.3 *Other Events, Activities and Services***

There are other events that the EMBA-AA Chapter Executive Committee will run that are zero cost, and therefore there is no need to create a budget. One example is a “Meet the New Class” pub night. The Chapter will organize the events, and attendees cover their own costs.

There are other services that were at one time sponsored by the Chapter, but they have been suspended. These include newsletters, and the website. Feedback received from alumni showed members valued both of these activities. Their reintroduction is on hold until a source of funding can be identified.

## **6.4 Summary**

The financial picture of the EMBA-AA Chapter has been bleak in recent years. The 2003 Executive Committee made some difficult decisions to keep the Chapter viable, without relying on a Faculty of Business grant. This meant suspending some of the events and activities appreciated by the members. However, this was done with the understanding that the website and the newsletters would be reintroduced when there are finances available. It should also be noted that the events that were run, such as the Wine and Cheese and the Executive Forum, were successful financially (due in part from continued support by the EMBA Office and the Alumni Association) and organizationally: participation rates increased for all EMBA-AA Chapter events.

The EMBA-AA Chapter has started to apply fiduciary rigour to their planning of events and activities. This includes creating budgets, performing post-mortem event analysis, and ensuring all spending decisions (greater than \$20) are discussed at Board Meetings and voted upon by the Chapter Officers.

This rigour will help ensure financial responsibility is maintained. A second factor contributing to the Chapter’s success is the administrative support provided by the Alumni Association and the Faculty of Business. Without this assistance by the SFU EMBA Executive



Director and the Faculty of Business Alumni Affairs Officer, it is doubtful the EMBA-AA Chapter could continue to provide the same level of service to its members.

As long as these two factors are sustained, and financial support is received from the Alumni Association, it is believed the EMBA-AA Chapter can continue to provide two signature events and zero cost activities without additional financing.

## **7 STRATEGIC RECOMMENDATIONS AND CONCLUSIONS**

### **7.1 Introduction**

To determine how the EMBA Alumni Association Chapter add value to its members means considering a number of issues, as well as a number of options. Parallel organizations were studied, and an analysis of the competitive forces revealed what sources would have the most influence on the actions of the Chapter. This section provides a summary of the key issues faced by the EMBA-AA Chapter in its quest to provide value membership, ranked in order of importance. Following this will be a comprehensive presentation of the recommendations for the Chapter in order to address the issues.

### **7.2 Summary of Key Issues**

#### ***7.2.1 Communication with Alumni***

Even the best-planned activities will be unsuccessful if there is no alumni participation. The cancellation of the 2003 Pace of Change Forum due to insufficient attendance is a good example of this statement.

Without contact and feedback from alumni, the Executive Committee has no way of determining whether or not they are sponsoring the events and activities most valued by alumni. The Committee has used class representatives as one means of soliciting feedback, but this conduit of communication is not effective. Furthermore, the existing class reps do not represent the majority of alumni.

Also troubling is the lack of up-to-date and accurate contact information at the University. Assuming that the present software issues limiting access to alumni contact information is temporary, the belief held by the EMBA-AA Chapter Board of Directors is that personal alumni information is not accurate. This statement could be validated in part by looking at the number of EMBA alumni contacted during the Fall Fundraising Campaign versus the total number of EMBA alumni.

#### ***7.2.2 Maximizing Value to Alumni***

The first issue is how to take existing events and activities and further enhance them, ensuring alumni are experiencing maximum value. This could be with respect to logistical issues such as timing, frequency, and duration. It could also relate to area of focus: for instance, making

the EMBA Alumni Wine and Cheese event a more structured networking opportunity. Focus could also relate to the target customer, and determining who this is (such as a certain demographic within the EMBA alumni group, or looking at a larger target customer such as any SFU Business graduate student) can change how events are planned, organized and executed. The second phase of the analysis to maximize event and activity value would be to do the same exercise to determine what new events, activities and services the EMBA-AA Chapter can provide for their members.

Maximizing value to alumni can also be extended to increasing the equity of an Executive MBA degree. There are multiple benefits if this occurs. As the perceived value of a SFU EMBA degree increases, the number of qualified, talented applicants also increases. It can also increase the marketability of the alumni if this value perception is extended to the business community. The profile of EMBA professors could also be positively impacted, which is especially beneficial for those staff involved in external contracts (for instance, those Associate and Affiliate members of the SFU Learning Strategies Group).

### *7.2.3 The Relationship with Other SFU Business Alumni Chapters*

Opening in the fall of 2005, the new Segal School of Business will be the home of the amalgamated Faculty of Business. Housing the staff and faculty of all graduate and post-graduate business programs, this move provides a number of new networking and learning opportunities, but also raises the question as to how the Alumni Association Business Chapters will relate to one another.

