

Dean, MIT Sloan School of Management

Academic year 2004-2005 was marked by curriculum and program changes that attest to our continued commitment to innovation. In addition, this year marked a large step forward in the enhancement of the MIT Sloan brand and the creation of tools to evaluate and strengthen that brand across the global business community. As competition for the best students continues to grow, our investment in showing the world that we are the leader in innovative management theory and practice (our legacy of *mens et manus*) continues to be critical.

MIT Sloan Academic Program Updates

Undergraduate Minor. Much of AY2005 was spent in preparation for the launch of the undergraduate minor in fall 2005. The underlying objective of this six-subject offering is to provide MIT undergraduates with a basic understanding of the economic, managerial, and organizational contexts within which scientific and technical work takes place. Our goal is to begin the preparation of these extraordinary students for leadership roles in a variety of business and other organizations. A generous (and anonymous) gift will enable us to expand the MIT Sloan faculty so that the minor can be offered without reducing the teaching resources devoted to our existing programs

International Programs. MIT Sloan has been a pioneer in transforming management education on a global scale. In the early 1990s we began working with top universities in China, and the success of this model has been key to our success in China and to expanding into different countries. We recently established new collaborations in Korea and Mexico, and are hosting a faculty member from Africa. Not only do these collaborations enhance student and faculty knowledge of the global economy, they also promote MIT Sloan throughout the world

Other Initiatives

Marketing. The marketing initiative at MIT Sloan continues, as we wrapped up a project to give our publications a more coordinated look that complements our brand identity, conducted a baseline branding survey, commenced a brand tracking survey, and launched the MIT Sloan Marketing Council, comprised of “market-facing” staff, including representatives from the areas of admissions, alumni relations, corporate relations, resource development, marketing and communications, media relations, the MIT Sloan Fellows Program, executive education, career development, and the *MIT Sloan Management Review*.

Alumni Services Enhancements. We are stepping up our communication to keep alumni better informed and connected to the school and to each other. We completely redesigned the alumni website at <http://mitsloan.mit.edu/alumni/> and launched an all-new, more powerful, and easier to use alumni directory this year. In addition, we will debut a new alumni magazine in fall 2005, as part of a revamped alumni communications package that will include periodic print and email updates, and launch an all-MIT Sloan Convocation.

Building Project. The development of our new campus has also been progressing. Moore Ruble Yudell Architects & Planners and Sasaki Associates have finished concept design and schematic design and have worked on integrating the building engineering with architectural design. Development efforts on behalf of the new building continued throughout the year and we anticipate moving forward with the design in the coming months.

Richard Schmalensee
John C. Head III Dean
Professor of Management and Economics

More information about the MIT Sloan School of Management and its programs can be found online at <http://mitsloan.mit.edu/>.

Education

The MBA Program

The Year in Review

The MBA Program experienced organizational and leadership change in the AY2005. During the course of the year, the Admissions Office moved under the leadership of the executive director of marketing; Student Affairs and Career Development remained with the MBA Program under the leadership of the executive director. The program starts AY2006 under the leadership of a new executive director with a proven track record of service to MIT and the MIT Sloan School.

The MBA program also graduated its largest class ever in 2005, with 30 students over its normal target. This year, there were no major incidents of student discontent as in recent years (e.g., dissatisfaction with the alcohol policy or with curriculum redesign process and outcomes). This year the Student Affairs and Career Development teams, as well as the program directorship, more successfully engaged students in ongoing improvement of academic, professional, and community programs and services. Communication between the school and MBA students improved, as evidenced in the more positive and more heavily attended monthly Town Hall meetings. The Professional Standards Committee met regularly and the Professional Standards Review Board was fully prepared to hear cases. All incidents of professional and academic misconduct were successfully resolved without formal referral to the Review Board or to MIT disciplinary processes.

Student Affairs

The Student Affairs Office manages academic services and community-building programs for MBA students and faculty. As part of these services and programs, Student Affairs facilitates students' practice of management skills outside the classroom, provides support to students experiencing academic or personal difficulty, provides

challenge (i.e., informal conversation) to students who violate community or academic standards.

Major accomplishments this year include the following:

- Improved student awareness of Student Affairs services, resulting in increased survey ratings
- Strengthened peer advising services via expanded "pilot" training for Orientation; strengthened cohort advising via student "captain" liaison to each cohort
- Expanded cross-team initiatives, including adding Alumni Relations staff representation to serve on advising teams and as readers on Admissions team
- Redesigned community awards program to generate more recognition for winners
- Effective engagement of students in survey design and analysis, ongoing curriculum improvement initiatives (e.g., First Year Challenge, Sloan Innovation Period)
- Continued increase in the quality of community programs and events (e.g., Orientation, awards recognition events, Commencement event)
- Continued work to simplify and streamline events management processes

International Programs

International Programs at MIT Sloan includes collaborative projects with universities in China, Korea, and Mexico that are helping to develop world-class, internationally oriented MBA programs in those countries and helping the MIT Sloan community better understand those countries' cultures and business environments. In addition, the International Finance Corporation (IFC) is enabling faculty at the Business School of the Ghana Institute of Management and Public Administration (GIMPA) to come to MIT Sloan as groundwork for a management education program it plans to establish in Africa.

All of these programs originated with the MIT-China Management Education Project, established in 1996 to strengthen graduate management education programs at selected Chinese schools. Initially, the project supported international MBA (IMBA) programs at two distinguished universities—Tsinghua in Beijing and Fudan in Shanghai. Lingnan (University) College, Sun Yat-sen University in Guangzhou joined the project in 1999. MIT Sloan also provides support for an internationally oriented MBA class at Yunnan University in Kunming. Now in its 10th year, the MIT-China Management Project has brought more than 110 Chinese faculty members to MIT Sloan for semester-long training in teaching and course development and 34 faculty for shorter or return visits. Ten participated in AY2005. The project has worked so well that its initial time frame of five years was extended to 10. In 2005, discussions were under way about ways to extend aspects of the project beyond that.

Following up on its experience and success with the project, MIT Sloan has taken a role in the development of world-class international management education programs with Sungkyunkwan University Graduate School of Business (SKK GSB) in Seoul and

Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) in Mexico. In 2005, two years into an eight-year agreement with SKK GSB, four SKK GSB faculty spent terms at MIT Sloan observing our courses, working on research and course development, and identifying research topics. Six ITESM faculty, in the second year of their school's five-year agreement with MIT Sloan, came in anticipation of launching a pilot MBA program in Mexico City. Two GIMPA faculty came, each for a term.

Overseas faculty are not the only participants in these programs. MIT Sloan faculty teach and coteach workshops and classes in China, intensive short courses at SKK GSB, and workshops at ITESM. They also use videoconferencing technology in Cambridge to teach classes in real time in China. During spring break, MIT Sloan MBA students visit the Chinese campuses to help students learn about important dimensions of the workplace—resume writing, interviewing, teamwork, leadership, and networking—that are not usually included in their curricula; in 2005, 20 MIT Sloan MBA students visited the Chinese schools. In May and June 2005, 40 ITESM students studied at MIT Sloan. From time to time, Chinese students have come as well.

In May 2005—for the first time—staff from all of the participating universities came to MIT Sloan for training. This group—directors, deans, and administrators—learned how their MIT Sloan colleagues manage important functions such as marketing and communications, admissions, career development, alumni relations, resource development, finances, and technology services. “We have learned so much. It’s impossible to take it all back,” said Wu Shuyuan, director of personnel at Tsinghua. “We must prioritize. From now on we will use MIT as our benchmark.”

