Report to the
Faculty, Administration, Trustees, Students
of
BABSON COLLEGE
Wellesley, Massachusetts
by
An Evaluation Team representing the
Commission on Institutions of Higher Education
of the
New England Association of Schools and Colleges
Prepared after study of the institution's
self-evaluation report and a visit to Babson College
October 23 - 25, 2011

The members of the team:

Chairperson: Mr. Roger H. Brown, President, Berklee College of Music, Boston, MA

Dr. Davis Baird, Provost & VP of Academic Affairs, Clark University, Worcester, MA

Dr. Karla H. Fox, Interim Dean of School of Business, University of Connecticut, Storrs, CT

Ms. Janice Armo Kassman, Special Assistant to the President for External Affairs, Colby College, Waterville, MA

Ms. Mary Moroney, Director of Library Sciences, Bryant University, Smithfield, RI

Ms. Mary Jane Russell, Director of Finance, St. Michael's College, Colchester, VT

Dr. Paula A. Russo, Associate Professor of Mathematics, Trinity College, Hartford, CT

Mr. Mark S. Rotondo, Assistant Dean in the College of Arts and Sciences, Suffolk University, Boston, MA

This report represents the views of the evaluation committee as interpreted by the chairperson. Its content is based on the committee's evaluation of the institution with respect to the Commission's criteria for accreditation. It is a confidential document in which all comments are made in good faith. The report is prepared both as an educational service to the institution and to assist the Commission in making a decision about the institution's accreditation status.
COMMISSION ON INSTITUTIONS OF HIGHER EDUCATION
New England Association of Schools and College
Preface Page

Date form completed: October 23, 2011

Name of Institution: Babson College

1. History: Year chartered or authorized 1923, Year first degrees awarded 1947

2. Type of control: □ State □ City □ Other; specify: __________________________
   x Private, not-for-profit □ Religious Group; specify: __________________________
   □ Proprietary □ Other; specify: __________________________

3. Degree level:
   □ Associate  x Baccalaureate  x Masters  □ Professional  □ Doctorate

4. Enrollment in Degree Programs (Use figures from fall semester of most recent year):

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(a) full-time 1st to 2nd year (b) 3 or 6 year graduation rate (c) no. of degrees awarded most recent year

5. Number of current faculty: Full time 180  Part-time 96  FTE: 212

6. Current fund data for most recently completed fiscal year: (Specify year: 2011)
   (Double click in any cell to enter spreadsheet. Enter dollars in millions; e.g., $1,456,200 = $1.456)

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7. Number of off-campus locations:
   In-state ____  Other U.S. ___  International ____  Total 1

8. Number of degrees and certificates offered electronically:
   Programs offered entirely on-line 0  Programs offered 50-99% on-line 0

9. Is instruction offered through a contractual relationship?
   x No  □ Yes; specify program(s): __________________________

10. Other Characteristics:
Introduction

We would like to express our appreciation for the warm welcome we received during our visit and the generous participation of many members of the Babson College community in our work. The materials prepared for us were thorough and well organized. Vice Provost Hank Deneault deserves special thanks for his careful coordination of this process.

Our visit included 35 meetings with over 140 participants from Babson including senior administrators, faculty, staff and both graduate and undergraduate students. We met with several board members including the chair of the board. Babson met all of our requests for additional meetings.

Babson College was first accredited in 1950. This evaluation of Babson is a comprehensive evaluation following the 2002 comprehensive evaluation, the acceptance of the fifth year interim report in 2006, and a number of other focused reports in this time period regarding instruction in Portland, Oregon, and San Francisco, California as well as partnerships with EM Lyon in France and Zhejiang University in China.

1. Mission and Purposes

Babson has articulated a statement of mission and strategy that was adopted by the Board of Trustees in October of 2009. A wide variety of campus discussions, twenty-six meetings led by the President and Provost and ten open forums over the course of the 2008-9 school year, were part of that process.

The statement is clear and concise. It builds upon the entrepreneurial reputation and legacy of Babson. The President is using multiple methods of communication to reinforce the mission and strategy, from more traditional speeches and publications to more contemporary techniques like blogging, Twitter, and a state of the College review created by a cartoonist. We found broad awareness of the mission and strategy and a high degree of ownership among faculty, staff and students. In addition, a supporting document explains the interconnectedness of Babson’s vision, mission and strategy and contextualizes these ideas in the history of evolution of the College.

Babson has consciously expanded the definition of “entrepreneurship” to be more inclusive of social ventures and non-profit leadership, innovation within larger companies, and family enterprise. The institution has also clearly defined its ambitions to operate and create impact in a global context and hopes to both enhance its reputation as a center for “entrepreneurial thought and action” and expand its impact and financial strength by leveraging this reputation.

This broader definition allows many faculty and staff within the Babson community to better define their work as aligned with the mission. For instance, Mary Godwyn, a recently tenured liberal arts faculty member who teaches sociology to undergraduates and is member of the faculty senate articulated how this infusion of an entrepreneurial vision in her research agenda prompted her to write a scholarly book about minority women entrepreneurs, which was well-received within her discipline while advancing Babson’s distinct focus.
Finally, we observed that Babson’s entrepreneurial focus is not a purely academic one. As an institution, it is dynamically creating, modifying and even discontinuing programs in response to the marketplace. Executive Education has been a part of the institution for some time and continues to be a central focus for the institution. Recently, the institution has created Babson Global, a new self-contained venture that hopes to generate revenue and surplus, expand faculty opportunity, and extend the reputation of Babson. Although Babson Global is a new venture it is has experienced early success. The fast-track MBA, begun in response to market opportunities resulted in a program in Portland, OR that is now being discontinued, but the seeds of this idea are being deployed in San Francisco and may become a powerful component of Babson graduate education world-wide.

**Institutional Effectiveness:** While this entrepreneurial activity creates the expected debates about risk, resource allocation, and definitions of success, we found that the community is constructively engaged in these discussions and largely energized by their potential.

2. **Planning and Evaluation**

**Planning:** The Committee commends Babson College on the thoroughness and thoughtfulness of the evaluation of the planning and evaluation process. Our visit confirmed in a very large measure the reported strengths of the planning and evaluation efforts as well as the institution’s commitment to assessment and continuous improvement.

Based on the Self-Study, exhibits reviewed by the visiting team and meetings with the campus community, the team concludes that Babson College has articulated a planning process that is broad-based and appropriate to the mission and purpose of the institution. The Self-Study report cites upfront that Babson develops a five-year strategic planning cycle in which it re-evaluates the appropriateness of its mission and purpose, and reviews its plan in the short-term to address emerging issues. The plan is fluid and a thoughtful institutional model that focuses on building a “sustainable financial model for the College that ensures long-term prosperity”.

Over the past ten-years, Babson has been able to turn around a $33 million dollar loss on its operations in the first seven years of the 2000s. It has increased earnings on its operations to an $18 million dollar surplus over the past five years, based on Generally Accepted Accounting Principles (GAAP).

The strategic plan draws on Babson’s entrepreneurial roots and cross-disciplinary graduate and undergraduate programs focusing on experiential learning. The current strategy redefines the College’s “historical pillars” of “entrepreneurship, curriculum integration and global outreach”. Throughout our discussions with trustees, campus administrators, faculty, staff and students, a consistent institutional focus on “Entrepreneurial Thought and Action” emerged. The Babson Strategy 2.1 was developed to:

1. Extend Babson’s leadership in entrepreneurship by moving to the pervasive entrepreneurial thought and action;  
2. Revise its curriculum to focus student learning on “business stewardship obligations toward the environment and to society reflecting the faculty’s voted support of the UN Principles for Responsible Management Education”; and
3. Expand the global reach of the institution through limited strategic partnerships and create a “global entrepreneurship education network”.

The core values of the institution, Integrity, Diversity, Innovation, Collaboration and Excellence, resonate throughout the College community and were readily communicated in the various meetings held campus wide.

Throughout our visit trustees, faculty, staff and students committed time and energy to the development of the College’s strategic plan. Working committees made up of a cross-section of the campus were organized to assist with seeking input from the community-relevant experts both inside and outside Babson. Based on the team’s visit we have confirmed that external and internal realities are considered in all planning processes. For example, the institution has engaged the services of Sasaki Associates to assist College planners with the development of a “Master Plan” and SH Brooks to analyze its admission and financial aid data.

