APPLICATION OF HULT INTERNATIONAL BUSINESS SCHOOL, INC. TO AWARD THE MASTER OF FINANCE AND MASTER OF INTERNATIONAL BUSINESS

MOVED: The Board hereby approves the application of Hult International Business School, Inc. to offer the Master of Finance and Master of International Business.

Authority: Massachusetts General Laws Chapter 69, Section 30 et seq.
Contact: Dr. Francesca Purcell, Associate Commissioner for Academic and P-16 Policy
INTENT

Hult International Business School, Inc., a New England Association of Schools and Colleges-accredited, independent institution located in Cambridge, Massachusetts, filed articles of amendment to offer a Master of Finance (M.Fin.) and Master of International Business (M.I.B.). Hult has current approval to offer in Massachusetts the one-year Master of Business Administration (M.B.A.). Hult’s petition to offer the two proposed programs in Boston—which are currently offered in its London location—is consistent with the institution’s global mission. Hult offers these degrees as well as the Master of Digital Marketing and post-graduate diplomas in several locations outside of Massachusetts including London, Shanghai, Dubai, and San Francisco.

The intent of the proposed M.I.B. program is to provide students new to the field of business a pedagogical foundation in international business as well as basic business skills and training. The proposed M.Fin. program is intended to leverage a student’s existing business training and knowledge and prepare them for employment in the global financial sector. Students entering the M.Fin. will be required to have an M.B.A. or a baccalaureate degree with a concentration in finance or economics and finance-related work experience. Students graduating from this program will be proficient in global trading, financial instruments, and portfolio management. Both proposed degrees target international students.

Despite the global recession and challenges in the financial sector, the demand for business education and the desire for specialization have remained relatively strong. Utilizing job growth projections of the U.S. Department of Labor, it is anticipated that the demand for professionals trained in business and finance will grow 10.4% between 2006 and 2016.

INSTITUTIONAL OVERVIEW

The institution was originally incorporated in Massachusetts as Arthur D. Little School of Management in 1997, as a division of the management consultancy of Arthur D. Little. The institution primarily focused on providing management training to employees of the firm’s clients. As the consultancy business declined, so did student enrollments. The support from Arthur D. Little ended in 2002, whereupon Kaplan, Inc. overtook financial backing of the institution, and the Board approved the institution’s request to change its name to the Concord School of Management and to re-title the degree of Master of Science in Management to the one-year academic degree of Master of Business Administration. It was Kaplan’s intent to turn the school into an online program. However, when accreditation approval for this plan was denied, Kaplan withdrew support. In 2003, the institution found a new benefactor, Bertil Hult, the founder of EF Education First. In the same year, the Board approved another name change of the institution to its current name of Hult International Business School, Inc.
The mission and purpose of Hult is to provide practical business education for international students. Under a services agreement with EF Colleges, Ltd. (the parent company of EF Education First, located in Switzerland), Hult is responsible for its own operation and control, its academic mission, its admissions decisions, and for the provision of educational services. Hult has an additional services agreement with Hult International Business School, Ltd., a recruiting company and subsidiary of EF Colleges, Ltd., which is responsible for world-wide marketing and promotion, and collection of student payments. Hult International Business School, Ltd. is the financial guarantor of Hult. The contract between the parties ensures a commitment from Hult International Business School, Ltd. to cover the costs that Hult incurs for the delivery of its educational services.

**ACADEMIC AND RELATED MATTERS**

*Admission Requirements*

The target audience for the new degree is non-U.S. students. For both proposed programs, applications will be accepted for the fall term only.