Career Development Office

The Career Development Office (CDO) manages the career education and corporate recruiting services for MBA students. As part of this effort, CDO partners with organizational processes, communications, and strategy faculty within Sloan to develop and deliver topical sessions related to the career development of our students, as well as developing and delivering stand-alone career education workshops. In addition, the office manages all aspects of the corporate recruiting process, including company presentations, the campus recruiting program, job boards (students and alumni), an annual on-campus Career Fair, and the strategic and logistical support of student club treks for employment purposes. The CDO team was highly successful again this year in providing this support to MBA students. Some of the highlights include:

- Per *US News and World Report*, the Class of 2004 had the second-highest job acceptance rate (90.7%) three months after graduation among our seven peer schools.
- The Class of 2005 has a reported (to date) an 88% job offer rate at graduation, putting MIT Sloan near the top of the list when compared to peer schools.
- The MBA employment market showed a significant improvement this year. CDO managed 100 company presentations, a 26.5% increase over AY2004; 315 employment opportunities, an 18.4% increase over AY2004; attracted 42 new recruiting companies including Apple, Infosys, Nokia, Oppenheimer Funds,

- Symantec, and Yahoo!; and received 1,636 job postings for students and alumni, a 35% increase over AY2004.
- A replacement career management system was implemented. This system was successfully launched in September 2004 and student and recruiter feedback has been overwhelmingly positive.
 - Professional standards lessened as a problem in CDO, with only two students losing their recruiting privileges during AY2005, as compared to seven the year before.
 - The CDO team delivered 166 career education programs, with 2,550 students in attendance. In addition, CDO staff conducted approximately 1,000 individual student advising sessions.
 - Career education and recruiting services assessments were conducted by surveying alumni and students about expectations and current offerings.
 - A Corporate Satisfaction Survey of our top 40 recruiting companies was conducted to ascertain their satisfaction with their MBA hires from the classes of 2000–2004.

MBA Program Priorities for AY2006

For AY2006 the MBA Program is working to:

- Identify key opportunities to improve academic programs and services
 - “Relaunch” SIP, with stronger emphasis on intellectual engagement
 - Continue and extend efforts to incorporate ethics in the curriculum
 - Discontinue First-year Challenge for this year and explore its possible redesign for future years
- Expand training for Student Affairs and CDO teams and individuals
- Incorporate alumni and student feedback into CDO program offerings
- Review the findings from the Corporate Satisfaction Survey and lead continuous improvement efforts within the program delivery in response to these findings

Executive Education

MIT Sloan Executive Education offers companies and individual managers the concepts, tools, and leadership skills needed to drive innovation in products, markets, and organizations. This year we have expanded our offerings in both our open-enrollment and custom programs.

Leading Innovative Enterprises: Strategies for Growth in the Life Sciences is a new, three-week intensive leadership program for life science professionals transitioning to significant management/leadership positions within their organizations. Teams of participants represented pharmaceutical, biotech, and medical device companies.

We also designed and delivered a custom program for Serono, a Geneva-based biotechnology company, focusing on the strategic frameworks and specific skills needed to drive their business forward within their complex industry.

BP Projects Academy, a multiterm, multiyear joint initiative with the School of Engineering, continues in its third year. Seventy-five of a targeted 150 major project leaders selected by BP have completed the year-long program, which combines six

weeks of residential classroom learning with action-learning projects supported by faculty mentoring.

Professors Gabriel Bitran and Richard Locke led the design and delivery of a globalization program for CVRD, a Brazilian-based mining company. Ninety-two of their senior managers have completed this program, which took place both in Rio de Janeiro and at MIT. Another 90 managers have been identified to participate in the upcoming program.

Shanghai, China, was the venue for two manufacturing programs led by Professor Charles Fine. Fifty senior managers and 65 manufacturing managers participated, exceeding the planned capacity, and asked that we return to offer more programs.

A fifth successful program was delivered to Merrill Lynch. Using distance-learning technology, Professor Andrew Lo's 15-week Investments course was offered to Merrill Lynch investment managers around the world. The program is enhanced with the addition of Professor Deborah Ancona's expertise in X-Teams, combining an emphasis on financial content with the leadership skills required for successful implementation.

Programs focusing on key management issues in information technology were delivered to both GE and IBM Mexico. A two-week Executive Program in the Management of Technology was delivered to 25 Japanese managers from an array of Japanese manufacturing companies.

Driving Strategic Innovation, a one-week open-enrollment program that we offer in partnership with IMD, the leading provider of executive education in Europe, continues to be one of our most successful programs.

Overall, we offered an array of 18 two- and five-day open-enrollment programs for upper-level managers, as well as 30 weeks of customized programs for 600 participants. This equates to 283 days of instruction to 3,992 managers.

MIT Sloan Visiting Fellows Program

The MIT Sloan Visiting Fellows Program provides the opportunity to pursue full-time, non-degree studies tailored to individual goals and interests. Each visiting fellow follows a program of study, usually for one or two terms, that is designed in consultation with a faculty adviser to meet individual professional needs and interests.

The Sloan Visiting Fellows Program is designed to accommodate participants who have an existing relationship with MIT Sloan through their company, their school, or a member of the MIT Sloan faculty. Two participants were enrolled during the fall term and eleven during the spring term. Average enrollment each year is one to three participants in fall and 10–12 participants in spring.

During AY2005 all of the students were enrolled in the Technology Management Program at the Norwegian University of Sciences and Technology (NTNU), which

requires one semester of study at MIT Sloan followed by a thesis project, and results in a master's degree in management from NTNU.

The participants who were registered in spring 2005 participated in three local field trips organized by their faculty advisor, Professor Utterback. The group had already formed a cohort through their involvement at NTNU and reported that they benefited greatly from their experience at MIT Sloan and in the Boston and Cambridge area.

Sponsors of participants included NetCom, Norske Skog, Telenor ASA, Volvo Aero, Multiconsult, ScandPower Risk, National Oilwell, Norwegian Defense Logistics Organization, E-CO Energi AS, Det Norske Veritas, and Prosjekt –og Teknologiledelse AS.

PhD Program

The MIT Sloan PhD Program prepares exceptional students for careers in academic positions involving teaching and research. The program is committed to educating scholars who will lead in their fields of research—those with outstanding intellectual skills who will carry forward productive research on the complex organizational, financial, and technological issues that characterize an increasingly competitive and global business world.

MIT Sloan PhD graduates have historically gone on to teach at the world's most prominent universities. Placements for 2004–2005 included INSEAD, MIT, Tsinghua University, UCLA, University of Pennsylvania, and Yale University.

There was a total of 510 applications representing 48 countries in AY2005, with 18 percent coming from China. Of the US applicants, 10 were underrepresented minorities. The total was lower than past years, but applications were up in all concentrations other than finance. Continuing our movement towards a fully electronic applications process, we added online recommendations in 2005.

In spite of having to make less-than-competitive financial offers, the program had a good yield and will matriculate 17 students in September 2005, including one underrepresented minority (Hispanic American). The number of women continues to increase steadily with the new students (6), bringing the program's total to 27. Total enrollment for AY2005 was 80 students (59 international and 21 US), with one underrepresented minority student.

Student Life

At least one lunch and one evening party are held each term to foster camaraderie and cohesiveness among PhD students. In addition, occasional ice cream gatherings are held. The PhD office has also funded small functions orchestrated by the students and will continue to do so.

Marketing outreach efforts have included attending the DocNet (a consortium of doctoral programs in business) recruiting events (at least one per year) in conjunction with the annual Graduate Management Admission Council conferences. We also

share information with our main competitors about which measures have been most successful (e.g., KPMG conference, enhanced websites, Chat University).

MIT Sloan Fellows Program in Innovation and Global Leadership

With the strategic integration of the MIT Sloan Fellows Program and the MIT Management of Technology Program, the MIT Sloan Fellows Program in Innovation and Global Leadership was launched in June 2004, with a strong and diverse class that reflects the strengths of both parent programs. The class of 100 fellows that arrived in the summer of 2005 come to MIT Sloan with 10–25 years of professional experience and come from a wide variety of for-profit and nonprofit industries, organizations, and functional areas.

In our continued efforts to communicate the breadth and depth of the MIT Sloan Fellows experience, the program redesigned its website to showcase more experiential content. With an interactive facebook of the current class, video vignettes, and updated faculty and alumni profiles, the new site gives current and potential fellows a wonderful window into the program experience.

System Design and Management Program

The mission of the System Design and Management (SDM) Program is to educate future technical leaders in the architecture, engineering, and design of complex products and systems, preparing them for careers as the technically grounded senior managers of their enterprises. SDM intends to set the standards for delivering career-compatible professional education using advanced information and communication technologies. SDM was one of MIT's early entries into the field of distance education and remains the only degree-granting program at MIT that can be earned primarily from a remote location.