Babson utilizes a variety of financial planning activities on an annual basis to review and revise its strategic initiatives. In various discussions the College’s Operations and Financial Group and the College’s Advisory Committee on College Priorities were described as central bodies in the existing governance structure and critical to the budget planning process for a financial year as well as reviewing and updating the five-year financial plan. The Chief Information Officer and Information Technology Division produce annually a series of detailed plans. Several exhibits in the workroom include short-term and long-term goals, strategies for implementation, specific action plans, performance indicators, timeline and completed tasks.

The College has in place the personnel and procedures to provide planning groups information of various kinds, such as the results of faculty and student surveys, enrollment projections, and budget analysis. The College regularly and systematically uses the data collected to provide meaningful starting points for discussions on ways to improve the College.

This year a Strategic Update was completed identifying four major initiatives aimed at meeting Babson’s future needs and strategic vision:

1. Master Planning - Throughout our meetings it was mentioned by several constituent groups that Sasaki Associates has been engaged to assist the Advisory Committee on College priorities with analyzing space needs at the College with a special interest on classrooms, residential space, and recreational facilities.
2. Technology Expansion - The College has redesigned its Graduate curriculum. References to growing the blended “Fast Track” MBA program beyond Boston and San Francisco were noted; making material available as part of the College’s efforts to expand its global reach will require an expansion of its technology.
3. Development of the “Faculty of the Future” - Faculty and the administration consistently articulated that Babson faculty will need a different skill set to help enhance faculty scholarship and enhanced teaching.
4. Diversity - Babson strives to be an inclusive community that is diverse and multicultural. There was evidence throughout the campus (the strategic placement of flyers and posters) that diversity is a central goal. In meetings with students there still seems to be some economic divide among international students and
domestic students. The institution has made great strides with increasing domestic diversity through programs such as Posse.

Babson Global, Inc. and Fast Track have been introduced over the past several years to extend the Babson educational model. Several full-time MBA students expressed concerns as to how these two initiatives fit into the overall strategy of the institution.

The planning initiatives of the College have been initiated within the existing governance structure of the College. Trustees, administrators, faculty, staff and students have the ability to forward issues to existing committees and in several instances the President utilizes task forces (Health Care is an example) to address critical issues affecting the institution.

However, we did not see the development of any plans to address the four major initiatives identified in the Strategic Update or Babson Global, Inc. or the Fast Track MBA. Several members of the community suggested that the Master Plan would be concluded by spring 2012, but there was no indication for the areas cited above.

**Evaluation:** The Committee concurs with the institution’s observations that it systematically uses a variety of assessment initiatives at all levels of the institution. The use of indirect measures such as surveys, the Trustees’ evaluation of their own meeting effectiveness, and direct measures such as rubrics and students work samples were evident in the workroom or provided at various meetings. One of the most successful evaluations mentioned by administrators and faculty is the impact of the Annual Faculty Salary Benchmarking.

The College is in a consistent cycle of evaluation and its academic programs are subject to rigorous program review by AACSB International, and the European Foundation for Management Developments’ quality improvement program (EQUIS). A review of the assessment cycle suggests that the College undergoes a three-year cycle in every five-year period.

The College has an ongoing assessment cycle and the Office of Institutional Research carries out a variety of research projects, statistical analysis and surveys each year aimed at making meaningful decisions. Several reports were provided in the workroom including the “Two-Year MBA Alumni Report” the “Fast Track Alumni Report, and “Trends in Graduating Seniors’ Evaluation of their Babson Undergraduate Experience”. The reports reflect the perceptions of Babson’s influence on student competencies and growth as well as their satisfaction with their academic experiences and student life. The E-series data forms identified a variety of evaluations used by the College to guide decision making and implementation.

**Institutional Effectiveness:** The institution regularly examines its effectiveness through its specialized program reviews. Data is systematically collected throughout the campus and vetted by key decision makers to enhance institutional effectiveness.

3. Organization and Governance

Babson College has a highly functional system of governance that well facilitates the College’s vision and mission. The College adopted a new vision and mission statement in October 2009 that was vetted and approved by both faculty governance and the Board of
Trustees. Review Team meetings with multiple interested groups (President’s Cabinet, Provost’s Council, Division Chairs, Vice President for Human Resources, Faculty Senate, among others) confirm that there is widespread understanding of the new vision and mission, and that steps are underway to align the organization with the new vision and mission. With respect to organization and governance, the only development that the Review Team has any concern about is Babson Global Inc., about which there is more below. For a discussion of student government, see Standard 6.

Babson has a highly informed and engaged Board of Trustees. Their responsibilities are clearly laid out in the Bylaws of Babson College (1969), and are further delineated in a more recent document, “Responsibilities of Members of the Board of Trustees” (2008). The Board performs its functions through a set of committees—Executive, Governance, Audit, Finance, Investment, and Alumni Relations and Development—that are appropriate to the Board’s oversight responsibilities. Ad hoc committees have been employed as issues have prompted. Board members are required to submit annually a conflict of interest disclosure, and most recently fewer than 20% had any financial interest in the College. The Board underwent significant restructuring in 2008, which included adopting term limits for Board members, and adopting a new committee structure more conducive to the Board’s responsibilities. The members of the Board that the Review Team spoke with were clearly knowledgeable and connected to the operations of the College.

Babson’s President, Len Schlesinger, has been in office since July 1, 2008. Prior to officially taking office, President Schlesinger engaged in a marathon set of meetings (more than 25, according to the President) with College personnel, including faculty and staff members, members of the Board and the administration. With a strong sense of the College’s strengths and opportunities, he then orchestrated (a term used by a Board member) the College’s development of a new vision and mission statement that clearly build on the College’s well-established identity. Working with the senior administration and the College’s Advisory Committee on College Priorities (which includes representation from faculty, staff, students and administration) the President has taken a series of steps to align budgetary allocations with the vision and mission, as well as to the resources available. Specific steps taken here have included eliminating non-performing academic centers, increasing the use of College facilities, decreasing the draw on the College’s endowment, and developing a more diverse set of revenue streams for the College. The President has pursued a multi-pronged and vigorous effort to communicate with Babson’s multiple constituencies. Efforts here include periodically creating videos to communicate key College information to the community (e.g., on the College’s budget), regular “town hall meetings,” as well as more traditional means of communication through faculty governance channels. The President has taken a variety of steps to restructure senior administration so that it is more able to responsibly manage the College’s operations. These have included moving the reporting line for the Dean of Babson Executive Education from the Provost to the President and creating the position of Executive Vice President, with primary responsibility for Babson Global, Inc. Of note, is the large number of direct reports to the President—17.

Serving as the Chief Academic Officer, the Provost, Shahid Ansari, arrived in office essentially simultaneously with the President in 2008. In his position, he reports to the President and is responsible for the quality and integrity of Babson’s academic programs. There is substantial evidence that he has done well in this position. He arrived in office simultaneously with a series of concerns from the faculty, including concerns about
salary levels and teaching loads. By means of a detailed analysis of salaries, he was able to establish clear benchmark salary levels for individual faculty members based on discipline, time in rank and productivity. He developed a package of policy proposals that was vetted through faculty governance to adjust salaries (up) and teaching loads (down) in exchange for a more focused curriculum (dropping under-enrolled courses) and a “portfolio” approach to the professoriate, where up to 25% of full-time faculty members would be non-tenure-track (and carry heavier teaching loads and a smaller research expectation). The net effect has been a much more efficient application of resources to Babson’s key educational mission. Provost Ansari, working through faculty governance, has worked to restructure the graduate programs, streamlining the different programs to allow for more efficient use of teaching resources, and he is working to align the undergraduate programs with the new vision and mission of the College. Finally, he clearly has been a driving force in the development of Babson Global, which appears to be poised to provide a significant alternative revenue stream to the College, as well as to provide opportunities for faculty members to bring their expertise to a variety of sites around the world.

Provost Ansari has worn several hats in his initial three years as Provost. He has performed all of the functions of the provost, the dean of the faculty and as the Chief Executive Officer of Babson Global, Inc. Recent developments should reallocate some of these duties elsewhere, allowing Provost Ansari to focus more clearly on academic policies, programs, planning and resource allocation. Executive Vice President Howie Rice, reporting to the President, has been hired to take on many of the Babson Global efforts, and Dean of the Faculty, Carolyn Hotchkiss, reporting to the Provost, has been hired to take on duties pertaining to the faculty.