**M.I.B. Admission Criteria:**

- *B.A. degree from accredited university*
- *2.67 GPA or better*
- *Official transcripts*
- *2 Letters of recommendation*
- *Statement of purpose addressing professional goals and career objectives*
- *GMAT or GRE preferred*
- *TOEFL required unless degree is from English-speaking school*
- *Minimum age of 21 years old*

**M.Fin. Admission Criteria:**

- *M.B.A. degree or M.B.A. candidacy (completing the M.B.A. before matriculating into the program), B.A. in Finance or Economics with Finance Concentration and minimum of 3 years of finance-related experience*
- *3.0 Graduate GPA*
- *Minimum “B” grade in B.A. or M.B.A. Finance courses*
- *Official transcripts*
- *2 Letters of recommendation*
- *Statement of purpose addressing professional goals and career objective*
- *No GMAT required with M.B.A. from accredited school*
- *TOEFL required unless degree is from English-speaking school*
Projected Enrollments
Hult anticipates a first-year total enrollment of 100 additional full-time students for both proposed programs. Besides recruiting international students directly to the proposed M.Fin., Hult anticipates an internal demand for the program from its current M.B.A. students who are interested in finance specialization.

### Proposed M.Fin.

<table>
<thead>
<tr>
<th></th>
<th># of Students Year 1</th>
<th># of Students Year 2</th>
<th># of Students Year 3</th>
<th># of Students Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Full Time</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>65</td>
</tr>
</tbody>
</table>

### Proposed M.I.B.

<table>
<thead>
<tr>
<th></th>
<th># of Students Year 1</th>
<th># of Students Year 2</th>
<th># of Students Year 3</th>
<th># of Students Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Full Time</td>
<td>60</td>
<td>100</td>
<td>120</td>
<td>140</td>
</tr>
</tbody>
</table>

Current Tuition and Fee Charges
Current tuition and fees charges for the M.B.A. (57 credits) is $60,600. The proposed tuition and fees for both proposed programs (36 credits) is approximately half of this amount at $32,850.

Curriculum (Attachment A)
Both proposed programs will utilize Hult’s existing case method teaching style to deliver curricula. The M.I.B. program (36 credits) will be completed in 12 months over four modules. Assuming that M.I.B. students will have had little or no business experience and course work, the proposed program requires a three week term of prerequisites courses, entitled “the toolbox” consisting of 60 contact hours.

The M.Fin. is designed as a 12-month program to be completed over three modules (September through August) for a total of 36 credits. Current M.B.A. students would have the option of satisfying up to 12 required M.Fin. credits with M.B.A. courses.
RESOURCES

Faculty and Staff
Five current, full-time M.B.A. faculty will teach in one or both of the proposed programs. Two of these faculty members will act as student advisors for the proposed program: one for the proposed M.Fin. and the other for the proposed M.I.B..

The majority of the faculty will be comprised of adjuncts, many of whom hold full-time faculty appointments at other Boston-area institutions. Many faculty members also commit to teach at Hult’s other locations outside the United States. The program will be directed by current administrative staff.

Facilities and Library and Information Technologies
The program will be offered on the ground at Hult’s campus in Cambridge, Massachusetts. Both proposed programs will utilize existing library and information technology resources and facilities. Neither program will be offered online; however, students may have the opportunity to take courses at satellite campuses in London, China, San Francisco, and Dubai.

Fiscal (Attachment B)
Hult has detailed enrollment projection income and dedicated program expenses for the first four years of the programs.

EVALUATION

The proposed program was reviewed May 16-18, 2010 by a visiting committee comprised of faculty members Robert M. Brown, R. B. Pamplin Professor and Department Head, Department of Accounting and Information Systems, Virginia Polytechnic Institute and State University; Sue Newell, Cammarata Professor of Management, Bentley University; and Ben S. Branch, Professor of Finance, University of Massachusetts Amherst. The committee made several suggestions for improvement within the areas of planning and evaluation, faculty, financial resources and the academic program. Because the proposed programs will be taught primarily by part-time instructors, the committee indicated potential challenges with developing effective oversight of the program which is necessary to ensure program quality. The committee asked for further clarification of academic oversight and program evaluation, and suggested increased reliance on full-time faculty, as well as further refinement of budgeting to reflect all resources necessary to mount the proposed programs. The design of the academic program of both programs was also a source of comment. The original proposal designed the M.Fin. as a six-month program; however, the committee advised the school to expand the program to 12-months to be consistent with the
discipline’s standards. Likewise, the committee felt that the original design of the M.I.B. toolbox was not reflective of the needs of the proposed population of students because it was crafted after the M.B.A. toolbox. The M.B.A. student pool is more experienced than the target M.I.B. population. The school responded appropriately to the committee’s report. For example, the M.I.B. toolbox was redesigned for younger and less experienced students and the proposed M.Fin. is now designed as a 12-month program. Faculty oversight, methods of incorporating more full-time faculty, and program evaluation plans have been developed and clarified; and budgets for both programs have been refined. After reviewing the school’s response, the committee expressed that the college’s response was adequate in its intentions.