Up until this time, the various Chapters had limited contact with each other and limited crossover of events for members. For instance, the Specialist MBA Alumni pub nights attracted SMBA alumni, while the EMBA Alumni Wine and Cheese was open to EMBA alumni and guests. The Board of Directors of the various Chapters were probably the most likely to interact. One reason as to why this was the case can be illustrated from a comment made by a past EMBA-AA Chapter President on why there was not more cross-degree alumni interaction: “we don’t have anything in common with Business Undergrads” (Gibeau, personal communication, April 30, 2004).

Although in general the Chapters had similar goals, each worked with different structure and actions in order to meet the needs of their alumni. This fact will be considered when recommendations are made, along with an understanding of the point of view of perhaps some business alumni as to the uniqueness of their Alumni Association Chapter.

#### ***7.2.4 The Internal Organizational Structure***

The events, activities and services are planned, organized and executed by the EMBA-AA Chapter Board of Directors. Each member of the Board was expected to champion an event or activity initiative, owning the event and receiving support from other Board members. This format is successful for two main reasons. One, the person appointed as Champion can make decisions on event planning and logistics without waiting for a Board meeting or consensus. This is because the main questions about events (especially what events will be run and the goals) have already been discussed among the Executive. The role of the Champion is to fill in the detail to ensure the events run smoothly. Second, having a Champion reporting on event status means monthly Chapter meetings can focus on discussing decisions that require full Board input, such as what future events will be run.

The framework for this structure is in place, but there are factors that limit its efficiency. One is the role of the President. The EMBA-AA Chapter Charter does mention what are the expectations of President. Furthermore, each Board of Directors builds a value or mission statement for the chapter in the flavour of the goals established in the Constitution. However, the personality and vision of the President has seen to influence what events the Chapter will focus on, and can especially influence the relationship of the EMBA-AA Chapter Executive Committee with the external partners.

A second factor is that there have been new members invited to and appointed to the EMBA-AA Chapter Board of Directors. These members include Presidents of other Business Alumni Association Chapters, as well as SFU staff members. Their input has been both valuable and appreciated, but the question could be asked how effective are they in their roles, and if changes to the internal organizational structure could increase their effectiveness on, and their relationship with, the EMBA-AA Chapter Board of Directors.

A final factor would be to look at how the event Chairperson (and Board of Director members) is chosen. Right now, members volunteer to run activities. Although this ensures the people who champion events are perhaps more passionate about and committed to their tasks than if they were appointed, it does raise the possibility for a mismatch between what a chairperson likes to do, and what skills or value they could contribute. Any recommendations in this area in particular will have to balance what might be best for the EMBA-AA Chapter while maintaining the passion of the volunteers.

### **7.3 Recommendations**

The following strategic recommendations are written in response to the issues faced by the EMBA-AA Chapter – how to best communicate with alumni, how to best maximize the value alumni extract from the various events and activities, what could be the future relationship between the EMBA-AA Chapter and other SFU business alumni chapters, and recommendations on changes to the internal organizational structure of the Chapter. The recommendations are written in terms of importance; those with higher priority are listed first.

### ***7.3.1 Ownership and External Audit of Existing Contact Information***

The contact information presently used by the EMBA-AA Chapter (and the Faculty of Business) comes from the main database at Simon Fraser University. Recent software upgrades have limited what information can be extracted in a timely manner (as example, no data on alumni donation for 2002 and 2003 was available from the Alumni Association Office during the time of this project authorship). Coupled with this is a stringent interpretation of the British Columbia Freedom of Information and Protection of Privacy Act by SFU (for instance, contact information on alumni will not be distributed, even to other alumni, unless approved by the graduate being contacted). Finally, it is known that not all information in the database is up-to-date. A recent audit of mail-outs from the EMBA Office to the EMBA-AA Chapter Board of Directors showed not all members were receiving information.

All of these issues means information exchange is often slow. This affects alumni because information on events and activities is not reaching the graduates quickly enough. It also means that alumni cannot be contacted to provide information on what events, activities and services they would value. This twofold circumstance affects both those alumni who do value coming to events but do not hear about them, as well as those who would perhaps provide feedback on what sorts of events they would come to but do not communicate with the Chapter. This last point is important, since the EMBA-AA Chapter Executive Committee should not, and cannot, assume that alumni will contact them to tell the Chapter what they would like to see. Alumni are exposed to a large number of local substitute activities and events, and unless they are already active in the alumni association, it is doubtful they would have the incentive to ask the EMBA-AA Chapter to provide even more activities.

Representatives from the SFU Alumni Association, Faculty of Business and the EMBA-AA Chapter are aware, and concerned, about this issue of poor or missing graduate contact information. All three parties have a vested interest in keeping communication with alumni.