Substantial evidence (Review Team meetings with Members of Babson’s Faculty Senate and Divisional Chairs) points to a professoriate at Babson that is active and constructively engaged in the processes of shared governance. In February 2008, the Babson faculty voted to create a Faculty Senate as a more functional way to provide the faculty voice in governance matters. A five-member Senate Executive Steering Committee oversees and coordinates the work of the full 30-person Senate. By their own word, members of the Senate regard this approach to faculty governance experimentally (perhaps “entrepreneurially”), and they have continued to examine its effectiveness and refine its structure in light of what they find. For example, as initially constituted, the Senate was composed of 20% of the faculty; more recently, they have fixed on a size of 30 senators. The Bylaws of the Senate, adopted May 15, 2008 and amended on April 14, 2009, provide for each of the College’s Divisions to have representation in the Senate (1 Senator for each Division, for a total of 10, with the remaining 20 Senators elected at large). On its five-year anniversary, the faculty will reexamine their commitment to the Senate, with the understanding that they will abandon it if they judge it ineffective. In addition to the Senate, Babson has other appropriate systems and committees for shared governance. The Undergraduate Academic Policy Committee and the Graduate Academic Policy Committee, both include students (two for the UAPC; one for the GAPC) faculty (seven each) and the respective Graduate School and Undergraduate deans. Each committee works with the College’s administration on academic matters as appropriate under their purview. The Appointments Committee takes up matters of tenure, promotion and reappointment for all full-time faculty members. The College holds two full faculty meetings each year, and has experimented—successfully—with “virtual” faculty meetings using Blackboard; over 130 faculty members connected through Blackboard on an important College issue over the July 4 weekend.
In January 2010 Babson launched Babson Global, Inc., which Babson sees as a separate but related organization for increasing Babson’s global presence by taking Babson’s educational philosophy to interested parties globally. Babson Global has its own Board of Directors and Officers, but by design, there is substantial overlap between the College’s Board of Trustees and the Babson Global Board of Directors. Currently Provost Ansari serves as the Chief Executive Officer of Babson Global. There is much to recommend the concept of Babson Global, and it has the potential to significantly positively enhance Babson’s reputation and revenue. The Review Team does want to note that Babson Global currently competes for the time and attention of the Provost who also has many other priorities and duties. Likewise, Babson will need to exercise caution that the activity of Babson Global does not dilute the attention and focus of faculty to the core campus programs.

**Institutional Effectiveness:** In sum, Babson has a robust system of governance appropriate to its needs. There is ample opportunity for all constituencies to have voice in College matters, and the organization is structured to promote the pursuit of the College’s mission. There is evidence that Babson reviews and modifies its organization and governance on a regular basis.

4. **The Academic Program**

The academic program at Babson College is strong. The institution has a well thought-out curriculum that aligns with its institutional mission and learning goals, at both the undergraduate and graduate level. Babson has very defined degree offerings, dedicated to undergraduate and master’s degree business education. It is nationally and internationally known for its emphasis on entrepreneurship as a particular area of focus, in both its undergraduate and master’s offerings. It has appropriate feedback mechanisms in place to ensure alignment with its educational purposes. Its administration appears dedicated to carrying out the institution’s mission and goals, and the faculty are properly engaged in curricular and academic decisions, and in the overall functioning of the institution. Students at both the undergraduate and graduate levels are admitted after appropriate admissions procedures to ensure that they possess adequate language skills and preparatory background to successfully complete their degree programs. The very high retention and graduation rate, with a six-year graduation rate of 90.8%, is notable. The institution has, and continues to refine, an apparently effective feedback loop that assesses student learning and makes curricular and course adjustments based on the assessment data. The curricula at both the undergraduate and MBA level are somewhat unique among academic institutions, as they are not so much “course-based,” as they are macro “learning goal-based,” and performance there is a strong emphasis on interdisciplinary collaboration and cross fertilization. Within this goal-based, interdisciplinary paradigm, the curricula exhibit appropriate breadth, depth, continuity, sequential learning and a unique synthesis of learning. Regular evaluation and review of institutional goal achievement, through its unique Assurance of Learning System, appears strongly embedded in the institution’s ethos.

As noted, Babson only offers business and accounting degrees, and is accredited by both leading business accrediting bodies, AACSB and EQUIS. These two accrediting bodies enforce exacting standards, through a self-study and review team site visit mechanism. The AACSB and EQUIS teams are drawn from knowledgeable academic and practitioner
leaders in their fields. These accreditation site visits therefore constitute the institutional external perspective review called for in the NEASC standards.

Babson is very much centered on its main campus, and has made strategic forays into other sites. It has recently begun offering courses in the South Station area of Boston, to better accommodate part-time students who work in downtown Boston. Within the United States, it has established programs in San Francisco and Portland, Oregon. The San Francisco program appears to be robust. When the Portland initiative did not fare as well, the institution developed a well though-out “teach-out” plan that is presently being operationalized, with a few remaining challenges.

Undergraduate Degree Programs, General Education and Concentrations:
Babson’s approach to undergraduate degree programs, as noted above, is based on an interdisciplinary paradigm centered on seven macro Learning Goals arranged in a progression of three levels: Foundational, Intermediate and Advanced. The undergraduate curriculum’s approach to General Education is somewhat unique, as it is embedded at all three levels, as opposed to the more “typical” approach of “front-loading” General Education courses and then focusing almost entirely on the “professional” business courses in the later years. General Education courses include both liberal arts and business courses with the liberal arts core making up roughly 50% of the course credits of the first two years. The majority of the core courses are interdisciplinary in nature, frequently taught collaboratively by faculty from different divisions. This flexible and inclusive approach, referred to at Babson as “integrative thinking,” allows the student to better understand the importance of General Education subjects in preparing for a career in business. Note that collaborative courses are suitably supported by the administration. For example, multi-section core courses typically have one or more course coordinators to help to ensure that the student experience is comparable across the sections. Attention is also given to helping new faculty as they join these interdisciplinary efforts. Students are also provided with ample opportunity to pursue their own interests: 48 of the 126 credit hours required for graduation are electives, 20 of which must be in the liberal arts. Achievement of learning goals within such an interdisciplinary, goal-oriented curricular structure requires a great deal of attention to academics by administrators, and strong dedication on the part of the faculty.

There is only one undergraduate degree offered at Babson, a Bachelor of Science, with a major in Business Administration. Within the context of the seven Learning Goals, students may choose as many as two academic concentrations from a large variety of business and liberal arts concentrations. Typically consisting of a minimum of four courses, these concentrations offer the interested students the opportunity to have a more in-depth learning experience in one or two particular disciplines. Last year, for example, 21% had no concentration, 44% of graduating students had a single concentration, and the remaining 35% had two.

Student advising is formalized for the freshman year through the First-Year Dean and to a lesser degree the instructors of the first year seminars. Subsequently, each sophomore class is assigned a Class Dean who stays with the student cohort until graduation. Students interviewed during the visit reported satisfaction with this process and spoke highly of their interactions with their class dean. However, evidence from the most recent senior survey report stated that despite relatively high levels of satisfaction with the quality of instruction, only 21 percent seniors were Very Satisfied with academic advising.
and further, the mean satisfaction rating on academic advising decreased from 3.28 in 2009 to 2.85 in 2010.

The Faculty Senate’s Undergraduate Academic Policy Committee (UAPC) is responsible for curricular oversight and undergraduate academic policies and standards. Proposals for significant changes to the curriculum are reviewed at the UAPC, after which they are brought to the Faculty Senate for approval.

Babson is currently involved in a significant curricular redesign of its undergraduate program that will, if successful, incorporate into the undergraduate program the College-wide endorsement of the theme of Entrepreneurial Thought and Action (ETA) as well as the SEERS principles of Social, Economic, Environmental Responsibility and Sustainability. In its May 2011 report, the Undergraduate Curricular Design Committee outlined a set of principles and identified five areas of action. Faculty and administration have been appropriately and meaningfully involved throughout the process and significant progress has been made to date in each area. The target roll-out date for the new curriculum is Fall 2013 which appears to be a manageable timeframe given progress to date.