The SDM Program is a joint offering of the School of Engineering and the MIT Sloan School of Management, leading to a master of science degree in engineering and management. Targeted to professional engineers with three or more years of experience, SDM centers on a 13-course curriculum in systems, engineering, and management, including a project-based thesis. It offers three curriculum options: a 13-month in-residence format; a 24-month distance education program for company-sponsored students, requiring one academic term in residence at MIT; and a 24-month commuter program for local students. The program was conceived as an alternative to the MBA for professional engineers, allowing working professionals to pursue a degree without interrupting their careers and relocating themselves and their families.

Pat Hale was appointed director of the SDM Fellows Program following the departure of Denney Mahoney at the end of AY2004. David Simchi-Levi and Tom Allen are the program's codirectors. John Grace was appointed industry codirector in March 2005.

Student Statistics

In January 2005, SDM admitted its 9th class, enrolling 62 students. As was done in AY04, SDM put on informational evenings in July, September, October, April, May, and June,

Table 1. System Design and Management Program Admissions Statistics

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Admitted	35	58	47	50	37	27	36	37	62
On-campus	8	16	6	14	8	7	18	27	44
Self-supported	3	1	2	5	2	1	6	25	42
Research assistant	3	12	2	4	3	1	10	0	0
Distance education	27	42	41	36	29	18	17	10	18
Company-sponsored	29	45	43	41	32	25	20	12	20

including one in Dearborn, MI, for local MIT alumni and others interested in SDM as a way to recruit prospective students for SDM '04. These successful events brought more than 90 prospective students to campus, where they heard presentations from several faculty, students, and alumni about the program. In calendar year 2005, these events have been expanded to include out-of-town informational evenings in areas with a strong MIT alumni presence and large minority populations.

MIT-Industry Partners System Engineering Program

This past year, SDM and its partner program, Leaders for Manufacturing (LFM), along with United Technologies Corporation (UTC), continued with a third year of the MIT-Industry Partners Systems Engineering Program. This year the program was expanded to include other SDM partner companies, Boeing and Nortel.

To build a systems engineering core competency, this unique program targets three key populations: experts enrolled in the SDM Program; experts enrolled in the Systems Engineering Certificate Program; and the leaders from the organizations from that employ these experts. The program has been very successful, with 84 students completing the certificate program and more than 100 organizational leaders completing the six days of content in the manager/supervisor workshop. With its active participation in all levels of the program, UTC now has over 200 employees touched by SDM. The next cohort of certificate students for AY05 is expected to reach 30, with students from UTC, Boeing, and Visteon.

Distance Education Delivery

As MIT's premier degree program offered at a distance, SDM has recognized its leadership role at the Institute regarding in distance education practices. SDM continues to evaluate its delivery, with the goal of increasing the quality of the remote-learning experience while reducing costs, both for MIT and for sponsoring companies. The codirectors recognize the need to bring in more distance education students in the January 2005 cohort to justify the costs of distance education for this program. In January 2005, the video bridge services were outsourced to a supplier to handle the greater number of video sites and avoid a significant capital expenditure to expand MIT's bridge capacity. Quality and service from the supplier have been excellent.

More information about the System Design and Management Program can be found online at <http://sdm.mit.edu/>.

Leaders for Manufacturing Program

The Leaders for Manufacturing (LFM) Program is a partnership between MIT and over 25 global manufacturing firms to discover and translate into teaching and practice the principles that produce world-class manufacturing and manufacturing leaders. This partnership is motivated by a shared belief that excellence in manufacturing is critical to meeting the economic and social needs of individuals, firms, and society, and that the health of companies operating in global markets is essential to the world's well-being.

Now in its 17th year, LFM is a partnership among the School of Engineering, the MIT Sloan School of Management, and leading manufacturers. Launched in 1988 with significant industry funding, the program emphasizes collaboration and knowledge sharing with its partner companies across the entire spectrum of "Big M" manufacturing enterprise issues. LFM supports students as fellows with a generous fellowship. The program is a 24-month dual master's degree (SM in engineering and MBA or SM in management) experience, involving a single integrative research project carried out on site in partner firms. For the engineering SM, students can choose from among eight master's programs in the School of Engineering.

LFM and SDM are managed by a common administrative staff, enabling conservation of resources.

Academic Program

Forty-eight students in the class of 2005 completed the LFM fellows program. Each graduate completed an internship at a partner company during the summer and fall of 2004. Internships are focused projects of concern to the partners, accomplished by interns with company support and MIT faculty guidance. Representative projects this past year included process improvement design, supply chain management, and various lean manufacturing initiatives.

Another 48 students (Class of 2006) completed their first year of on-campus studies and started their six-month internships. Applications decreased about 15 percent for the Class of 2007; 46 new students were admitted and began an intensive summer session. Class of 2007 students have an average of 4.8 years of work experience.

The Engineering Systems Division created two new courses for LFM in AY2005. ESD.60 Lean/Six Sigma Processes is taught by Joel Cutcher-Gershenfeld, and ESD.730 Materials Selection, Design, and Economics is taught by Joel Clark.

Don Rosenfield continues to serve as the director of the LFM Fellows Program. David Simchi-Levi and Tom Allen are codirectors of the LFM and SDM programs. Ron Slahetka was appointed industry codirector in 2005, replacing Bill Hanson.

Research and Knowledge Transfer Program

As part of LFM and SDM's commitment to lifelong learning, an initiative begun in AY02 was continued to encourage LFM and SDM alumni to stay connected with MIT by sharing relevant information. Alison McCaffree, research associate for LFM and SDM,

continued to schedule monthly webcasts presented by MIT faculty and various LFM and SDM alumni. The content of each webcast, also called a “webinar,” provides valuable information on the latest trends, cutting-edge developments, and innovative strategies in manufacturing and/or systems design. The presentations are given in real time, via the internet and telephone, which allows participants to follow along visually and audibly as well as ask questions.

Alumni continue to express a high degree of interest in these virtual knowledge-sharing events, and webinars have evolved into a key tool for alumni engagement.

In September 2004, LFM held a forum for faculty and partner companies, resulting in the creation of three active research groups: Supply Chain Visibility, Lean and Product Development, and Flexible Manufacturing.

Proseminar Speakers

On campus, LFM students attend weekly seminars with faculty and industry experts, enriching their formal education with learning about current manufacturing leadership and business issues that are local, national, or international in scope. AY2005 speakers included George Conrades of Akamai, Tomi Lahcanski of Kodak, Stephen Cook of Dell, Len Baxter of GM, Tim Copes of Boeing, John Boyd of UTC-Hamilton Sundstrand, Mary Puma of Axcelis, Dick Hunter of Dell, Rick Cohen and Reuben Harris of C&S Wholesale Grocers, Brett Smith of S&S Cycle, Richard Dauch of American Axle, Chip Goodman of American Medical Concepts, Paul Winter of Harley-Davidson’s Tomahawk, WI, factory, Jai Hakhu of Intel, Jeff Wilke of Amazon.com, Bill Anderson of Biogen Idec, and Michael A. Fury of DuPont EKC Technology.

Plant Tours

The LFM plant tours expand students’ understanding of manufacturing complexity by introducing them to LFM partner companies’ diverse operations, plant floor workers, executives, and LFM alumni. In the summer term and during the academic year, students see an average of 15 companies during local visits and a two-week national plant tour. This past year, plant tours were held at Genzyme, in Cambridge, MA; Raytheon, in Andover, MA; Broad Institute, in Cambridge, MA; Intel, in Hudson, MA and Colorado Springs, CO; Kodak, in Rochester, NY; GM, in Detroit and Lansing, MI; Ford, in Dearborn, MI; American Axle, in Detroit, MI; Boeing, in Seattle and Everett, WA; Dell, in Austin, TX; Honeywell, in Juarez, Mexico; Agilent Technologies, in Colorado Springs, CO; and Pratt & Whitney, in Middletown, CT.