What is missing is a department or individual to champion the effort of checking and owning the existing database.

In the past, the EMBA-AA Chapter maintained ownership of the EMBA alumni contact information, in the form of the contact booklet. Again, the British Columbia Freedom of Information and Protection of Privacy Act means publication and distribution of the booklet may not be possible. Even if this was not the case, the EMBA-AA Chapter should not own or maintain the information. A centralized database does already exist, and having the Chapter spend human and capital resources maintaining this list is redundant. The SFU Alumni Association should be the source of all contact information for the EMBA-AA Chapter. They would realize the most benefit from ensuring the list is correct – that benefit being donations to the University. The reason this is not done (outside of the software issues as previously discussed) is perhaps due to limited existing human resources to perform this task of cross checking and updating information (it would mean another project would be delayed), or limited financial resources to hire an individual for this project.

Since the SFU Office of Alumni Affairs is responsible for ownership and maintenance of alumni contact data, the EMBA-AA Chapter should focus on influencing the University to improve the contact information.

The first recommendation is that the EMBA-AA Chapter can check the accuracy of its existing network. The EMBA-AA Chapter maintains a contact list for its Class Representatives. They in turn have contact information on alumni from their cohort. The EMBA-AA Chapter Board of Directors and the Class Representatives can ask alumni for their current contact information, and obtain permission to share this with the University. This up-to-date information can be compared to the records maintained at the University.

The EMBA-AA Chapter Board of Directors should also talk to representatives in the Alumni Affairs Office and the Faculty of Business, and present a business case for why the contact information needs to be improved. Each one of these organizations may have a different reason for wanting to maintain contact with alumni. However the EMBA-AA Chapter Board of Directors could offer a complete and compelling business case for improving the existing records that satisfies everyone's needs.

Presently, the EMBA-AA Chapter is limited in how many alumni it can contact because of a bad system. Repairing the data would allow is for the EMBA-AA Chapter Board of Directors to focus on their core activities of planning, organizing and delivering valued-added

alumni activities and events. Maintaining contact information is not one of the Chapter's core competencies, nor should it be.

### ***7.3.2 Increased Use and Participation of Class Representatives***

Class representatives are one of the best ways the EMBA-AA Chapter can connect to alumni cohorts. They are the tie between the alumni and the association. However, contact with the existing class representatives is fairly limited, usually consisting of periodic communication with the EMBA-AA Chapter President. The number of class representatives is also only a fractional representation of the total number of EMBA alumni. Although this may be due in part to lack of contact information on cohorts from twenty and thirty years ago, the fact remains that there are only sixteen class representatives, and of those, four are on the EMBA-AA Chapter Board of Directors. If the Chapter wants to increase participation at events, the number of class representatives must be increased.

Campaigning for Class Representatives means more than having a member sign up. They must be actively committed to their role of communicating with their classes, and promoting the various events and activities. It is unknown how effective the Representatives are at their roles, but the fact that no Class Representatives (other than those from the EMBA-AA Chapter Board of Directors) attended the 2004 Executive Forum may be an indication that there is room for improvement.

The existing method of recruiting Class Representatives is by word of mouth; specifically, Board of Director members ask people they know whether or not they wish to be a Class Representative. They are provided a letter from the EMBA-AA Chapter President on what is expected of them as Class Representative. After this, the President and the Class Representative Champion maintains periodic contact with the Class Representatives.

The first recommendation is that the Board of Directors reviews what is expected of Class Representatives. As stated above, this includes communication with their classes, but in such a way that they are representing the EMBA-AA Chapter. Otherwise, the messages the Representatives pass on to their classmates may be seen as simply a forwarded e-mail. They should also have a full understanding of the events they are promoting, in case their classmates have questions about the activities. They should also be willing to talk to their classes to solicit feedback on what sorts of events they wish to see hosted by the EMBA-AA Chapter. Without that feedback, the Chapter cannot ensure they are providing value to their members.

The EMBA-AA Chapter Board must also recognize the Class Representatives might need further incentive to take on their role. Not all alumni have the same passion for volunteering as the EMBA-AA Chapter Executive Committee. This incentive could come in the form of reduced (or gratis) entrance at the events they are promoting, perhaps dependent upon the number of attending alumni that comment on the referral from the class representative. Other incentives could come in the form of gifts or certificate recognition, which would be contingent upon finding funds to pay for these perks.

Once this outline is drafted, the next recommendation is that the Chapter Board makes a calling campaign to solicit more Class Representatives. It is suggested that this campaign include the recruitment of Representatives from at least the second year class, and perhaps the first, depending on student interest. Soliciting volunteers from the class is consistent with the Chapter's mission of participation. This would establish a relationship between the class and the alumni group that will only be strengthened going forward.