Graduate Degree Programs: Babson currently offers three business master’s programs, the MBA, a M.S. in Management, and a M.S in Accounting, as well as a certificate program in advanced management. The MBA degree is offered in four formats: a two-year 62-credit full-time MBA; a one-year full-time 45 credit degree program for students who have an undergraduate business degree; a part-time evening MBA program, and a “fast track” off-campus MBA which is a blend on online and personal contact formats. Overall, these programs have been well-received and well-subscribed, with the exception (mentioned above) of a program in Portland, Oregon, which did not garner sufficient enrollments to support continuation and is presently in a “teach-out” process.

It should be noted that, like the undergraduate curriculum, the MBA core curriculum has just undergone a significant evaluation with a goal of making appropriate revisions. This revision was guided by the Babson Senate’s Graduate Academic Policy Committee, which is composed of faculty, administrators and an elected MBA student representative (who was heavily engaged in the process), and its recommendations were accepted by the Faculty Senate. While a committee of faculty, students and academic administrators actively worked together to develop the revision recommendation document, the faculty were the main change drivers. As is true in the undergraduate program, due to the totally interdisciplinary nature of the MBA program, a spectrum of faculty disciplines were actively involved in the revision process.

Another significant new development aimed at fostering international business education is the new M.S. in Management Global Entrepreneurship Program, which is a three-continent partnership of E.M. Lyon in France, Babson and Zhejiang University in China. Students take one-third of their course work at each institution, following a prescribed curriculum. While this international academic partnership is exciting and appears responsive to the needs of the global economy, there have been implementation problems. The Graduate Dean has decided not to admit a class for the fall of 2012, and the present students will be taught out. The longer-term existence of this program is in doubt.
**Integrity in the Award of Academic Credit:** Babson appears to have a rigorous and thorough monitoring system to assure integrity in the award of academic credit. Its residency and transfer credit policies are appropriate. As noted before, almost all programs are offered only on the Wellesley campus, and the one U.S. program offered off-site, the “fast track” MBA, is taught by regular Babson faculty, in a blended format with regular face-to-face interactions. The Self-Study makes it clear that the Babson administration is quite knowledgeable about the latest federal and regional accreditation rules regarding integrity in the award of academic credit, and it paying attention to these rules.

The Team met with representatives of the undergraduate and graduate school, Provost’s office and Registrar’s office to discuss Babson’s credit hour definition. Babson defines a credit hour as the equivalent of one hour of direct faculty instruction and at least two hours of out of class rigor. A review of existing courses by the Divisional Chairs and Provost’s office is ongoing to ensure that syllabi and the academic calendar accurately reflect the College’s credit hour definition. New courses proceed through a rigorous approval process where new courses must be taught two times and then be evaluated before they can be granted permanent approval in the curriculum. There are several checks and balances in place to ensure that all new courses prior to approval meet or exceed the credit hour definition. With the redesign of the graduate curriculum, each course was vetted and assessed to ensure compliance with the credit hour definition.

**Assessment of Student Learning:** Through its Assurance of Learning Program, Babson has extensive mechanisms to assess student learning. This assessment is obtained both directly through such mechanisms as in-class administered teacher evaluations and administration of assessment metrics based on faculty-developed and monitored rubrics, and analysis of external and internal survey data. The institution’s dedication to assessment of student learning outcomes is palpable, and there are a number of examples of how the institution has used information gained from assessment to create quality improvements in curricula or pedagogy.

While the institution’s dedication to and utilization of student learning assessment data is evident, the data-collection process is antiquated, relying heavily on paper reports and manual interpolation of the data. The Self-Study mentions a goal of obtaining appropriate a software program or other appropriate electronic technology to assist in the compilation and analysis of data regarding student learning assessment, and this is an initiative that should be explored further.

Babson’s assessment activities have led to understand and acknowledge certain weaknesses in its curricular structure. This is particularly notable in regard to student knowledge of business social responsibility and ethical environment issues, at both the undergraduate and graduate level. Based on this assessment feedback loop, Babson is taking steps to address this deficiency, which was ascertained because of appropriately functioning assessment mechanisms.

**Institutional Effectiveness:** Babson is very clear about its mission and goals, and its activities are strongly aligned with carrying them out. It has an admirable commitment to continuous assessment of its curriculum, educational and scholarly goals, and student learning. Because it is so strongly focused on a particular educational sector (business education), it has been able to hone its processes to a high degree of effectiveness. As long as it maintains this focus and a commitment to continuous assessment and quality
improvement, it should continue to be regarded as a leader in its field of entrepreneurship.

5. Faculty

Babson College is an institution dedicated to business studies, with an associated liberal arts component to support the main mission of business studies, especially entrepreneurship. It is accredited by the two international business disciplinary accrediting bodies, AACSB, which is primarily a United States entity, and EQUIS, the mainly European accrediting body. Few institutions internationally are accredited by both of these highly rigorous and prestigious bodies, so this distinction is a mark of high quality. The Babson faculty is sufficiently numerous regarding the student: faculty ratio and percentage of time (fulltime versus part-time), and its academic qualifications are strong, through research or professional experience. Babson has an adequate number of faculty and their academic qualifications are appropriate for their role. Babson appears quite competitive in terms of faculty compensation and monitors this factor carefully.

Babson has developed refined and complex procedures to assess the quality of faculty teaching and overall faculty academic performance. It expects fulltime faculty, even non-tenure track, to make intellectual contributions to scholarship. Babson employs a number of adjuncts who are described as proficient in their applied specialties, a description borne out by the visitation. As is true with all other Babson fulltime tenure-track faculty and fulltime lecturers, adjunct faculty are evaluated annually using transparent criteria. There is a regular system of review for pre-tenure/ promotion tenure-track faculty, and a statement and application of expectations for non-tenure-track faculty that can lead to multiple year appointments. A complex iterative faculty activity planning and evaluation process is carried out annually involving the faculty member, the Division Chair, and the Dean of Faculty. Faculty governance is included in the faculty reappointment process at all stages, and it is even possible for a vote of the faculty to override a Presidential decision regarding Presidential reappointment, promotion and tenure (although this has not occurred).

The institution has a goal of increasing from its present 68% to 75%, the number of classes taught by fulltime faculty. Even at 68%, the amount of students taught by fulltime faculty is high. In scholarship, there is an articulated effort to reduce teaching loads in order to facilitate research and publication efforts. The teaching loads have been reduced for many faculty. The outcomes of dual (and to some extent, contradictory) goals for increasing the number of courses taught by fulltime faculty, while simultaneously lowering teaching loads in order to facilitate research remain to be seen. Babson appears to be planning carefully to achieve both these goals, but there will be a financial cost associated.

**Teaching and Advising:** Because outstanding instruction is a priority goal for the institution, Babson pays close attention to teaching and assessment of teaching, as well as assessment of student learning outcomes. It has complex feedback mechanisms to ensure continuous quality improvement and deficiency identification.

Babson is technologically well-equipped to deliver its academic programs, both on the main campus and through a blended distance-learning approach. There is a strong support network to assist faculty in delivering technologically advanced courses, and the
cooperation between the IT staff and the faculty is high. However, its IT staff is under a great deal of pressure to meet instructor demands, due to its relatively small size. In regard to advising, Babson is a very student-focused institution. Except for a formal student advisement program in the undergraduate freshman year, it is not evident precisely how advisement occurs, although the institution – reported satisfaction surveys do not identify inadequate advisement as a problem. One explanation for the apparent lack of specialized advisement is that, in essence, there is only one undergraduate degree and a limited number of defined business degrees offered, so that student degree options are, by definition, limited, and students are provided with adequate information to make concentration courses during the formalized freshman advisement process. The choice of an undergraduate concentration is done through ad hoc faculty-student conversations, and not through a formalized advisor-assignment structure. During the visit, various students, faculty and academic administrators were questioned about what appears to be a lack of a formal advising structure. All agreed (when questioned in separate venues) that advising is good and is carried out during the frequent faculty-student interactions. No one, including the students, appeared to feel that lack of a formalized assigned-advisor structure was a problem.

**Scholarship, Research and Creative Activity:** As noted above, the accreditation standards of the disciplinary bodies for which Babson is accredited demand a fairly high degree of scholarly and/or applied output. This ensures that Babson pays attention to scholarship. As also noted, the institution is trying to reduce teaching loads in order to allow for an increase in intellectual contributions. There are research, library and information technology resources available to support faculty research, and additional summer research grants are available. The academic administration actively encourages faculty scholarly endeavors.