The International Plant Tour to China included visits to Lenovo, in Beijing; Motorola, in Tianjin; Tsinghua University, in Beijing; Shanghai Jiao Tong University, ABB, and Bao Steel, all in Shanghai; Foxconn, in Shenzhen; and Li and Fung, in Hong Kong.

Career Development

LFM students, sponsored and nonsponsored, continue to be highly sought after once they have completed the program. Partner companies as well as other organizations take a special interest in LFM students as proven by their commitment to speak to the class

on various issues during the proseminar session. Seventy-one percent of the Class of 2005 accepted positions within manufacturing and operations companies, and 42 percent accepted positions within partner companies.

Governance

LFM is run by a governing board consisting of the partner companies' senior officers, program codirectors, and MIT deans. It is cochaired by Bill Ramsey of Honeywell and Dick Hunter of Dell. The Operating Committee, chaired by Ron Slahetka, handles ongoing management of the program and includes company representatives, faculty, and directors. The committee's focus is a series of standing committees that include companies, faculty, and students.

Major endeavors for the standing committee for AY2006 include marketing, new partners, partner education, internships, partner recruitment, and research. New internship participants included Pepsi-Cola Bottling, iRobot, and Toyota. Motorola has rejoined as a managing partner.

More information about the Leaders for Manufacturing Program can be found online at <http://lfm.mit.edu/lfm/>.

Undergraduate Programs

SB Degree Program in Management Science

The MIT Sloan Undergraduate Program ranked second this year in *U.S. News & World Report's* ranking of American undergraduate business programs (maintaining our position for six years running). The program ranked first in management information systems, production/operations management, and quantitative analysis.

We remain one of the largest undergraduate majors at MIT. After tripling in size over the past decade to a total enrollment of about 350 in AY2003, our enrollment has leveled off to about 300 for AY2004 and AY2005. Some of the drop-off may have resulted from anticipation of the new minor, but some of it appears to correlate with a lower expressed interest in management among freshman applicants to MIT.

One hundred and twelve SB degrees in management science were awarded this year. The most popular concentration by far was finance (89), followed by information technologies (10), marketing science (8), and operations research (4). One of our graduates completed the requirements for both the finance and marketing science concentrations.

Thirty-eight percent of our graduates also received SB degrees from other MIT departments: 27 students in electrical engineering and computer science, four students in mathematics, three students in economics, two students in mechanical engineering, and one student each in architecture and biology. One student also received SB degrees in both brain and cognitive sciences and economics. Two students also received both SB and MEng degrees in electrical engineering and computer science.

New Minor in Management

During the academic year, the MIT Committee on Curricula approved the new minor in management for undergraduates pursuing SB degrees in MIT departments other than the Sloan School. The minor will commence officially in fall 2005. Students in the minor will take four required subjects (Microeconomics, Corporate Financial Accounting, People and Organizations, and Marketing Management) plus two Sloan electives. Funding from an anonymous donor and from the provost will provide resources for about 100 students per year. To get the program started, the MIT Committee on the Undergraduate Program approved an experimental enrollment cap of 100 for the first four years of the minor, with enrollment to be determined by a random lottery whenever annual applications exceed the cap. We received precisely 100 applications for the first year of the lottery, and so we did not have to resort to a lottery this spring. From 2009 onward, Sloan will accept applications from all interested MIT undergraduates.

MIT Sloan Undergraduate Advising and Committee Assignments

Faculty serving as undergraduate advisors included Thomas Allen, Dan Ariely, Lotte Bailyn, Diane Burton, John Carroll, Stephen Graves, Benjamin Grosf, Leigh Hafrey, Neal Hartman, Jin Gyo Kim, S.P. Kothari, Jonathan Lewellen, John Little, Stuart Madnick, Stewart Myers, James Orlin, Jun Pan, Nelson Repenning, John Van Maanen, Joseph Weber, and Roy Welsch. Director of undergraduate programs Jeffrey Meldman, assistant director of undergraduate programs Mary Camerlengo, and assistant director of undergraduate programs Stephanie Karkut also served as advisors.

The Undergraduate Program Committee (formerly the Undergraduate and Interdepartmental Program Committee) was cochaired by Thomas Kochan and John Little. The Subcommittee on the Major (new) was chaired by John Little and included Dan Ariely, John Carroll, Stephen Graves, Thomas Kochan, Leonid Kogan, Jeffrey Meldman, James Orlin, and Roy Welsch. Jesalyn Shen '05 served as a student member. The Subcommittee on the Minor (new) was chaired by Thomas Kochan and included Dan Ariely, Stephen Graves, S.P. Kothari, John Little, Jeffrey Meldman, and Eric von Hippel. Dean Steven Eppinger, Mary Camerlengo, and Stephanie Karkut served as ex officio members on both subcommittees.

Research Centers and Groups

MIT Leadership Center

The MIT Leadership Center is dedicated to advancing the extraordinary knowledge, perspectives, and experiences that enable leaders to transform their passion into action and take on the world's most formidable challenges. Working closely with practitioners and organizations, MIT faculty create cutting-edge theory, pragmatic tools, and innovative curricula.

In its first year (FY2005), the center created a rich set of leadership programs while putting into place a vision, strategy, and infrastructure. Center faculty, working with education programs, developed and delivered course offerings for MBA-holders, Sloan fellows, and executives, including custom-built curricula for BP, Merrill Lynch, and CVRD. In addition to delivering 15 leadership courses during the regular terms

and integrating leadership training into others, the center spearheaded the ongoing development of Sloan Innovation Period (SIP). SIP is an intense one-week period at the midpoint of each term (October and March), when regular classes are suspended and MIT Sloan MBA students enroll in leadership-training seminars taught by faculty and industry leaders. The center offered more than two dozen workshops this past academic year as part of SIP.

To promote the MIT Leadership Center on campus and beyond, we developed a vision and strategy for the center, and defined and communicated MIT's distinct approach to leadership development. The center stresses distributed leadership—the notion that an effective organization must have leaders at all levels—and the power of combining technical expertise with leadership skills. A new website for the center (<http://sloanleadership.mit.edu/>) was launched, and an integrated set of communication and promotional materials were crafted, including research briefings, fact sheets, and course promotion materials. The center's leadership activities and faculty were featured in MIT's *Tech Talk* and *Spectrum*, and in *Financial Times*, *USA Today*, and *BusinessWeek*.

To expose students, faculty, and staff to world-class leadership thinking, the MIT Leadership Center partnered with MIT Sloan Corporate Relations to launch the Distinguished Innovative Leadership Speakers (DILS) series. DILS speakers included such luminaries as John Reed, Sally Krawcheck, and Jack Welch, and received exceptional responses from the MIT community. The center also worked closely with the students of the MIT Sloan Leadership Club on their annual conference, at which a record number of attendees (nearly 200) heard from top-level chief executive officers (CEOs), academics, trainers, and practitioners. The center also was a sponsor of the MIT Alumni Association's Women's Leadership Conference in April 2005.

The center's Advisory Council, comprised of industry and nonprofit leaders, met for the second time in February 2005 to review the center's strategy and recent initiatives. In addition to funding from individuals, the center received a gift from PWC for corporate social responsibility activities and helped student groups garner corporate sponsorship money. Ongoing fundraising will continue to be critical as the MIT Leadership Center grows and expands its initiatives in its five core leadership areas: research, tools, curriculum, dialogue, and networks.

The center will be publicly launched on October 6, 2005, with a special half-day program that will highlight leadership development initiatives across the Institute and feature MIT leaders who unite their management, science, and engineering skills to improve the world.

Center for Information Systems Research

The Center for Information Systems Research (CISR) continues to maintain the strong track record of practice-based research on the management of information technology it began in 1974. Its mission is to perform practical empirical research on how firms generate business value from information technology (IT) and to disseminate it as broadly as possible via electronic research briefings, working papers, research workshops, and executive education. The working paper series currently contains 354

papers, including 12 published in 2005. CISR has distributed 46 electronic research briefings (short, sharp summaries of ongoing CISR research) to contacts at patron and sponsor organizations since their initial association with the center in 2001.