PUBLIC HEARING

The required public hearing was held on September 23, 2010 at the Department of Higher Education, located at One Ashburton Place in Boston, Massachusetts. No comment was offered in opposition to the proposed program.

STAFF ANALYSIS AND RECOMMENDATION

The staff has thoroughly evaluated all materials submitted by Hult International Business School, Inc. and finds that the proposal meets the requirements for NEASC-accredited institutions outlined in 610 CMR 2.08. Recommendation is for approval of the school’s petition to offer the Master of Finance and Master of International Business.
### ATTACHMENT A: CURRICULUM

Master of Finance Curriculum Outline

#### Required (Core) Courses in the Major (Total # core courses = 8)

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Title</th>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>MF 501</td>
<td>Ethical Practice in the Financial Sector</td>
<td>3</td>
</tr>
<tr>
<td>QTM 501</td>
<td>Quantitative Methods *</td>
<td>3</td>
</tr>
<tr>
<td>MF 502</td>
<td>Financial Institutions</td>
<td>3</td>
</tr>
<tr>
<td>MF 503</td>
<td>Corporate Finance*</td>
<td>3</td>
</tr>
<tr>
<td>MF 504</td>
<td>Capital Markets</td>
<td>3</td>
</tr>
<tr>
<td>MF 505</td>
<td>Analysis and Valuation</td>
<td>3</td>
</tr>
<tr>
<td>MF 506</td>
<td>Investment Management</td>
<td>3</td>
</tr>
<tr>
<td>MF 507</td>
<td>Global Trading Seminars</td>
<td>3</td>
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**Sub-total Required Credits** 24

#### Elective Courses (Total # electives = 4)

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Title</th>
<th>Credit Hours</th>
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</thead>
<tbody>
<tr>
<td>MF 508</td>
<td>Mergers and Acquisitions*</td>
<td>3</td>
</tr>
<tr>
<td>MF 509</td>
<td>Options, Futures, Derivatives*</td>
<td>3</td>
</tr>
<tr>
<td>MF 510</td>
<td>Alternative Investment Strategies</td>
<td>3</td>
</tr>
<tr>
<td>MF 511</td>
<td>Financial Economics</td>
<td>3</td>
</tr>
<tr>
<td>MF 512</td>
<td>Portfolio Management</td>
<td>3</td>
</tr>
<tr>
<td>MF 513</td>
<td>Real Estate Finance</td>
<td>3</td>
</tr>
<tr>
<td>MF 514</td>
<td>Internship</td>
<td>3 or 6</td>
</tr>
</tbody>
</table>

**Sub-total Elective Credits** 12

**Curriculum Summary**

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>Total number of courses required for the degree</td>
<td>12</td>
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<tr>
<td>Total credit hours required for degree</td>
<td>36</td>
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</table>

**Prerequisite, Concentration, Dissertation or Other Requirements:**

B.A./B.S. in Finance or Economics with Concentration in Finance, 3-years of related experience, M.B.A. or M.B.A. Candidacy

*Could be Waived with M.B.A. Course Credits*
## Master of International Business: Curriculum Outline