**Institutional Effectiveness:** Babson has a dedicated faculty that is dedicated to the institutional mission as a “teaching institution” for business studies, focusing on entrepreneurship (“entrepreneurial thought and action”). It has developed a number of processes to ensure teaching effectiveness, and high quality student learning. Its faculty appear adequate in size and credentials to carry out its mission. There is increasing emphasis on improving an existing adequate base of scholarship and research.

6. **Students**

**Admissions:** As a prospective student begins the College search, Babson exposes the individual to a compelling picture of the educational experience featuring entrepreneurial thought and action. The Admissions viewbook proclaims, “This is Your Babson” presaging a very personal educational journey. Another key phrase declares, “You Know What You Want.” Both messages are the direct result of market research confirming that the Babson educational brand is what applicants are seeking.

The Admissions Office succeeded in increasing the applicant pool by 25% for the class of 2015 by expanding international recruitment, broadening the scope of recruitment to include sophomores and by purchasing more names of potential students. A new application further cements the Babson brand. To handle the increased applications, two new staff members were hired. Online applications and review were adopted as the platform for the operation of the department. A key strategic initiative is diversity. Attention to the recruitment of students of color is paramount, as evidenced by the Posse program and enhanced efforts for other methods of minority recruitment.
There is a smooth transition of students from Admissions to Student Services, in that students with special needs, concerns and challenges are noted for special attention.

**Retention and Graduation:** As reported in the College’s S-series forms, the College boasts an impressive record of retention, graduation rates and job placement for recent graduates.

- Percentage of students returning for 2nd year (class of 2009) = 92%
- Four-year graduation rate for class of 2004 = 89.4%
- Job placement for 75% class of 2011 completing survey = 95%

Financial Aid is awarded in a fair and equitable manner. Ninety percent of awards are need based and 10% are merit based for undergraduates.

**Student Services:** Student Services staff approach their tasks with commitment and confidence that the College’s core competencies, emphasis on diversity and inclusion, as well as the overarching brand of entrepreneurism are essential components of the curricular and co-curricular experiences of students. The mission statement emphasizes the need to promote a “quality student experience for students that is socially, intellectually, and personally rewarding and to foster a campus environment that is engaging, safe and welcoming for all its members.”

Of particular note is the revamped Class Dean system which provides a first year Class Dean specialist. In subsequent years, each class is followed by a Class Dean who assists with student development and advising. Students spoke glowingly of the Class Deans’ availability, as well as the accessibility of the Student Services staff and President. Class Deans tend to be very visible and accessible, attending or hosting events in residence halls, on athletic fields and in other areas where students gather. Class Deans have been known to go above and beyond. In one case, past Class Deans took up a collection in their office to assist a student who did not have the resources to have his braces removed. More formally, students who complete the DISC assessment in the Organizational Behavior portion of Organizing for Effective Management are eligible for assistance with purchasing their supplies for classes.

Individuals with academic needs take advantage of free remedial services provided by the Writing Center, Speech Center, Math Resource Center, and Tutoring provided for five core courses.

Student leaders play a key role in a number of areas: as Resident Assistants, Peer Mentors, Peer Advisors, Tutors and by serving on the tripartite teams who lead the First Year Seminars. Additionally, there is a First Year/Senior Retreat each year in which upper class students relate their experiences and then first years reciprocate. The feeling of community is enhanced by this exercise. The Student Government has undergone a total revision, thanks to the help of an outside consultant. Five key committees now exist. Student voice is robust, as evidenced by the administration’s willingness to increase weekend programming, including transportation to Boston, and implementing extended hours of operation and food options in the Reynolds Student Center.

As previously stated the College is committed to creating a “diverse, multi-cultural and
inclusive community." To that end, the College has made great strides increasing the number of female undergraduates and increasing the domestic student of color population. Additionally, the College has created a Chief Diversity Officer position to further the vision for an intentionally diverse community. To advance this agenda, one of her first acts was to form the Council for Inclusiveness and Community. The Chief Diversity Officer works in close collaboration with the following offices: Center for Women’s Leadership, Office of Student Disabilities, Office of Student Diversity and Inclusion, Office of Community Engagement and Multi-Faith Programs and the Office of International and Multicultural Education. In addition, Community Unite Educators (CUE) have been trained to provide support and advice.

The safety of students is preeminent in the Division of Student Services and the Department of Public Safety. Within the last two years a Trustee Task Force was formed to conduct a self-study on public safety. With the help of an outside consultant, a public safety audit was undertaken which resulted in a list of short and long-term goals. One of those goals is to seek accreditation by the Massachusetts Accreditation Commission. Additionally, detailed protocols are in place for on-call response for all manner of campus emergencies. All campus alert systems are in place and constantly tested for use in natural disasters and other emergencies.

Health and Wellness are paramount considerations as well. Resources have been reallocated to focus on alcohol, sexual assault and drugs. On the Mental Health side, Babson adopted a new online, interactive “Gatekeeper Training Simulation” for use with faculty first and then with students. The goal is to explain ways to approach students at risk and to suggest referrals to the Counseling Center.

In the Athletic realm, a wide variety of intramural, varsity and club sports are offered. A Student Athletics Advisory Committee meets every two weeks with the bulk of issues deriving from the students. For example, extended meal hours have been offered for athletes based on feedback from this committee. Coaches work closely with all students. For those students needing academic assistance, upper class tutors, who are athletes, offer assistance. The Student Affairs Division works closely with captains who are campus leaders in sports and in other arenas, as well. Additionally, student athletes are surveyed in their senior year to rate experiences.

Activities abound for students through the Sorensen Center for the Arts. Many clubs and organizations and the new Student Life Board of SGA have ample funds to organize and offer a wide variety of events. The students we spoke to stated, “there is always something happening.” A unique feature is that students are asked to reflect on events after they occur to aid in personal lessons learned and in an effort to ensure better delivery and efficacy of future programs.

In the housing realm, first year students live together. There are some special interest houses for upperclassmen that undergo annual review, as there is a requirement for the units to “give back” to the community. Discussions are ongoing regarding reintroducing more academically charged housing units.

Career Services are staffed by 18 full-time employees to service both the undergraduate and graduate populations. Not only are efforts made to bring recruiters to campus, but students are taken to sites off campus to experience various careers in business through programs such as the upcoming “Wall Street Trek.” There is also a program called
"Babson Connect" which offers programs in San Francisco, New York, and Miami for area alumni, undergraduates and graduate students organized by the Career Services Department.

**Institutional Effectiveness:** There is clear evidence through the material presented in the workroom and in the interviews of various constituent groups that the College utilizes a variety of surveys and measures such as First Year Surveys, Parent Surveys, Retention Surveys, Senior Surveys, and the triennial Quality of Student Life Survey. The Team concurs that changes are implemented from data gleaned from these instruments. For example, the Class Dean model was changed based on reports from student feedback.

7. **Library and Information Services**

The Horn Library is located within the Horn Center complex which also includes classrooms, administrative and faculty offices, the Jazzman’s café, and the staff of the Information Technology Services Division (ITSD) of which the library is a part. A hub of activity on the campus and centrally located on the Babson Quad, over 130,000 visits to the facility by students and members of the Babson community occurred during FY 2011.

The Stephen D. Cutler Financial Markets Center, which includes twelve Bloomberg terminals, and is also located within the Horn Center, provides exceptional access to financial markets data. The Cutler Center is managed by a librarian who is also the library liaison for the finance faculty and who reports to the Chief Information Officer (CIO). Adjacent to the Cutler Center is the Babson Fund Room where select finance students manage a portion of the Babson endowment.

A central technology support service desk provides technical and audio-visual support for faculty, staff and students in and out of the classroom. As a laptop campus, this center services laptop issues and laptop distribution and replacement for faculty and students. Support for student-owned Apple products is provided as well.

Group study rooms throughout the library appear to be popular and are enhanced with white boards and monitors. The third floor is the quiet study zone and primarily provides personal study space, albeit dated.

A 24/7 classroom lab with presentation technologies and fixed workstations is available just outside the building proper for student access during off hours (after 2 a.m.).

Information Technology and Library Services have been merged for a while under the ITSD and a new Chief Information Officer (CIO) came on board nearly two years ago. A team of eight directors reports to this CIO. Although there is no official Library Director, library staff are represented on this team and there appears to be no disruption or degradation in service because of this reconfigured organization.