Following this, the EMBA-AA Chapter President and Class Representative Champion should meet with new and existing Class Representatives to provide an update of the activities of the Chapter, review the relationship the Chapter Board of Directors has with the Class Representatives, and develop a common understanding of roles and responsibilities. This meeting is important in order to establish the relationship, as well as initiate a means of two-way communication with the group.

### ***7.3.3 Participate in Executive MBA Strategy Sessions***

SFU's Faculty of Business makes changes to the EMBA program in response to market forces. These changes influence who applies for a SFU EMBA, ultimately impacting the student profile, and eventually the alumni profile.

Changes to the EMBA program can also impact the operational strategy of the SFU EMBA-AA Chapter. For example, there is no 2004 weeknight EMBA cohort. This impacted the Alumni Wine and Cheese event funding, because money that was usually spent by the Faculty of Business on a NEMBA dinner was redirected to the Wine and Cheese event. The SFU EMBA-AA Chapter Executive Committee had to determine an alternate source of partial funding for the event.

The SFU EMBA-AA Chapter offers alumni events and activities that interest their members. Therefore, they must understand not only the needs of present members, but also how the changing student (and ultimately alumni) profile will change their strategy. Secondly, alumni



are interested in events such as the Executive Forum to continue their business learning. They participate in the Executive Forum for reasons similar to why they pursued an MBA. The objectives of SFU EMBA-AA Chapter events such as the Executive Forum and the MBA program are similar. Both provide their members a means to educate themselves, and establish a pattern of life-long learning. It could therefore be assumed that changes to the EMBA program to meet these goals would be reflected in changes to the SFU EMBA-AA Chapter events and activities. For these reasons, it is recommended that any strategic decision made at the general MBA level take into consideration the impact on alumni.

This consideration is already being performed in part by the Executive Director of the EMBA program. She provides program updates at SFU EMBA-AA Chapter meetings. The recommendation going forward is that the Executive Director takes the feedback from the SFU EMBA-AA Chapter Executive Committee into consideration, and provides this feedback to the Faculty of Business.

It is further recommended that the SFU EMBA-AA Chapter be used to identify alumni that could be used as advisors to Simon Fraser and the various MBA programs on how to update the MBA. This could resemble the committee that is used by University of Calgary's Haskayne School of Business. There are many notable alumni with strong business contacts and influential positions that could advise the Faculty of Business on how to keep the EMBA program competitive.

This recommendation is beneficial for all stakeholders. The SFU EMBA-AA Chapter would continue to be kept informed about program changes, and adapt their events and activities to accommodate those changes. Alumni would see the value of their SFU MBA increase, as the program reputation is maintained. The Faculty of Business would receive comments and suggestions from alumni on positive changes to the EMBA program.

#### ***7.3.4 Highlight the Value-Added Components of Events and Activities***

There is not one type of EMBA Alumni. Therefore, there is no one single event that all alumni would appreciate and attend. It is important that the EMBA-AA Chapter is responsible for determining what events and activities they offer. EMBA Alumni will then influence the *quality* of events, which enhances their value.

#### *7.3.4.1 The Executive Forum Event*

One way in which the Board of Directors can enhance value to their alumni is by highlighting the value-added differences between the Executive Forum and other like events. Any changes to the Executive Forum event should be consistent with the feedback provided by alumni at the 2004 event. For instance, attendees liked the panel format, which highlighted three speakers. The EMBA-AA Chapter Executive Committee should maintain and enhance those aspects that alumni valued. The EMBA-AA Chapter could invite engaging, well-known and knowledgeable faculty and alumni to speak. SFU Business Alumni and Staff, such as MOT professors, can also be invited to speak at future engagements.

In 2003, the Executive Forum was cancelled due to a marketing failure. To ensure this does not re-occur, the event can be effectively marketed to alumni and past attendees through use of class representatives and other low-cost communication methods, such as e-mail. Marketing to other associations is also recommended by showing the value that the Executive Forum would have to their members by enhancing their education. Marketing to non-EMBA SFU Business Alumni is recommended for the same reasons why EMBA alumni should be contacted.

#### *7.3.4.2 Promote EMBA Electives to Alumni*

The Director of Business Development at SFU believed MBA alumni would not be more interested in taking specialized business courses. Alumni may not be interested in supplementing their core business courses (such as Economics or Finance), but they may be interested in taking the electives presently offered in the EMBA program. One advantage of promoting electives to alumni could be a better guarantee that minimum enrolment for the courses would be reached. In the summer of 2004, one elective (“Leadership and Group Development”) was cancelled due to low enrolment. This same elective was held successfully in the summer of 2003, due in a large part because of the number of alumni taking the course (all but five students were alumni). With the cessation of the NEMBA cohort in fall of 2004, the Faculty of Business should see its alumni population as an important and growing resource to ensure a good breadth of electives.