### Required (Core) Courses in the Major (Total # of core courses=11)

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Title</th>
<th>Credit Hours</th>
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<tbody>
<tr>
<td><strong>Toolbox</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TBX501</td>
<td>Basic Accounting and Finance</td>
<td>0</td>
</tr>
<tr>
<td>TBX502</td>
<td>Business Math</td>
<td>0</td>
</tr>
<tr>
<td>TBX503</td>
<td>Principles of Economics</td>
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</tr>
<tr>
<td>TBX504</td>
<td>Presentation and Team Building</td>
<td>0</td>
</tr>
<tr>
<td>TBX505</td>
<td>Case Methods</td>
<td>0</td>
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<tr>
<td><strong>Module A</strong></td>
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<td></td>
</tr>
<tr>
<td>M.I.B. 501</td>
<td>International Accounting</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 502</td>
<td>International finance</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 503</td>
<td>International Marketing</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 504</td>
<td>Global management</td>
<td>3</td>
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<tr>
<td><strong>Module B</strong></td>
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<td></td>
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<tr>
<td>M.I.B. 505</td>
<td>Global Operation</td>
<td>3</td>
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<tr>
<td>M.I.B. 506</td>
<td>Consulting Methods</td>
<td>1</td>
</tr>
<tr>
<td>M.I.B. 507</td>
<td>Project Management</td>
<td>1</td>
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<tr>
<td>M.I.B. 508</td>
<td>Global Citizenship</td>
<td>2</td>
</tr>
<tr>
<td>M.I.B. 509</td>
<td>IT for Business Managers</td>
<td>2</td>
</tr>
<tr>
<td>M.I.B. 510</td>
<td>Global Strategy</td>
<td>3</td>
</tr>
<tr>
<td><strong>Module D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.I.B. 511</td>
<td>Action Learning Project (ALP Capstone Course is a required course)</td>
<td>3</td>
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**Sub-total Required Credits** 27

### Elective Courses (Total # of electives=3)

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Elective Course</th>
<th>Credit Hours</th>
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</thead>
<tbody>
<tr>
<td>M.I.B. 512</td>
<td>Elective 1: Supply Chain Management</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 513</td>
<td>Elective 2: Negotiation</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 514</td>
<td>Elective 3: Service Operation</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 515</td>
<td>Elective 4: Management Practice</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 516</td>
<td>Elective 5: National Strategy and Global Economy</td>
<td>3</td>
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<tr>
<td><strong>Module D</strong></td>
<td>One course is required from Module D.</td>
<td></td>
</tr>
<tr>
<td>M.I.B. 517</td>
<td>Elective 6: Global Positioning Strategy</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 518</td>
<td>Elective 7: Real Estate Finance</td>
<td>3</td>
</tr>
<tr>
<td>M.I.B. 519</td>
<td>Elective 8: Management Communications</td>
<td>3</td>
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</tbody>
</table>

**Sub-total Elective Credits** 9

### Curriculum Summary

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Requirement Value</th>
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<tbody>
<tr>
<td>Total number of courses required for the degree</td>
<td>14</td>
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<tr>
<td>Total credit hours required for degree</td>
<td>36</td>
</tr>
</tbody>
</table>