To ensure that the College is meeting the technological needs of the College the CIO oversees 3 advisory groups: Student Technology Advisory Council, Faculty Technology Advisory Board and a Graduate School Technology Board. An ITSD proprietary project management system or innovation pipeline is in place to pilot and explore technology needs. Each project has a project manager who follows the project to the implementation/roll out phase if the request makes it through the "four gate" process.
Four faculty members serve as an advisory body between “gates” three and four, and act as “the faculty voice” in advancing or holding up a project. There are currently 16 projects in the pipeline.

Library staff participate in new faculty orientation sessions which include part-time faculty as well. A hands-on component within the orientation session exposes faculty to database resources and searching strategies.

Lacking a central faculty development center, the library and ITSD staff participate in faculty professional development instruction. A structured “Tech Day” is held twice a year at the Babson Executive Education Center and faculty attendees learn about new instructional technologies to incorporate in the delivery of the schools’ blended learning programs as well as in face-to-face classroom instruction. Topics covered in the past have included polling software options, TelePresence video conferencing, Blackboard capabilities and lecture capturing. The Fast Track MBA program is one the heaviest users of technology and technology used here is often transferred to traditional classroom settings. Each faculty division is assigned a library liaison and faculty are appreciative of this support and outreach. Librarians work with faculty within Blackboard by providing research content via the library reserve system, online subscriptions, and other resources.

A library orientation session is included in the First Year Seminar (FYS) that all students are required to take. In FY 2011, 166 library instruction sessions were held which included those in the FYS program, Rhetoric classes and other programs including the MBA Fast Track on campus orientation. San Francisco cohorts have access to Babson librarians through research@babson.edu.

Librarians review data from the graduating senior student satisfaction survey to help assess information literacy programming. Focus groups consisting of library student workers are also used to help improve services. Surveys are also conducted after a training sessions to ensure that students have learned what they need for their research projects. General library usage statistics are maintained to gain further insight on library services and programs. The information literacy program position is currently vacant and a program revamping is in process. It is important that this position is filled.

Students gain access to various campus information portals via a proprietary portal built using ColdFusion. This single sign on portal leads students to Blackboard, licensed software downloads, and SunGard Power campus, etc. Babson’s “ERP” system is made up of best of breed or best of suite software packages. Students also have access to Blackboard mobile via their personal mobile devices. Students also mentioned that they are pleased with recent campus network upgrades.

Students and faculty have access to a very impressive array of business databases and resources and these are used quite heavily is indicated by usage statistics. The “Horn Library Fast Answers” web site conveniently stores and retrieves questions and answers about library services and resources.

Although there are no e-book readers such as iPads or kindles for loan, students have access to nearly 150,000 e-books, which can be accessed from laptops and/or desktops. The Horn Library has implemented patron-driven acquisitions for e-books utilizing e-brary, with students selecting two or three titles per week simply by searching the library’s upgraded catalog or the e-brary database.
A campus wide subscription to Lynda.com, which supplies software training on various software resources and capabilities, has been widely praised throughout the campus. Some of these tutorials are linked to within blackboard and/or used when help is needed on a particular software feature.

In addition, students have access to books and resources from nearby Olin College and Wellesley College. Although this service has not been heavily utilized and logistics have not been ironed out, discussions have begun among the three schools not only in ITSD, but in other areas of the College as well. Cooperative resource sharing opportunities and relationships such as this warrant further attention.

Information management tools employed by the library to facilitate effective information retrieval include Serials Solutions’ journal management and web scale discovery service, LibGuides for web site management beyond the College wide system, and a “Digital Knowledge at Babson” institutional repository which collects and preserves Babson’s intellectual output and memorabilia.

Faculty mentioned that they were not familiar with open access and ensuring that faculty journal article content is available to the Babson community in either prepublication or publication format in the event that they are not available in electronic database subscriptions. Faculty are interested in having conversations about this. The College is also investigating faculty activity management systems such as Digital Measures.

Campus master planners Sasaki Associates, Inc. have met with members of the ITSD staff (as well as other campus constituents) to discuss space and facility usage issues. Students have been included in the planning process as well through focus group meetings.

**Institutional Effectiveness:** Babson’s ITSD effectively provides more than adequate appropriate library information resources and systems to the Babson community.

8. Physical and Technological Resources

The Babson College community enjoys a picturesque hilltop campus in the greater Boston area. The campus features 64 buildings on 316 acres, featuring the Horn Library and Reynolds campus center as the cornerstones of the campus – though the library seems to be the preferred student gathering space on campus. The original campus has grown to include many newer facilities, which were successfully designed to complement the existing architecture while providing additional housing, classrooms, library, athletic and other specialized campus facilities to support the student body. Students, faculty and staff reported no dissatisfaction with the facilities, including classrooms and housing, which provide an atmosphere conducive to study and faculty research.

The College has recently engaged Sasaki Associates to guide the Babson community through an updated master planning process. The College’s deferred and scheduled maintenance needs are inventoried in a comprehensive building-by-building deferred maintenance database kept by the Associate VP for Facilities Management and Planning. These deferred maintenance needs, as well as planned improvements to the College’s dormitory and other facilities, constitute the implementation plans related to the last master plan completed approximately ten years ago.
Physical resource planning at Babson College is well integrated with financial and strategic planning, as well as other academic, student services and support functions through the efforts of the ACCP, which is leading the new master plan process. Planned improvements are scheduled using a focused building-by-building approach, coordinating the downtime required for renovations with scheduled events and conferences on campus during the short summer construction season.

Funding for the annual capital budget is provided provision in the operating budget depreciation expense recognized under generally accepted accounting principles related to external reporting (GAAP). Other special construction projects may be donor-funded, and projects such as dormitory construction are bond-financed; as of June 30, 2011 the College financial statements showed $115 million of outstanding indebtedness plus a related $14 million in interest rate swap liabilities.

The campus demonstrates appropriate compliance with legal requirements regarding access, safety and security. Of particular note is the community’s commitment to sustainability, including partnering with GreenerU to find innovative ways to engage constituents in reducing the College’s environmental impact. This engagement ranges from the highest level of facilities planning, to student entrepreneurial efforts such as designing more energy efficient lighting alternatives now being used in the parking deck – even to trained student volunteers performing the message job of periodic trash audits.

The College’s technology infrastructure is satisfactory for the current needs of students, faculty and staff, and is well managed by a competent staff (though they report several vacant positions that they have been unable to fill, for market reasons rather than budgetary constraints). The College has a strong information security plan informed by best practices in information technology. By 2011, all 51 classrooms include computers, projectors, and other modern instructional technology, including 15 large capacity tiered interactive learning spaces, and the Chief Information Officer has been intimately involved in selected Babson Global projects and the establishment of domestic campuses of the College itself.

**Planning:** The College’s master plan is further supported by a comprehensive deferred maintenance listing that is the basis for the capital equipment plan. Visionary technology leadership complements an equally thorough technology plan. These plans are integrated into the strategic plan of the College, and leaders of these areas are well qualified to coordinate the technology and facilities planning with the efforts of strategic, financial, and other campus planning groups.

**Institutional Effectiveness:** The comprehensive planning process undertaken by the College upon the arrival of the new President is evidence of concern for institutional effectiveness in terms of coordinated planning and budgeting, data-driven decision-making, and assessment of institutional needs and priorities particularly in the areas of physical and technological infrastructure. In particular, there is evidence in the Facilities area of regular comparison to peer institutions using data available through an outside consulting firm, Sightlines. We encourage the IT department to utilize similar performance benchmarking data such as that available through the EDUCAUSE Core Data Service.

9. **Financial Resources**
Financial management at Babson College is primarily the responsibility of the Vice President for Finance and his staff. This team is well qualified, and the chief financial officer’s primary responsibility is to the organization. The Board committee having oversight of financial functions, including approval of the College budgets, appears to function with an appropriate segregation of duties – including a formal policy on ethics and conflict of interest.

The College has a recent history of strong financial performance, with operating surpluses $1 - 5 million being reported since 2007. The College has achieved these surpluses through a combination of cost reductions (including staff layoffs), enrollment increases (particularly by expanding the use of the campus during the summer months) and significant cost saving measures related to purchasing and procurement and other operational efficiencies.

In response to recent financial market declines and concerns about the current macroeconomic environment, the President formed the Advisory Committee on College Priorities (ACCP) to provide input from constituent groups (faculty, staff, students and alumni). However, this group proved most useful in providing feedback regarding longer-term initiatives rather than addressing emergent budget topics that required a more immediate response. The charge for this team is now to coordinate the new master planning process, having recently completed revisions to the employee health care plan.