CISR is currently supported by 40 international organizations, representing a broad range of industries and including several not-for-profits. These include seven research patrons: The Boston Consulting Group; BT Group plc; DiamondCluster International, Inc.; Gartner; Hewlett-Packard Company; Microsoft Corporation; and Tata Consultancy Services–America. They also include 33 sponsors: Aetna Inc.; Allstate Insurance Co.; American Express Corp.; AstraZeneca Pharmaceuticals LP; TD Banknorth, N.A.; Biogen Idec, Inc.; Campbell Soup Co.; Care USA; Celanese; ChevronTexaco Corp.; Det Norske Veritas (Norway); Direct Energy; eFunds Corp.; EMC Corp.; Guardian Life Insurance; ING Group; Intel Corp.; International Finance Corp.; Merrill Lynch & Company, Inc.; MetLife; Mohegan Sun; Motorola, Inc.; National Kidney Foundation, Singapore; Nomura Research Institute, Ltd.; Pasco County, FL Government; Pfizer, Inc.; PFPC Inc.; Raytheon Co.; State Street Corp.; Telenor ASA; Trinity Health; TRW Automotive; and the United Nations Department of Economic and Social Affairs.

By encouraging member participation at its research workshops, held at least twice a year, and its annual conference (CISR Summer Session), the center has increased its impact—almost 250 people from member organizations attended its events during this year and an additional 200+ participated in audio briefings. Attendance at CISR Summer Session 2005 increased by 21% from 2004. The opportunity for debate on the research topics and peer-to-peer interaction continues to build a strong CISR community. Nine sponsor or patron representatives participated in these events either as speakers or panelists.

Ongoing research projects at the center include:

- Benchmarking and Building Risk-management Capabilities
- Building Service-oriented Capabilities
- Business Model Evolution and IT Portfolios
- Effective IT Engagement Models
- Effective IT Governance
- Enterprise Architecture
- IT-enabled Business Change
- Managing IT Portfolios—Asset Classes, Risk, and Return
- Leading the IT Organization
- Strategic Sourcing
- IT Portfolios and Extra Returns from IT Savvy

Based on CISR research, principal research scientist Jeanne Ross and CISR director Peter Weill (with David Robertson of IMD) have authored “Foundation for Execution: Hardwiring Business with Enterprise Architecture,” to be published in August 2006 by the Harvard Business School Press. Peter Weill is one of five coprincipal investigators on a five-year, \$5 million research project funded by the National Science Foundation.

Center for Energy and Environmental Policy Research

The Center for Energy and Environmental Policy Research (CEEPR) has been the locus of research at MIT on energy economics since the mid-1970s and on environmental economics since the late 1980s. This research draws on resources from the Sloan School of Management, the Department of Economics, and the Laboratory for Energy and the Environment, and it receives financial support from corporations and government agencies. In conjunction with MIT's Center for Global Change Science, CEEPR cosponsors the Joint Program on the Science and Policy of Global Change, which conducts interdisciplinary research to inform global climate policy.

Research activity continued at a high level during AY2005 as a result of grants from 21 corporate sponsors, the Cambridge-MIT Institute (CMI), the US National Oceanic and Atmospheric Administration (NOAA), and the US Environmental Protection Agency (EPA). Karsten Neuhoff, of Cambridge University, was a visitor at CEEPR during the spring term as part of a CMI collaboration with British researchers. Jun Mizutori—the most recent in a long line of J-Power (Japan), executives who have come to CEEPR to work on research topics of common interest—completed his second year in a two-year visit to CEEPR.

The past year was fruitful for publications: 19 working papers and two article reprints were published, distributed, and posted on the CEEPR website. In December 2004 and April 2005, CEEPR convened its usual Energy and Environmental Policy Workshop in Cambridge, MA, to present research results to corporate and government sponsors and other interested parties. The director and executive director of CEEPR were invited to give numerous lectures and seminar presentations of CEEPR's research concerning electric utility restructuring and emissions trading.

In AY2005, CEEPR sponsored research on the topics of emissions trading and new electricity markets, as well as markets in gas and oil, and the benefits and effectiveness of environmental regulation. Contributions totaling \$791,000 were received from 21 corporate sponsors and multiyear awards from NOAA, EPA, and CMI provided another \$161,000 in funding.

More information about the Center for Energy and Environmental Policy Research can be found on the web at <http://web.mit.edu/cepr/www/>.

MIT Entrepreneurship Center

The mission of the MIT Entrepreneurship Center is to educate and nurture leaders who will make high-tech ventures successful. These high-tech ventures may be start-up companies, or new ventures within well-established companies.

When the center was launched as an Institute-wide initiative in 1996, then-president Charles M. Vest set a high standard, saying, "We must not only be the best. We must also serve as a model for others and ensure that, together, we all make a significant

global impact in this vital field.” It continues to live up to this challenge and enhance cross-disciplinary, high-impact, high-tech entrepreneurship with the strong support of President Susan Hockfield, and its chairman, Professor Edward B. Roberts.

The center pursues its mission through a growing number of programs and activities generally categorized within four areas:

1. Supporting the entrepreneurship curriculum and research within MIT
2. Advising, supporting, and mentoring the numerous student organizations enabling cross-campus entrepreneurial activities here at MIT and around the world
3. Engaging the entrepreneurial ecosystem in the greater Kendall Square area and worldwide
4. Cultivating and strengthening relationships in various countries, and enhancing their entrepreneurial infrastructure.

Supporting the curriculum, the MIT Entrepreneurship Center offers educational programs to inspire, educate, and coach new generations of entrepreneurs and intrapreneurs from within all of MIT and throughout the world. MIT’s entrepreneurship professors, practitioners, and staff teach nearly 25 courses and conduct basic research to enhance the center’s fundamental understanding of the dynamic process of high-tech venture development in the United States and around the world. In FY2005, there were 15 professors and 14 practitioners teaching entrepreneurship-related courses. Student enrollment has also continued increasing to over 1,500 students, or almost one-fourth of MIT’s graduate student body, including many from the schools of Engineering and Science, as well as the MIT Sloan School.

In FY2005, with help of the MIT Entrepreneurship Center, professors Tom Allen and Fiona Murray launched a multiyear study of the dynamics of communication within the Kendall Square biotechnology cluster. Also, Professor Antoinette Schoar was awarded tenure by the faculty committee.

Student organizations supported by and housed in the center continued to be recognized as world leaders in their field, and serve as important inspiration for promising entrepreneurial leaders. The MIT \$50K Entrepreneurship Competition completed a successful year, with nearly 100 business plan entries. The MIT \$50K Global Startup Workshop welcomed over 300 attendees during March in Abu Dhabi, UAE. The student-run MIT Sloan Venture Capital Conference in December and the Private Equity Symposium in April each attracted almost 500 attendees from over 20 countries.

Internationally, the center continues to engage the members of its alumni community and global network interested in new ventures. It hosted or cohosted major networking galas in Barcelona, Boston, London, Cambridge (UK), Tokyo, and San Francisco. The events drew over 3,000 members of the center’s network, including MIT graduates engaged in entrepreneurial activity. Over 120 students also participated in international internships through either the Global Entrepreneurship Lab or individual opportunities facilitated through the center.

The center's collaboration with the Cambridge-MIT Institute has also continued to expand. The fourth annual gala dinner was held in London in June, with over 450 attendees. Preceding the gala, the Cambridge University Technology and Enterprise Club, which the MIT Entrepreneurship Center helped found, hosted its second annual venture capital conference.

FY2006 is expected to be a year of growth, with strong stated interest by students, alumni, and potential donors.