### Prerequisite, Concentration, Dissertation or Other Requirements:

Bachelor’s degree or equivalent

Be 21 years or older
## ATTACHMENT B: BUDGET

### MIB Income/Expense

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entering Students</td>
<td>60</td>
<td>100</td>
<td>120</td>
<td>140</td>
</tr>
<tr>
<td>Cohorts</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Credit Hours Taught</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Application Fees*</td>
<td>282,000</td>
<td>470,000</td>
<td>564,000</td>
<td>658,000</td>
</tr>
<tr>
<td>Tuition Income†</td>
<td>1,830,000</td>
<td>3,050,000</td>
<td>3,660,000</td>
<td>4,270,000</td>
</tr>
<tr>
<td>Scholarships</td>
<td>-366,000</td>
<td>-610,000</td>
<td>-732,000</td>
<td>-854,000</td>
</tr>
<tr>
<td>Total Income</td>
<td>1,746,000</td>
<td>2,910,000</td>
<td>3,492,000</td>
<td>4,074,000</td>
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<tr>
<td>Administrative Staff</td>
<td>150,000</td>
<td>165,000</td>
<td>165,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Full-time Academic Staff</td>
<td>41,102</td>
<td>82,203</td>
<td>164,407</td>
<td>246,610</td>
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<tr>
<td>Adjunct faculty costs</td>
<td>405,000</td>
<td>780,000</td>
<td>630,000</td>
<td>885,000</td>
</tr>
<tr>
<td>Classroom rent</td>
<td>70,000</td>
<td>140,000</td>
<td>140,000</td>
<td>210,000</td>
</tr>
<tr>
<td>Career Services &amp; Student Event cost</td>
<td>55,000</td>
<td>60,500</td>
<td>66,550</td>
<td>73,205</td>
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<tr>
<td>Campus Management</td>
<td>220,000</td>
<td>220,000</td>
<td>220,000</td>
<td>220,000</td>
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<tr>
<td>Professional fees</td>
<td>42,000</td>
<td>42,000</td>
<td>42,000</td>
<td>42,000</td>
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<tr>
<td>Other office costs</td>
<td>41,000</td>
<td>45,100</td>
<td>49,610</td>
<td>54,571</td>
</tr>
<tr>
<td>Marketing, print, Web</td>
<td>450,000</td>
<td>750,000</td>
<td>900,000</td>
<td>1,050,000</td>
</tr>
<tr>
<td>Overhead</td>
<td>137,000</td>
<td>137,000</td>
<td>137,000</td>
<td>137,000</td>
</tr>
<tr>
<td>Total Expense</td>
<td>1,611,102</td>
<td>2,421,803</td>
<td>2,514,567</td>
<td>3,118,386</td>
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<tr>
<td>Profit/Loss</td>
<td>134,898</td>
<td>488,197</td>
<td>977,433</td>
<td>955,614</td>
</tr>
</tbody>
</table>

### Tuition Fee
- Fee: 30,500

### Number of full-time faculty
- 1

### Full-time faculty salary
- 129,600

### Number of MIB classes taught by full-time faculty
- 2

### Number of electives offered
- 6

### Average students/elective
- 30
### MFIN Income/Expense

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entering Students</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>65</td>
</tr>
<tr>
<td>Cohorts</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Credit Hours Taught</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Application Fees*</td>
<td>100,000</td>
<td>125,000</td>
<td>150,000</td>
<td>162,500</td>
</tr>
<tr>
<td>Tuition Income¹</td>
<td>1,220,000</td>
<td>1,525,000</td>
<td>1,830,000</td>
<td>1,982,500</td>
</tr>
<tr>
<td>Scholarships</td>
<td>-244,000</td>
<td>-305,000</td>
<td>-366,000</td>
<td>-396,500</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,076,000</td>
<td>1,345,000</td>
<td>1,614,000</td>
<td>1,748,500</td>
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<td>Administrative Staff</td>
<td>85,000</td>
<td>85,000</td>
<td>93,500</td>
<td>93,500</td>
</tr>
<tr>
<td>Full-time Academic Staff</td>
<td>-</td>
<td>41,102</td>
<td>82,203</td>
<td>123,305</td>
</tr>
<tr>
<td>Adjunct faculty costs</td>
<td>270,000</td>
<td>255,000</td>
<td>270,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Classroom rent</td>
<td>70,000</td>
<td>70,000</td>
<td>70,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Career Services &amp; Student Event cost</td>
<td>45,000</td>
<td>49,500</td>
<td>54,450</td>
<td>59,895</td>
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<tr>
<td>Campus Management</td>
<td>150,000</td>
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<td>150,000</td>
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<tr>
<td>Professional fees</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
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<tr>
<td>Other office costs</td>
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<td>33,275</td>
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<td>Marketing, print, Web</td>
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<td>Overhead</td>
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<td>90,000</td>
<td>90,000</td>
<td>90,000</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td>1,100,000</td>
<td>1,166,102</td>
<td>1,274,703</td>
<td>1,424,205</td>
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<tr>
<td>Profit/Loss</td>
<td>-24,000</td>
<td>178,898</td>
<td>339,297</td>
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<tr>
<td>Tuition Fee</td>
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<td>30,500</td>
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<tr>
<td>Number of full-time faculty</td>
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<td>Full-time faculty salary</td>
<td>129,600</td>
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<tr>
<td>Number of classes taught by full-time faculty</td>
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<tr>
<td>Number of electives offered</td>
<td>6</td>
<td>7</td>
<td>8</td>
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<tr>
<td>Average students/elective</td>
<td>20</td>
<td>21</td>
<td>23</td>
<td>20</td>
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