The College has done a good job of stabilizing and improving the College’s financial position, despite a narrowly focused curriculum. Undergraduate and graduate programs are supplemented by the net surpluses from auxiliary programs, such as executive education, a conference center, and new global educational consulting services. The College’s cash position in recent years has been strong, with cash balances at both June 30, 2011 and 2010 of over $39 million including funds held in short-term investments (CDs) – although cash has declined in FY2010-11 due to increased investments in facilities, technology-related capital projects, and $10 million of investments into the endowment.

Financial planning is conducted in collaboration with committees such as the ACCP, but the Operations and Finance Group, President and finance committee of the Board of Trustees ultimately oversee this process. Integration between strategic and financial planning is accomplished by Operations and Finance Group and the President’s Cabinet. During the year the OFG receives requests for incremental funding – and many of these requests have been funded. In addition, selected requests for carryover operating funds are approved on an annual basis. That being said, the budget process is not zero-based but rather, future years are based on legacy budgets and rolling forecast, plus any incremental funding that may have been approved by the committee. The budgeting process is comprehensive, in that it covers both operating funds as well as capital expenditures. It reflects a pure GAAP-basis net income, including depreciation expense of $9.6M in the fiscal year ended June 30, 2011.

Overall year-end results in recent years indicate a generally conservative budget process, with favorable variances against the planned annual surpluses. The monthly budget amounts support the relatively recent development of rolling quarterly forecasts, which aid in forecasting total annual revenues and expenditures midway through an annual operating cycle. The effectiveness of this process relies on the accuracy of the budget
managers’ original monthly projections, however, and their willingness to identify and admit to emergent variances during a fiscal year.

These interim financial forecasts are reported at each meeting of the Board of Trustees. Monthly financial statements are provided to the Cabinet each month; while these statements are only discussed on an exception basis now in the event of major variances or questions, these reports were extensively used in prior years during the process of rightsizing the organization to meet the revenue shortfalls of a few years ago. At a more granular level, the information system allows budget managers to view departmental actual vs. budget status online in a web-based portal environment, and the finance team prepares and reviews extensive, detailed financial reports within a few weeks of each month end.

Annual financial statements are prepared in accordance with GAAP, and audited by an international CPA firm, PricewaterhouseCoopers. The few comments in the management letters issued by the auditors in 2010 have been satisfactorily resolved.

The consolidated financial statements cover Babson College, but also include the College’s new subsidiary organization, Babson Global. We understand that the College has participated in focused NEASC reviews of various new programs in satellite locations. We suggest the College consider what impact the current/upcoming new national and global initiatives may have on departments such as finance, particularly in terms of any increased reporting requirements. The auditors noted similar concerns in 2011, regarding the need to be proactive about revenue recognition and any other accounting and reporting issues surrounding the international contracts in particular.

Those audited financial statements show tuition and fee revenue of $129 million: $28.7 million for financial aid, $46 million for instruction and another $26.7 million for academic support, as well as $24.7 million for institutional support. Program service fees comprise 87 percent ($144 million) of the total budget, supplemented by revenue from fundraising ($3.9 million in contributions and grants), endowment spending ($9.3 million) and net assets released from restriction ($7.4 million). In percentage terms, the audited financial statements for FY11 indicate that 59 percent of the unrestricted expenditures were devoted to instruction, academic support, and student services; the remainder was dedicated to auxiliary enterprises (including housing) and institutional support.

Written policies and procedures are in place for fundraising, as well as recently revised policies related to endowment investments and other finance-related areas. However, staff members admit the need to regularly review and update accounting and other policies. The visiting team concurs that the College should periodically review specific policies based on NEASC standards, recent changes in IRS Form 990, and best practices in higher education, and supports the need to consolidate the availability of all college policies in a centralized online repository.

The fundraising organization at College is led by a Vice President who has been with the College for many years. This team successfully completed a $200 million comprehensive campaign, and has just announced a supplemental $15 million campaign to be completed during 2011/12. FY11 contributions of $23 million were in line with the College’s goals, and reports by the development office are reconciled to financial records on a monthly basis without exception.
There is evidence that the financial aid office regularly assesses the effectiveness of financial aid policies and practices, informed by the services of an econometric modeling consultant who prepares comprehensive annual reports. The financial aid team is using these reports to inform the College’s specific strategies regarding financial aid awarding, which has resulted in a fairly consistent discount rate in recent years; the earlier trend of steep increases in financial aid expense appears to have been curbed by new management techniques and budgeting practices. The focus of these financial aid/admission reports is an analysis of the incoming class in relation to stated goals and targets. The College’s effective overall discount rate has ranged from 30-34% in recent years; a higher discount rate for traditional domestic undergraduates is balanced by a much lower rate for international students.

Planning: Many of the elements of Standard Nine relate to planning and the strengths, weaknesses, and suggestions for those standards have been noted above and in Standard 2. Overall, the College recently engaged in a strategic planning update that appears to drive the financial planning process. Similarly, it appears the new master planning process, being coordinated by the ACCP, will also be coordinated with long-range strategic and financial plans. Although the process was not evident during our visit we encourage further coordination and integration of these processes.

Institutional effectiveness: At times in the past, the College has monitored the outcomes of its financial and operational performance in relation to certain targets or peer institutions. However, difficulties in finding directly comparable peer or aspirant institutions, along with internal demands for more measures than could reasonably be monitored and understood, have caused the management team to step back and review the ratios and measures that make the most sense. This process is currently under way, and the visiting team encourages the finance department to continue its efforts to define the most relevant measures and most efficient means of benchmarking and monitoring key performance indicators.

In conclusion, the Self-Study report and the evidence provided during the team visit indicate a history of thoughtful analysis and performance measurement, and it was noted that financial data has been used by the Cabinet and senior management in taking actions to reverse the persistent operating losses earlier in the decade. We encourage the College to continue using all relevant data as a means to further inform decision-making at the Cabinet and Board level.

10. Public Disclosure

All standards under NEASC Standard 10 have been met or exceeded by Babson College. Information on tuition, student debt, student domestic and international diversity, etc. is easily accessible via the newly upgraded and redesigned College web site. Audited financial statements and Federal Form 990 tax returns from FY2005-FY2009 are also included here.

Faculty profiles, including those of lecturers and adjuncts, are consistent and comprehensive. Babson faculty manage profile information. Selective faculty achievements and accolades are highlighted as well.
A Course Catalog is no longer printed for the undergraduate and graduate schools. Students are able to learn what courses are offered each semester by checking the College website. Access to information regarding historical course offerings and descriptions is available by request.

Print editions of the graduate and undergraduate view books are still published, as is a glossy brochure directed at general non-student inquiries, businesses and potential partners, etc. Babson Magazine, which is distributed to friends and alumni, has print and electronic editions. An Alumni Newsletter is online only.

The website redesign was completed during the summer of 2011 and students have praised the upgrade of the Babson web presence. Students stated that prior to this time web site information was not always up-to-date. Marketing staff are responsible for training college staff on the website content management system (SharePoint) and have the ability to manage and monitor updates to various locations throughout the College site. Collaboration with ITSD has been important in this endeavor.

The Director of Marketing oversees the College website and all communications about Babson. Babson public relation strategies are both proactive and reactive. The department cultivates relationships with reporters and bloggers and two to three press releases are distributed to PR Newswire each week. These releases are archived by PR Newswire as well as online on the Babson website. Hyperlinks are included in press releases and this provides further details about an event or item and, in turn, the Babson marketing team is able to track hits on these links to improve marketing strategies and messages. The Babson community learns about Babson in the news through a Babson community listserv, which one must join. The general public can simply go to the news and events link to learn more about the school.

Each school (undergraduate, graduate and executive education) of the College has a marketing director, and the Director of Marketing communicates with these groups to ensure that a consistent Babson message is deployed and integrated into marketing materials. The Babson marketing team is thrilled that the College’s “entrepreneurial thought and action” theme/brand has been determined and this is reflected throughout college publications and media.

Babson students were recently surveyed to learn more about their information seeking behaviors. Marketing has used this information to discover new advertising/marketing channels. Website usage is now assessed utilizing Google Analytics to determine Babson’s most heavily used sites and this information is being used for upcoming mobile website development initiatives. In entrepreneurial fashion, Babson marketing data is even being used in class case studies.