Courses offered in FY2005 included:

- 15.369 Corporate Entrepreneurship Strategies for Technology-Based New Business Development
- 15.389 Global Entrepreneurship Lab
- 15.390 New Enterprises
- 15.391 Early Stage Capital
- 15.394 Designing and Leading the Entrepreneurial Organization
- 15.396 Technology Sales and Sales Management
- 15.399 Entrepreneurship Lab
- 15.431 Entrepreneurial Finance
- 15.615 Basic Business Law
- 15.835 Entrepreneurial Marketing
- 15.963 Social Entrepreneurship
- 15.968 Building a Biomedical Business
- 15.975 The Nuts and Bolts of Business Plans
- 15.976 Starting and Building a Successful High-Tech Venture
- 15.971/MAS.967 Developmental Entrepreneurship

Administration and Services

MIT Sloan School of Management Office of Resource Development

In FY2005, the MIT Sloan Office of Resource Development (ORD) maintained its dual focus, to raise significant capital funds to support school priorities, and to strengthen its Annual Fund initiatives in order to build a reliable, unrestricted (and functionally unrestricted) income stream. It was a year of innovation through corporate relations and communications, and continued expansion in principal and leadership giving, and the Annual Fund.

Activity and Dollar Results

In FY2005, in partnership with the Deans' Office, MIT Sloan ORD continued its strong fundraising initiatives, raising nearly \$14 million in new gifts and new pledges. While this marks a decline versus a year ago, it is important to note that in any given year, one or two large gifts can have a huge impact on totals, resulting in significant volatility. The FY2004 totals include two one-time gifts: a \$20 million contribution in support of the undergraduate minor and a \$6.2 million bequest to endow a fund for a senior professorship. Without these two large gifts, FY2004 totals would have been on a par with FY2005.

Fiscal year	New gifts/pledges (\$)	Change	
		\$	%
2005	13,977,848	- 26,276,304	- 65%
2004	40,254,152	24,695,985	+ 158%
2003	15,558,167	—	—

School Priorities

The Building

With the widespread conviction throughout the school and the Institute that a new building is essential to the school's future success, the top priority of the MIT Sloan School of Management continues to be the new facility, as it has been since FY2000. Dean Schmalensee's determined efforts, supported by President Hockfield and many throughout MIT and the school, have resulted in great progress, with a grand total of \$69 million in new gifts and new pledges designated for the building. Careful analysis of prospective donors with whom we already have begun conversations yields projections of an another \$40 million toward the building, and soliciting and closing these gifts will be the focus of our attention over the next 18–24 months.

Other Priorities

In recognition of other areas that are nearly as urgent as the building and knowing that a menu of priorities will appeal to a wider range of donors, we broadened our appeal to include other strategic initiatives in support of the school's mission "to develop principled, innovative leaders and to generate ideas that advance management practice." Thus, we continued our focus on unrestricted funds and the following priorities:

- Diversity fellowships
- PhD fellowships
- MIT Leadership Center
- Career development chairs
- Social responsibility
- Global E-Lab

Expanding the Prospect Pool

A key to future development success is identifying new prospects from among our alumni and unaffiliated prospective donors. MIT Sloan ORD helped spearhead the MIT Department of Resource Development's effort to develop systematic regression analyses based on selected independent variables to identify new prospects from the pool of unrated alumni. The report became available in the second half FY2005 and it is premature to accurately assess results.

This year, to further enhance the ways that we expand the prospect pool, we are seeking ways to catalyze involvement of unaffiliated prospects. Simultaneously, in an era when the role of business schools within the global arena increasingly is scrutinized, MIT Sloan has focused attention on ways to involve leading practitioners in programmatic development. Thus, we are seizing the opportunity to expand our outreach beyond

alumni to friends of the school through initiatives such as the Alfred P. Sloan Management Society, a select group of leaders who will participate as leading speakers and advisers. By June 2005, we had identified a core group for the inaugural year of the society and gained agreement from President Hockfield and the central Resource Development Department to invite them to join. By early August 2005, all but three had accepted the invitation, a remarkable success rate, particularly among this group of chairmen and chief executive officers of Fortune 500 companies and well-known firms. The society represents a confluence of interest in achieving the school's mission to develop principled, innovative leaders and to generate ideas that advance management practice, while, at the same time, reaching out beyond alumni to involve influential friends with high capacity who can offer highly valued time and, in the longer term, financial support to the school.

Events

The Dean's Advisory Council (DAC) meets twice each year. In FY2005, we successfully experimented with an on-campus tie-in by scheduling the spring DAC meeting to coincide with the MIT \$50K Entrepreneurship Competition Final Award Ceremony. This proved an invigorating and exciting way to remind DAC members of the fantastic energy and innovative spirit that is so pervasive at MIT and the school. Additionally, we are developing a schedule of topics to best take advantage of the DAC's collective expertise, while at the same time involving its members in the school's strategic issues. The topics for the two FY2005 meetings were the MIT Leadership Center and the MIT Entrepreneurship Center. In FY2006, the first DAC meeting will take place immediately before the school's 2005 Convocation. Topics will include presentations about the MIT Sloan fellows and MIT Sloan MBA admissions. We will continue to involve DAC member spouses and partners through the *MIT Sloan Insights Program*, now in its third year.

The Leaders Network, a series of regional events for prospective donors around the world that feature the dean or senior faculty, is now in its fifth year. We plan events in New York, London, Mexico City, and Boston in FY2006 (see section on Principal and Leadership Giving for details on FY2005 performance).

The annual Appreciation Dinner, which brings together donors and top volunteers, was very successful in FY2005. Held at the River Club on the upper East Side of New York City, it was hosted by Ed Hyman, GM '69, and welcomed over 100 donors and guests. Dean Schmalensee and honorary chairman Alex d'Arbeloff offered remarks; Professor Stew Myers spoke. In FY2006, John Reed, MG '61 and GM '65, will host the dinner, which will take place at the New York Stock Exchange (NYSE).

Principal and Leadership Giving

In FY2005, we supported the continued aggressive travel schedule of Dean Schmalensee, who devoted over 35 days to development, and also supported MIT officer visits, including presidents Vest and Hockfield, Vice President Barbara Stowe, and Chancellor Phillip Clay. We reached out to MIT Sloan alumni through the Leaders Network. In FY2005 we planned and implemented four highly successful events in London, Switzerland, Florida, and Northern California. In addition, the director of principal

gifts and the associate directors of major gifts expanded their travel schedules to build relationships in anticipation of the dean's and president's future travel. In FY2006, we will build the dean's travel schedule around anchor appointments to solicit and close gifts for the new building, and schedule Leaders Network events with an eye toward building on the foundation in place in selected areas, as well as broadening our reach to new areas.

Annual Fund

An important subset of total gift revenue to the school is the development of a reliable, unrestricted revenue stream produced through the MIT Sloan Annual Giving program (including Reunion Giving). Since FY2003, the Annual Fund has hovered around the \$1.8 million range. The fund posted a \$1,830,304 total in FY2005, up \$37,000 or 2% versus year ago. This is especially noteworthy because the FY2003 totals included \$600,000 (33% of the \$1.8 million total) from a single donor. This donor reduced his annual contributions to zero in the two subsequent years, and one of the imperatives for Annual Fund staff is to make up the difference through several key strategies designed to elevate both dollar and participation totals. These strategies include:

- *Reunion Giving.* We have continued to work with the MIT Sloan Alumni Office to encourage class gifts during major reunions. Alumni have responded enthusiastically, particularly in the classes who graduated since 1975, and the resulting increased involvement over the past five years contributes to a foundation of strengthened relationships which will serve as an important resource over the next decade.
- *Special Gifts Committee.* In FY2005, we focused efforts on recruiting a Special Gifts Committee to help cultivate, solicit, and close leadership gifts to the Annual Fund.
- *Target Analysis.* Like our peer schools, we participated in Target Analysis and its annual conference in FY2005. Key learning included segmenting our alumni pool to communicate more relevant appeals by segment. We will begin implementation in FY2006.

Corporate Relations

FY2005 witnessed an expansion of corporate relations activities in areas such as bringing high-visibility speakers on campus, outreach to and stewardship of corporate sponsors, and a variety of new initiatives in the bio-pharma industry. In conjunction with the MIT Leadership Center, the Corporate Relations group successfully launched the Dean's Innovative Leader Series (DILS) as the school's primary speaker series for public- and private-sector speakers of greatest interest to a broad spectrum of the MIT Sloan community. Six speakers came to campus in the inaugural year of this series, including former Citigroup CEO and NYSE chairman John Reed, General Motors Corp. president Gary Cowger, Citigroup chief financial officer Sallie Krawcheck, and former General Electric chairman and CEO Jack Welch. The Welch event featured a conversation between Dean Schmalensee, MIT Corporation chairman emeritus Alex d'Arbeloff, and Welch and attracted one of the largest crowds in MIT Sloan history, filling Wong Auditorium and requiring four other overflow spaces. The webcast video of the event

has been one of the most popular downloads following the event, according to MIT World staff.