The EMBA-AA Chapter can support this initiative is by promoting the electives to alumni. One suggestion is for the EMBA-AA Chapter Board of Directors to contact alumni that have taken electives for feedback. These testimonials can be posted on the Faculty of Business or EMBA website. Testimonials would reduce information asymmetry for prospective alumni that are considering taking an elective at SFU.

Promoting electives to alumni could also be done at EMBA-AA Chapter events, such as the Executive Forum. Of course, promotion cannot be done until current students have chosen their electives. The benefit of using the Executive Forum event to promote electives to alumni is that the Executive Forum topics are similar to some of the EMBA summer electives. This means the attendees at the Executive Forum would likely be interested in the electives. A second benefit would be realized if a speaker at the Executive Forum is also teaching an elective in the summer. The Executive Forum would provide a preview of what alumni can expect from the professor, further reducing information asymmetry.

#### *7.3.4.3 New Events to Consider*

The Executive Committee said it is reasonable to assume that different alumni have different needs. Rather than changing established or signature events, the Chapter could consider sponsoring something different. One suggestion is to ask alumni interest in a more formal networking event. One new event could be alumni with a desire to provide project advice, mixing with students that are looking for a final project mentor. Another may be a casual career fair, with established alumni with a business need mixing with recent graduates or alumni seeking a career change. However, with every new event comes the need for more organization and time from an already busy Board of Directors.

This time commitment is even more of a factor if the Executive Committee is considering organizing pure social events. There is no doubt that some alumni would appreciate these activities. What needs to be agreed is that the amount of work involved is in direct proportion to how much it serves the mission of the EMBA-AA Chapter. One idea suggested by the present board is setting up a Whistler Ski Weekend for all cohorts. If this involves simply setting up a hotel and booking a restaurant for dinner, with the understanding that alumni pay (high variable cost, zero fixed cost), there is less need to have the activity tie strongly to the mission statement, as long as there are people willing to organize. Once there is a significant amount of time or money spent, there should be consensus or approval by the Board of Directors that they do serve the alumni and the Chapter, and justify asking for more involvement by Board members.

Both Queen's and Ivey School of Business Vancouver Alumni Association Chapters have expressed interest in holding joint events. At first glance, this may not be in the best interest of SFU EMBA alumni. It would reduce the uniqueness of SFU activities, and events could start to resemble Vancouver Board of Trade events, and being SFU EMBA alumni does not bring any

value. Joint events could also have a negative trickle-down effect on new applicants. For instance, if a strong SFU Alumni Association Chapter becomes a strong selling point for new applicants, would joint activities dilute that value?

However, involvement in joint events does meet the EMBA Chapter mission statement on all three fronts: show people value in their membership within the alumni community by creating meaningful networking opportunities, improve the overall brand equity in SFU's Business School and mobilize alumni to be more involved with their alma mater. This would be especially true if the EMBA-AA Chapter continues to hold their signature events and extends invitations to non-SFU Business alumni. Simon Fraser University would be associated with other good Canadian business schools, and provide a forum such that alumni can interact with the best MBA students throughout Canada, not just SFU. A second advantage is the potential improvement of the quantity and quality of events. Ivey holds regular informal social networking events, while Queen's has three strong speaker events per year. This would improve the financial outlook for all Chapters through economies of scale. Furthermore, establishing non-partisan subcommittees to organize and plan events increases the number of active participants. By improving the quantity and quality of activities, the Chapters could also see increased participation, ideally by those alumni that have not previously attended events.

The potential benefits might also include the creation of national events and activities. For instance, SFU EMBA alumni may be interested in an electronic information hub for continual learning. Harvard offers something similar in its on-line update seminars. The SFU EMBA-AA Chapter is too small to support this initiative, both from a financial perspective, and a membership perspective. However, if a number of business Alumni Associations shared the efforts of making this enterprise work, all alumni would benefit, with fractional cost borne by individual Alumni Association Chapters.

### ***7.3.5 Outsource or Reduce Non-Core Services***

One way to reduce the amount of time and money the EMBA-AA Chapter spends on secondary activities is to outsource them. Website ownership and maintenance is a good example of a task that would be better managed by an external partner. It is recommended in this case that the Faculty of Business be that partner.