A Social Media Council existing of faculty, staff, and students provides further input regarding current and emerging marketing channels. Babson has an active Twitter community (which includes the president), a Babson managed YouTube channel, and a presence on Facebook, etc. QR code implementation is currently being studied and is ready for deployment. The numerous blogs of the Babson community are conveniently accessible on one page of the College website.

Institutional effectiveness: In sum, the Babson website is efficiently and conveniently provides the data required in support of NEASC Standard 10.
11. Integrity

The College is led by an accomplished President, dedicated Board of Trustees and is served well by committed and inspirational faculty and staff. They are guided in their work by a clear, strongly felt and often quoted mission, "to educate a generation of leaders who create great economic and social value everywhere." One of the five Core Values of the institution is Integrity. (Integrity, Diversity, Innovation, Collaboration and Excellence.)

The NEASC team found a high degree of alignment between the comprehensive Self-Study and what we found on campus in both formal and informal interactions.

Babson is committed to transparency in dealing with all constituents as evidenced by the ease with which one can find college policies and procedures online. The commitment to non-discrimination and equal opportunity are prominent on the College’s website and various handbooks (Faculty, Employee and Student). Grievance procedures are equally accessible, as well as the Computer User’s Code of Ethics and Statement on Personal Freedom.

Under the leadership of the newly hired Director of Human Resources, the College is reviewing policies and procedures for dealing with matters of sexual harassment pursuant to the July 2011 letter from the Office of Civil Rights.

Additionally, governance takes place in a collaborative and participatory way both at the institutional level through the Committee on College Priorities with members from all relevant campus constituencies and through the undergraduate Student Government Association.

During our visit we learned of the creation of the Faculty Senate in 2008, which serves as a representative body to share thoughts, opinions and observations with the administration on critical academic and policy matters.

The undergraduate Honor Code which went into effect in 2008 highlights the importance of the Five Pillars of Integrity: Honesty, Respect, Trust, Fairness and Ownership. In fact, students affix the following statement to exams and papers: “Be true to my work, my word and my friend.”

Another student program enables students to examine their personal value system twice during their undergraduate careers through “Coaching for Leadership and Teamwork.”

Financial transactions are conducted with the highest level of integrity and attention to detail. And the Federal Form 990 is available on the web along with Babson’s audited financial statements.

The Committee on Diversity and Inclusion is in existence to ensure respect and understanding for all and to help the College manifest its vision to “create a diverse, multicultural and inclusive community.”

Babson is also committed to data driven decision making by conducting research before changing or reframing policies and programs, as well as hiring outside consultants to give
new perspective to the deliberations.

**Institutional Effectiveness:** Institutional and personal integrity are honored principles exhibited in all aspects of the College. Policies and procedures are reviewed frequently and disseminated accordingly.

**Institutional Effectiveness Summary** – The Babson community is constructively and enthusiastically engaged in discussions about its mission and purposes. The institution regularly examines its effectiveness. Babson has a robust system of governance appropriate to its needs. There is ample opportunity for all constituencies to have voice in College matters, and the organization is structured to promote the pursuit of the College’s mission. Babson is clear about its mission and goals, and its activities are strongly aligned with carrying them out. It has an admirable commitment to continuous assessment of its curriculum, educational and scholarly goals, and student learning. Babson has a dedicated faculty that is strongly invested in the institution’s mission and has a shared sense of purpose. It has developed a number of processes to ensure teaching effectiveness, and high quality student learning. Babson’s Information Technology and Services Division provides more than adequate and appropriate resources and systems to the Babson community. Babson’s web site is convenient and effective. In the areas of physical and technological infrastructure, the College skillfully prioritizes and meets institutional needs. Babson displays a history of thoughtful analysis and performance measurement. The College has closely monitored the outcomes of its financial and operational performance. The Babson College community is well governed, focused, committed and energized.

**Affirmation of Compliance**

To document the institution’s compliance with Federal regulations relating to Title IV, the team reviewed Babson College’s Affirmation of Compliance form signed by the CEO. Babson College publicly discloses on its website and in its Undergraduate and Graduate Student Handbooks its policy on transfer of credit. Public notification of the evaluation visit and of the opportunity for public comment was made by the College one month prior to the visit in the Babson Magazine, the Boston Globe, the Wellesley Towsman, the Needham Times, and on the College’s website. Copies of the College’s grievance procedures for students can be found in the Undergraduate and Graduate Student Handbooks which are available online. No distance education programs are offered. The team’s discussion of Babson College’s credit hour policy can be found in the Integrity of the Award of Academic Credit in Standard 4: The Academic Program.

**Summary**

In summary, the NEASC Evaluation Team believes that Babson College has a clearly articulated mission and strategy and that the academic program is highly aligned with that mission. We are impressed by the engagement and deep expertise of the Trustees we met and the use of task forces to tap their expertise around key strategic areas. The President and senior administration seem very energetic, able and ambitious. Faculty and staff stress their pride in the institution, its commitment to effective teaching and student interests, and have embraced the mantra of “entrepreneurship in thought and action.” Finally, most constituents described a culture of collegiality and collaboration that fosters good decision-making and inspired work.
Babson has taken a number of steps to increase revenue and control costs, which, when coupled with a successful $200 million capital campaign, create a climate of relative economic stability despite the volatile climate in higher education and the private sector. A well-designed process of reducing teaching loads and increasing salaries while allowing greater use of non-tenure track lecturers and reduction of under-utilized courses moved the College towards more competitive compensation without adding to the overall cost structure of the institution.

Babson College faculty governance went from a general assembly model to a senate, now composed of 30 members, in February of 2008. While members of the faculty and administration officials acknowledge that this new body is still evolving in its policies and practices, the visiting committee sees evidence of the effectiveness of the senate and believes it can become an even more effective organ for decision-making and communication. Important deliberation over the “faculty of the future” and the nature of research in the 21st century is occurring. We were impressed that tenure-track and non-tenure track faculty seem to be fully engaged in the workings of the College.

The College recognizes that its model of education is expensive and that tuition increases will likely be at lower levels than in the past putting significant pressure on tuition discounting. It is also aware of shifts that may diminish demand for the masters programs and executive education as traditionally delivered and is actively experimenting with new designs to remain relevant.

In this context, the visiting team offers its view of important strengths and concerns:

**Strengths**

- Babson as a community is highly aligned behind its mission. The focus on “entrepreneurship in thought at action” allows virtually all faculty, staff and students to find a place in this vision. Marketing and communication flow from this mission and students are attracted by it, leading to a high level of student engagement and satisfaction. The institution itself has internalized this mission and is treating its own education services and products in an entrepreneurial fashion.

- The growth of applicants to the undergraduate program, the introduction the fast-track MBA, a recent history of budget surpluses, completion of a $200 million capital campaign, rebounding of the College’s endowment, and more conservative endowment spending (from 5% to 4.5%) evidence the strengthened financial position of the College even in turbulent times.

- Babson students are deeply engaged in experiential projects, both within the curriculum and beyond, that deepen the learning experience, build community and break down the boundaries that exist across ethnicity, class and gender as well as undergraduate and the various flavors of graduate education.

- Babson has a strong system of assessment, evaluation and planning. The institution values data and acts upon findings that emerge from the assessment process. When areas of study do not meet learning objectives, the institution is quick to make modifications to the curriculum.
Concerns

- Babson Global is a venture managed within Babson that aims to monetize the College’s reputational capital, its pedagogy and methods, and the talents of its faculty to generate financial return, enhance its reputation, and expand its impact beyond that of a small New England college. While the visiting committee views the venture as a logical and potentially exciting activity, its execution will require attention to three key areas of concern: a) clarification of intellectual property issues and governance expectations between faculty and the institution, b) a plan to transition the leadership of Babson Global from the Provost to a newly hired leader, and c) a model of assessing risk, both financial and with respect to brand equity.

- While not unique to Babson, the private higher education model is under intense pressure – downward forces on tuition and upward forces on cost structure, particularly student discounting. Babson has the advantage of high employment rates of graduates at good salaries and strong interest from international students for whom little discounting is required, but its focus on entrepreneurship, while popular today, creates risk should student or parent perspectives shift. Babson has admirably addressed these pressures in recent years, but will need to be vigilant and disciplined in its management.