In addition to managing the above series, Corporate Relations staff worked closely with dozens of MIT Sloan student organizations in planning and executing events which brought over 400 speakers to campus during AY2005 in a wide array of events, panels, and conferences. Staff also provided guidance and support as student clubs raised sponsorship funds for many of these events, and stewarded corporate sponsors throughout the year.

FY2005 also marked the formal launch of the new MIT Center for Biomedical Innovation (CBI), catalyzed within MIT Sloan and now an Institute-wide center, reporting to the associate provost and vice president for research. A number of Corporate Relations staff provided strong support for the planning and initial phases of this exciting new initiative, including major events in January, June, and August 2005, and ongoing efforts to raise seed funding. In addition, a successful new executive education program, *Leading Innovative Enterprises: Strategies for Growth in the Life Sciences*, was successfully launched in spring 2005, with Corporate Relations providing assistance in program development, marketing, and industry speaker selection.

Utilizing the newly published FY2004 Annual Report recognizing donors and volunteers, Corporate Relations recognized and thanked the approximately 200 organizations that provided philanthropic support for research, degreed executive education, event sponsorship, and other school priorities.

Jill Soucy joined Corporate Relations late in FY2005 as assistant director and brings much relevant MIT experience from her prior position in the MIT Public Service Center.

Targeted Communications

In FY2005, thanks to the creative expertise of Sametz Blackstone, we developed a new format for a stand-alone FY2004 Annual Report. It expresses appreciation to all donors and volunteers who supported the school during that period. Incorporating powerful graphics and a dean's message that threads throughout, the Annual Report aims to enhance pride in the school and its mission among MIT Sloan's alumni and friends. It will double as a presentation folder for proposals throughout first half FY2006. In response to recommendations from Sametz Blackstone to seize cost savings opportunities and recognizing that much of the information in the report will remain consistent with FY2005, we plan only modest updates to the FY2006 version and have budgeted accordingly. Response to the FY2005 Annual Report was very positive. Dean Schmalensee actually received several e-mails from alumni thanking him for sending the report and expressing their pride in the school after reading it. This vote of confidence further inspires us to once again include the report in the plans for FY2006.

MIT Sloan Alumni Office

In FY2005, under Director Sean Brown, SM '94, the Alumni Office (AO) crafted a comprehensive strategy and identified a number of strategic initiatives to begin implementing in 2005. The AO strategy focuses on advancing its mission of increasing

connections among alumni and between the alumni and the school, as well as helping alumni advance their careers. In the strategic planning process, several major areas emerged as critical to the support of those three goals:

- Major events (Reunion and Convocation)
- Special events
- Communications and information
- Career services
- Student/alumni engagement
- Collaboration with programs and centers
- Volunteer support

In the past year, significant progress has been made in each of these areas, and progress continues to expand, as a new associate director of communications and information joined in April, and a new assistant director of special events joined in July.

Reunion 2005

More than 600 alumni and guests from the US and 22 other countries returned to campus June 2–5, 2005 for another successful MIT Sloan Reunion. Alumni participation across the classes was 19 percent, and the number of participants who registered electronically on the reunion website increased to 78 percent (up from 69 percent in 2004). The four-day program included 25 separate events and 11 class-specific dinners. These results were driven by the coordinated efforts of staff and alumni volunteers. Associate director Leanne Schnitzer managed the distribution of all reunion marketing materials. She also engaged more than 80 active alumni class committee members to maximize overall participation and to ensure the highest quality of relevant programming. Finally, to better convey the richness of the reunion experience while maintaining the privacy of participating alumni, the Reunion section of the website, exclusive to alumni, was enhanced with an increased number of streaming videos and extensive pictures of all events.

Special Events

The Alumni Office focused on building relationships with current and future alumni through special events throughout the year. Director Sean Brown attended and hosted many on- and off-campus events and meetings to engage graduates in current happenings at MIT Sloan. During FY2005, AO collaborated with both regional alumni clubs and with the MBA and Sloan Fellows programs to manage 44 events last year. Highlights included:

- 15 international events in 11 different countries (Mexico, UK, Switzerland, Japan, China, Brazil, Turkey, South Africa, India, Canada, and Korea). Over 500 international alumni and 300 students participated. One highlight was a very well attended event in Korea with professors Don Lessard and Arnaldo Hax.
- Joint events with graduate student clubs, including the annual Silicon Valley Tech Trek (over 200 alumni participated); the Boston Alumni Club Holiday party with (over 200 alumni participated); a joint beginning-of-summer event on the MIT Sloan Plaza to Celebrate Cinco de Mayo (over 300 alumni and students

- attended); and the spring Student Golf Club tournament, to which all Boston-area alumni were invited.
- 10 additional events during summer 2005, organized in partnership with the MBA and MIT Sloan Fellows programs in North America and internationally, with over 600 graduates participating.

Communications and Information

Through alumni survey results and interactions with alumni at events, AO confirmed that alumni desire more communication and information to help them connect with each other and the school. Accomplishments in this area include the launch of the redesigned MIT Sloan Directory (which includes many enhancements, such as the ability to browse by location and company) and an improved website with new privacy-protected sections for posting class notes and viewing events. Associate director Tammy Cupples managed the production process for a completely redesigned alumni magazine that will be delivered to alumni and the entire MIT Sloan community this fall. This new magazine, *MIT Sloan*, is a four-color, 64-page publication that includes feature articles, class notes, alumni and faculty profiles, alumni club news, event coverage, and other news and insights for the entire MIT Sloan community. An associated magazine website contains further details related to specific magazine stories. Strategies for a comprehensive electronic newsletter and a new, exclusive online alumni center have also been developed in the past year, and implementation of these initiatives is a top priority for this fall.

Career Services

Completing its 11th year of providing ongoing career assistance to all alumni, AO has brought this core activity to a new level. More than 100 alumni received individual career counseling in the last year. The Alumni Job Posting Board currently has 574 job openings, prescreened for their applicability to our alumni. Since AO began managing the job board last year, over 1,800 different employers/recruiters have posted jobs. Career advisor Ken White SM '69, works to establish closer contact with these and other potential recruiters in order to help make MIT Sloan a source of choice for leading recruiters. White also worked to add appropriate third-party providers of career development services and collaborated with Image Builders to conduct a pilot program with recent alumni in transition, helping them develop a full marketing plan and strategy as well as supporting materials as part of their search.

Student/Alumni Engagement

AO increased alumni connection to the school by continuing to foster increased interaction between current and future alumni through both formal and informal programs. Leanne Schnitzer managed the Mentor Program, through which individual volunteer alumni advisors are selected by first-year MBA candidates in a mentor/mentee relationship, and which sponsors receptions that bring the participants together in an informal setting. In the last year, AO worked with the producer of the alumni job board to launch a new online system for alumni to submit their information and for students to select their mentors. Nearly 400 alumni volunteered to serve as advisors and over 200 MBA students participated in the program. AO staff also collaborated with MBA

Student Affairs and the Career Development Office as first-year cohort advisors, serving as part of a school-wide team of advisors working with members of the MBA Class of 2007. AO also worked with MBA Admissions to engage alumni to help attract applicants and convince accepted students to attend MIT. Additionally, AO hosted several student/alumni transition and introduction sessions, including an office overview during Orientation, a first-year “welcome back” in February, and an alumni orientation (for executive program and MBA graduating students) in late April.

Collaboration with Programs and Centers

AO collaborated with several programs, centers, and offices within MIT and MIT Sloan this year. These groups included the MIT Sloan Fellows Program, the MBA Program (including Admissions, Career Development, and Student Affairs), the MIT Alumni Association, MIT Sloan Executive Education, the MIT Entrepreneurship Center, the MIT Leadership Center, the MIT Sloan Marketing and Communication Office, and the MIT Sloan Office of Resource Development. This collaboration has resulted in numerous successful joint events, programs, and communications that benefit and engage MIT Sloan alumni.