The benefit to the EMBA-AA Chapter is similar to that mentioned in section 7.3.1. The Chapter can continue to concentrate on those tasks that truly add value to their members. The Website is simply a communication tool that does not need to be owned by the Chapter. The

Faculty of Business could look to the Chapter for direction on content, but once this is established, the role focuses on long-term maintenance of the site. The Faculty could perhaps use the same Webmaster that controls the SFU site, and someone familiar with the policies and procedures of the University (due to recent changes in the Freedom of Information act).

The EMBA-AA Chapter can make this happen by communicating the benefits of newsletter and website ownership to the Dean of the Faculty of Business. For instance, the Faculty of Business can benefit from owning the EMBA website as another way of connecting with alumni. The Faculty of Business could also ensure that the structure and format is consistent with the school branding image, which may be an issue knowing there are a number of Business Alumni websites in use. A similar case can be made by the EMBA-AA Chapter for Faculty of Business ownership of the EMBA newsletter, which, when dissected, is another communication tool. The EMBA-AA Chapter Board of Directors would make it clear that the Faculty of Business is not responsible for newsletter content. Instead, the Faculty would produce and distribute the newsletter. To minimize cost, the EMBA-AA Chapter should suggest that distribution could be done in parallel with other alumni information mailings. This would minimize the number of newsletters that were distributed, but would ensure they are produced and mailed at a minimum cost.

The EMBA-AA Chapter should also look at their events to see where costs could be cut. One of the strengths of the Vancouver Board of Trade is their ability to keep their costs down while offering events that attract enough people to ensure cost recovery. The SFU Executive Forum saw the majority of fixed costs spent on advertising, and variable went into food. There may be real opportunities to cut especially the latter costs by pairing responsibility with external parties (the Faculty of Business and / or the Alumni Association); for instance, support could be in the form of funding mail-outs to alumni. Also, non-cost advertising may be considered, such as relying on class representatives to bring in their cohort members, and returning their work with free entry if they can get a certain number of alumni to attend. When looking at the food costs, there is little flexibility with who is the caterer. However, there may be an opportunity to negotiate a special food rate. Any reduction in costs can be passed back to alumni as a membership perk, or to all participants. Another exercise would be to see if the Executive Forum attendees saw value in having both breakfast and lunch provided. Perhaps one does not need to be available. The answer to this final question can be determined when communicating with alumni contacts (class representatives and past attendees) before the costs and services are established for the 2005 Executive Forum.

### ***7.3.6 Expand Event Support and Participation***

The various alumni cohorts run their own events. Examples include regular Steamworks pub nights, and golf tournaments. It is recommended that the Chapter, rather than thinking they perhaps need to compete against these events, instead support them. For instance, the EMBA-AA Chapter could advertise these informal get-togethers on the website. It could also solicit photographs of past events to post in their newsletter or website. Another way would be to have regularly scheduled informal events with zero fixed cost. The Ivey School of Business BC Chapter has set their Steamworks pub night on a certain day of the month, which is open to all students and alumni. There may be cohorts and classes that do not have a chance to get together and socialize, and the EMBA-AA Chapter could establish a means to ensure networking does occur.

IAABC also opens their alumni activities up to all students and graduates, regardless of specialization. The EMBA-AA Chapter may want to consider a similar option, and invite those students and alumni from the Specialist MBA and Management of Technology programs. The advantage of this would be to increase informal connections between SFU students and alumni – something that will be occurring formally in 2005 with the opening of the Segal School of Business. The disadvantage is that people who are most interested in the social part of this activity, who may see the most value by having smaller, more intimate meetings with their cohorts, would not want to open these meeting up to include others. Since the SMBA already have this sort of set meeting time established, perhaps one solution is for the EMBA-AA Chapter to ask about inclusion in their event, rather than starting their own. This way, EMBA attendees would be those who value the social interaction with SFU Business students and alumni, and can have this event in addition to (rather than a replacement of) any EMBA-sponsored or cohort-sponsored events.

### ***7.3.7 Creation of a SFU Business Alumni Association Chapter***

Bringing all of SFU Business into one physical location – the Segal School of Business - will increase contact and networking between students, alumni, faculty and staff. Tacit knowledge sharing will be facilitated because of the proximity. Also, visibility of the many Alumni Association Chapters (including potential interaction between the various Boards and alumni) will be increased. These points suggest that Business Alumni Association Chapters might want to consider merging into one group. This would have the effect of reducing the

overhead administrative burden of working on multiple projects, but also increase participation at individual events since a larger pool of alumni would be contacted – one of the measurable goals of the EMBA-AA Chapter. Combining the groups has the added advantage of creating more networking opportunities across the Business disciplines, which is a stated goal of all active chapters. It could also increase participation at events for those chapters who find it difficult to reach critical mass at their events, and are forced to consider smaller low-cost activities for their alumni.