Volunteer Support

There are more than 32 regional and international MIT Sloan Clubs to which AO provides guidance and logistical support. AO also partners with the MIT Alumni Association to help MIT Clubs attract MIT Sloan faculty to speak at their events. The MIT Sloan clubs in Boston, New York, Southern California, and Northern California are the most active; during FY2005, those four clubs organized events involving more than 1,800 participants. In FY2005, nearly 2,000 alumni volunteered and/or participated in alumni activities on more than 2,500 separate occasions.

MIT Sloan Management Review

MIT Sloan Management Review (MIT SMR) is a quarterly journal providing senior managers with the best current management theory and practice. Selected submissions from academia, consulting, and industry are both internally and peer-reviewed and cover a range of management disciplines, with particular focus on corporate strategy, leadership, and management of technology and innovation.

Leading management thinkers from academia, consulting and industry continue to recognize *MIT SMR* as a valuable venue for publishing their work, especially as way to present rigorous thinking in useful ways to an audience of elite practitioners. The journal’s stream of manuscript submissions remains strong and, consequently, fewer than one in 10 of the articles submitted are accepted for publication. More than 40 percent of all authors are based, or affiliated with, institutions outside the US, constituting a dispersed and diverse group. Of the authors published in the past year, 70 percent were affiliated with academic institutions, with the rest including consultants, professional managers, and journalists. The academic authors overwhelmingly represent the top-rated schools of business and management, both internationally and in the US, with MIT Sloan notable among them. Nonacademic authors are affiliated with such prestigious and diverse organizations as The Milken Institute, McKinsey & Co., Egon

Zehnder International, The Woodside Institute, BMW, Bain & Co., Accenture, The Perth Leadership Institute, PricewaterhouseCoopers, General Systems Co., and the International Institute for Industrial Ecology.

MIT SMR content garners coverage and sparks debate in a wide range of publications and media, from *Forbes* magazine to the *Boston Globe* and *Toronto Daily Mail*, and from *Computerworld* columns to CNET blogs. In fact, *Forbes* named Nick Carr's Spring 2005 *MIT SMR* article, "The End of Corporate Computing," one of the "ten must-read tech stories" of the year.

This year's Beckhard Prize for most outstanding *MIT SMR* article on planned change and organizational development was awarded to Pablo Martin de Holan of Instituto de Empresa, Madrid, Nelson Phillips of Cambridge University, UK, and Thomas B. Lawrence of Simon Fraser University, Vancouver, for "Managing Organizational Forgetting" (Winter 2004). MIT Sloan professors Edgar H. Schein, Eleanor D. Westney, and JoAnne Yates served as judges for the award.

The annual *MIT SMR*/PricewaterhouseCoopers Award for the year's articles that most significantly contributed to the advancement of management practice was won by Morten Hansen of INSEAD and Nitin Nohria of the Harvard Business School for "How to Build Collaborative Advantage" (Fall 2004). The runners-up for the award were Julian Birkinshaw of the London Business School and Cristina Gibson of the University of California, Irvine, for "Building Ambidexterity into an Organization" (Summer 2004), and José Santos, Yves Doz, and Peter Williamson, all of INSEAD, for "Is Your Innovation Process Global?" (Summer 2004.)

This year, *MIT SMR* continued its exploration of the rapidly changing electronic space. We tested, designed, and now offer our individual customers subscriptions that combine print and electronic access, and have just launched a similar product for our institutional (largely library) customers as either an alternative or supplement to *MIT SMR* content in third-party aggregated subscription products. The web also draws article and course-pack customers from undergraduate and graduate business schools, executive education programs, and the research community worldwide. Visitors to <http://www.sloanreview.mit.edu/> can also purchase their business-related books from the MIT Press. We continue to enjoy our collaboration with MIT Information Services & Technology's Web Communications Services team in developing our electronic products and platform.

MIT SMR executed a number of circulation strategies. MIT Sloan alumni were invited to continue their complimentary service but were asked to respond by requesting it. We are pleased to have retained 61 percent of the alumni, and have instituted programs to extend this offer to new graduates and to provide existing alumni with 'opt-back-in' opportunities. This program, as well as elimination of some low-margin agent sources, has increased both the quality and cost-efficiency of the subscriber file. This result in turn supports *MIT SMR*'s new initiative in soliciting, for the first time, global advertising by means of professional sales representation, which will affect FY2006 issues. As of this writing, we are pleased to welcome SAP as our first global advertiser. Circulation averaged just over 34,000 for the fiscal year.

New research has updated our image of a typical subscriber: a senior practicing manager with strong readership loyalty characteristics. Over half are in companies of 1,000 employees or more, 95 percent are in professional or managerial positions, and 65 percent are in upper management. The average household net worth is \$1.1 million. The average length of subscription is three years; 75 percent read every issue, and 88 percent recommend articles to colleagues.

New subscription marketing efforts have employed images of the MIT dome and the Stata Center, emphasizing our editorial synergy with MIT's *mens et manus* (mind and hand) philosophy and also the ideal of leading innovation. Last year we observed here that periodicals industry-wide continued to face the challenge of low reader response rates. This year we are pleased to report that our circulation response metrics have begun to improve. While we are proud of our marketing and editorial work—in both print and electronic formats—we are most hopeful that this welcome change also reflects general improvements in the economic health of our industry as it continues to evolve. We stay tuned.

MIT Sloan Marketing and Communication Office

The Marketing and Communication Office (MCO) is responsible for helping MIT Sloan programs and units communicate with their audiences and enhancing the MIT Sloan brand. The office oversees the creation of print and electronic communications, maintains the MIT Sloan website, and is responsible for the proper use of the MIT Sloan logo.

This year, MCO coordinated the rollout of the comprehensive branding project that was completed last year. In addition to assisting all constituent departments in the creation of publications and other print collateral in the new design system, MCO oversaw the creation of our branding extranet, a website containing all of the critical elements of our branding system (e.g., messaging strategy, color palette, design building blocks and templates, logo downloads, and editorial style guide.)

By the close of FY2005, every major MIT Sloan department and program had created their marketing and information materials using the new branding system. In addition, MCO began to coordinate the creation of an all-MIT Sloan brochure that gives a comprehensive picture of not only the “personality” of MIT Sloan, but the variety of our offerings and our valuable connection to the MIT legacy.

MCO partnered with the Alumni Office in the creation of the new alumni magazine, *MIT Sloan*. The 64-page, four-color magazine features compelling content on the issues facing today's managers and showcases the innovative work of our faculty. The magazine also contains an expanded class notes section, alumni articles and profiles, and updates on campus and alumni activities.

We also launched the MIT Sloan Marketing Council, which consists of “market-facing” and communication professionals from all major departments and programs. The Marketing Council is currently creating a school-wide marketing plan. The group is dedicated to upholding the integrity of the school's messaging and branding system as

well as prioritizing marketing and communication efforts and identifying opportunities for collaboration.

The MIT Sloan website continues to be one of our most important marketing, communication, and information vehicles. Building on the compelling and innovative design established last year, the home page was modified to showcase the variety of community and academic activities taking place on campus, as well as to highlight the school's many important publications, such as *MIT Sloan Management Review*. In addition, the MIT Sloan Spotlight was expanded to accommodate and promote video clips, webcasts, and other ongoing activities.

The website also added several new subsections, including Global MIT Sloan (which explores the school's extensive international academic and research partnerships and the breadth and depth of our global network) and Women@MIT Sloan (which explores our vibrant female community of students, faculty, and alumni, as well as the many activities and resources available to MIT Sloan women). This year also saw an extensive update to the MBA Admissions website, which focused on enhancing our messaging and the presence of key attributes previously identified in surveys of prospective students. We also implemented a system for tracking website usage and have begun analyzing these web statistics to inform the site's organization and content.

MCO continues to coordinate the ever-expanding list of business school surveys.