There are two potential disadvantages to a merger. First are the differences between the groups – with respect to alumni demographics (graduates and undergraduates; age of recent alumni) and academic or professional background. As mentioned, a past EMBA-AA Chapter President is quoted as saying, “they aren’t like us” (Gibeau, personal communication, April 30, 2004), referring to the type of student that is attracted to a non-EMBA program. This raises the possibility that the individual chapters perceive themselves as unique, and would participate in Chapter events, rather than general Business alumni events.

The way that SFU-AA allocates funds to chapters may also reduce the overall desire to merge. The present guidelines for funding allows for \$2,000 of annual financial support per chapter. This assumes a maximum turnout of 150 alumni, and is divided into \$500 for fixed costs (including marketing, mailing, printing), and \$1500 for variable costs (\$10 per alumni for food and beverages). The three active Business alumni chapter groups could request and potentially receive separate grants, while as a single entity, it would only be eligible for \$2,000.

These arguments can be countered by further benefits. First, it is true that alumni graduate from different programs. However, as alumni obtain business experience, it is more likely the groups become more homogeneous in their profile and professional interests. Educational activities such as a speaker series or Executive Forum would be attractive to all Business Alumni. By advertising and promoting events to all SFU Business Alumni, this would either increase the number of participants or allow a greater fee to be charged, creating greater profit margins.

A merger into one Faculty of Business Alumni Association does not necessarily mean funding from the alumni association will decrease. Even if the chapters merged, the programs could still sponsor signature events and request individual funding from the alumni association. Another alternative is the different AA Chapters could determine what activities would never occur without a merger, and evaluate if these events would bring in more value than what is lost by potentially reduced alumni association funding. One example would be the joint Alumni

Association and EMBA-AA Chapter AGM. The increase in alumni participation at both meetings would not have been possible without the merger of these two events.

It is recommended that the Faculty of Business take a role in this initiative, but it should be driven by the one individual who has been involved with all Chapters since the creation of her role: the Business Alumni Affairs Officer. Workload can be reduced with the understanding that the various Chapters should continue to play an active support role (especially the EMBA Chapter, which is the most active and organized Business Alumni Chapter). Having one Champion means consistency can be maintained regardless of individual Board membership (terms expire, and new members are added or depart). This individual can also ensure the amalgamated Chapter is running activities and events that are in the best interest of all of the alumni, as well as the Faculty of Business itself. This reduces the possibility that events are operated in the best interest of a certain program, rather than for the school as a whole.

### ***7.3.8 Formalization of Roles and Responsibilities***

As previously mentioned, there must be recommendations that ensure a strong and positive relationship is maintained between the EMBA-AA Chapter and its two partners, the Faculty of Business and the Alumni Affairs office. One way would be for both the Chapter Board President to work with the Officer of Alumni Affairs to discuss and draft her role and objectives with respect to the EMBA Alumni Association Chapter.

The President can work with the Officer of Alumni Affairs to develop her objectives with respect to the Alumni Association Chapter. This would create measurable performance targets for the Officer of Alumni Affairs, and determine which of the Officer's activities provide the greatest value for the EMBA-AA Chapter. This should not suggest that the Chapter President would manage her work. Rather, it ensures the Officer of Alumni Affairs is working in service of the EMBA-AA Chapter BOD. For instance, she could easily support the SFUEMBA website by providing passwords for alumni. The corollary would also be true, in that she would stop working on those activities that provide less value for the Alumni Association Chapters. One example of this was Anne's involvement in the BBA Banquet. Although her help was undoubtedly appreciated, the EMBA-AA Chapter Board President wonders why she, in her Alumni Affairs role, was involved in the event.

Another way in which the Officer of Alumni Affairs can help the Chapter is due to her role as a non-rotating member of the Board of Directors. She can provide appropriate documents to new members (for instance, a welcome package that would contain contact information, role



definitions as discussed, previous minutes, etc), and maintain legacy documents such as the Constitution and past EMBA-AA Chapter minutes.

The roles of the MOT and SMBA ex-officio Board members should also be defined. This will become critical if the EMBA-AA Chapter Board decides to recommend a merger of Alumni Association Chapters to its members. Comments and suggestions from Patrick Liem, Officer on the SMBA-AA Chapter Board of Directors, have been welcomed by the EMBA-AA Chapter Board of Directors, and it is believed his suggestions will help strengthen events overall. This sort of involvement could be encouraged and enriched by better defining what is the present and future role of these Chapter presidents. Furthermore, it should be investigated whether or not the Board of Directors wants to consider inviting a member of the BBA class or alumni on to the Board of Directors in similar ex-officio roles. These members could provide as meaningful a role as the present MOT and SMBA guests.

Finally, the EMBA-AA Chapter Executive Committee should consider inviting present EMBA students as ex-officio Board of Director members. Involvement of students would probably be limited due to their workload, but by including their involvement in Board activities, they can provide a conduit between the classes and the alumni association. This should not reduce the involvement of the EMBA-AA Chapter President in connecting with the classes. Instead, it acts as one more way in which students and alumni can connect.

### ***7.3.9 Strengthen Relationship between the Faculty of Business and Alumni***

Due to potential changes to the quantity or quality of MBA programs and applicants, the EMBA-AA Chapter Executive Committee may want to ask itself if it can provide additional value to the Faculty of Business. Over the past two terms the Chapter Executive Committee has strengthened its relationship with the Faculty of Business and Alumni Association by promoting staff involvement in their Board Meetings, and welcoming support in the planning and marketing of alumni activities. The Executive Director has also mentioned she relies on alumni to identify future potential students, and that over half of applicants to the EMBA program use alumni as references. What should be answered is if changes in the competitive external market will change the structure or processes of the EMBA-AA Chapter Executive Committee.

The Faculty of Business sees alumni as one resource to attract prospective EMBA students. This includes word of mouth about the program (for instance, alumni involvement on EMBA panel information sessions) and direct alumni referrals of applicants. The EMBA-AA Chapter can best deliver this value by concentrating on those activities that add the most value to

alumni, thereby increasing the likelihood that graduates will want to remain an active promoter of both Simon Fraser University, and the Executive MBA program.

Much of this project analysis focuses on how the EMBA-AA Chapter can maximize the value it provides to its members. However, by enhancing the value it provides to the Faculty of Business, this can have the residual effect of increasing the profile of both the EMBA program and the school: one of the EMBA-AA Chapter's value statements. In the end, an increase in program profile does provide value to alumni by making a SFU degree worth more in the market.

Recommendations can be made to strengthen the relationship between the Faculty of Business and the Alumni, as facilitated by the EMBA-AA Chapter. First, alumni referrals of good program candidates can be done using a referral recognition program. A similar tactic is used by organizations during recruitment campaigns. Alumni that are recognized as bringing in good talent into the SFU EMBA program could be eligible for a variety of rewards – from gifts, to recognition at EMBA-AA Chapter events. Other ways of increasing use of alumni is to use testimonials or photographs in the EMBA marketing campaign. In both scenarios, the EMBA-AA Chapter can facilitate these actions by use of Class Representatives to communicate how alumni can help support recruitment drives, and use the events and activities as a platform to announce the campaigns.

A second use of alumni would be greater involvement in the Learning Strategies Group. The Learning Strategies Group (LSG) is a division of the Business faculty, and provides educational programs and consulting services to external clients. LSG has a competitive advantage over most consulting companies, in that it combines research, academic theory and practical experience to deliver courses and business solutions to clients. Consulting companies that are not affiliated or a part of a University find this formula hard to duplicate. LSG can maintain its competitive advantage by using EMBA alumni. For instance, EMBA alumni can become advisors for LSG consultants, or EMBA alumni can be contracted as consultants for LSG. This would benefit LSG because the organization would maintain ties with the business community through the alumni. The EMBA-AA Chapter can help directly by connecting LSG with willing and talented alumni.

A third use, similar to above, is the use of alumni in the EMBA classroom. This has been done in the past (such as the two day marketing seminar in April 2003, hosted by a former EMBA alumnus). The advantage of using alumni instructors is that if their seminar improves the quality of the EMBA program, they also benefit because the overall quality of a SFU EMBA degree improves. Thus, they have a vested interest in creating and delivering a well appreciated

lecture rather than trying to sell a product or service – a criticism voiced by some attendees at Vancouver Board of Trade events.

#### **7.4 Conclusions**

This project has made strategic recommendations supporting the EMBA-AA Chapter's vision of creating networking opportunities for alumni, improving the brand equity in SFU's Business School, and increase participation in the alumni appeal and events.

The recommendations were made following analysis of the events and activities presently offered by the Chapter, research on a variety of different alumni associations and organizations, an industry analysis, a discussion of factors influencing enrolment in MBA programs, an investigation of the internal structure, and a presentation and forecast of Chapter financials.

The SFU EMBA-AA Chapter should focus on those events and activities that are valued by members, and that are differentiated from substitute products offered by non-University institutions. There is no one recommendation that can be made in order to ensure the EMBA-AA Chapter is maximizing its value proposition to its members. What is recommended is that the Board of Directors considers implementing the recommendations in the order presented. The first would be those actions to improve communication with alumni.

Most of these recommendations cannot be accomplished in isolation of strategic partners. The EMBA-AA Chapter must make a strong case to the Faculty of Business, EMBA Program and SFU Alumni Association for support in order to complete the recommended changes.

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