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THE COMPREHENSIVE PROGRAM
FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION
TITLE PAGE

Check one: Preliminary Proposal ___ Final Proposal __X__

This application should be sent to:
No. 84.116A
U.S. Department of Education
Application Control Center
Room 3633, ROB-3
Washington, D.C. 20202-4725

1. Application Number: P116B021290

2. D-U-N-S Number: 19-142-9745

Employer Identification No.:716003252

3. Project Director (Name and Mailing Address)
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4. Institutional Information

Highest Degree Awarded:
_____ Two-year
_____ Four-Year
_____ Graduate
__X__ Doctorate
_____ Non-degree granting

Type:
__X__ Public
_____ Private

5. Federal Funds Requested:

1st Year	$ 33,276
2nd Year (if applicable)	$136,481
3rd Year (if applicable)	$ 60,243
Total Amount:	$230,000

6. Duration of Project:

Starting Date	Sept. 2002
Ending Date	Aug. 2005
Total No. of Months	36

7. Proposal Title: **Reengineering the Business Core Curriculum: A Business Process Approach**

8. Brief Abstract of Proposal (*DO NOT LEAVE THIS BLANK*)

This grant will support curriculum development for an innovative business core curriculum that replaces traditional accounting, finance, marketing, management, and information systems courses with integrated courses based on business processes that must be in place for any organization to be successful. The faculty of the Walton College of Business has committed to develop this curriculum and to develop the faculty capability to teach interdisciplinary courses. Because the curriculum breaks new ground, the faculty will have to develop teaching materials for use in the courses. This curriculum will push the frontier of business curriculum integration beyond efforts currently in existence at any major U.S. research university. Innovative curriculum development is seldom seen at research universities because of the time demands of faculty research programs. This funding will allow the Walton College to free faculty time from other activities to develop courses, materials, and prepare to teach the new interdisciplinary courses.

9. Legal Applicant: (Name and Mailing Address)
Board of Trustees, Univ. of Arkansas
Research & Sponsored Programs
120 Ozark Hall
University of Arkansas
Fayetteville, AR 72701

10. Population Directly Benefiting from the Project:
Undergraduate business students

11. Congressional District of the Applicant Institution: 3rd

12. Certification by Authorizing Official

The applicant certifies to the best of his/her knowledge and belief that the data in this application are true and correct, that the filing of the application has been duly authorized by the governing body of the applicant, and that the applicant will comply with the attached assurances if assistance is approved.

Print Name Shannon G. Davis Title Assistant Director, Research & Sponsored Programs Phone 479-575-3845

Signature Date

Abstract

Reengineering the Undergraduate Business Core Curriculum: A Business Process Approach

Business professionals repeatedly tell collegiate business schools that business problems are interdisciplinary and that students need to be better able to integrate business disciplines. However, the faculties at business schools with a major research mission have strong incentives to specialize in a single discipline like accounting or marketing. They often resist interdisciplinary teaching because the effort is viewed as detracting from their specialization. Businesses increasingly operate in an interdisciplinary fashion but business schools are struggling to change. This grant will support curriculum development for an innovative business core curriculum. It is innovative because it replaces traditional accounting, finance, marketing, management, and information systems courses with integrated courses based on business processes that must be in place for any organization to be successful. The faculty of the Walton College of Business has committed to develop this curriculum and to develop the faculty capability to teach interdisciplinary courses without team teaching. The faculty commitment to develop their capability to teach outside their functional specialty is the second major innovation of this project. Because the curriculum breaks new ground, the faculty will have to develop teaching materials for use in the courses. This curriculum will push the frontier of business curriculum integration beyond efforts currently in existence at any major U.S. research university. Innovative curriculum development is seldom seen at research universities because of the time demands of faculty research programs. This funding will allow the Walton College to free faculty time from other activities to develop courses, materials, and prepare to teach the new interdisciplinary courses.

Reengineering the Undergraduate Business Core Curriculum:

A Business Process Approach

A Final Proposal to the Fund for the Improvement of Post Secondary Education, 2002

The Problem and Need for the Project

Business professionals repeatedly tell collegiate business schools that business problems are interdisciplinary and that students need to be better able to integrate business disciplines. However, the faculties at business schools with a major research mission have strong incentives to specialize in a single discipline like accounting or marketing. They often resist interdisciplinary teaching because the effort is viewed as detracting from their specialization. Businesses increasingly operate in an interdisciplinary fashion but business schools are struggling to change.

The often cited study by Porter and McKibben (1988) reports that most undergraduate business programs follow a pedagogical model developed in the 1920's and 1930's when business schools began to be organized at American universities. Responding to business organizations based on concepts of "specialization and division of labor," business schools organized into functional departments then typically observed in business. It was assumed that if business was organized by specialty or functional areas like accounting, finance, and marketing then business education was best delivered by dividing the effort into specialties.

The division of business education by functional area was further entrenched in the 1950's as business school faculties responded to the criticism of the quality and quantity of legitimate academic research in business. In the decades to follow, business research became more theoretical and specialized and much more of a factor in faculty reward systems. Broad based doctoral programs in business (D.B.A. programs) were almost completely replaced by more specialized Ph.D. programs in a specific discipline (e.g. Ph.D. in Marketing). The *AACSB Faculty Leadership Task Force Report* (1996) points out that most business school faculty members have been trained in this specialized environment in which interdisciplinary knowledge is rarely valued. When faculty are trained as specialists and rewarded for their expertise in a functional area, it is natural for them to want business curriculum organized into functional areas.

While no one argues to reverse the gains that specialization and rigorous research has brought to business education, the organizations that hire --- and we hope continue to hire --- our graduates want them to be able to approach business problems from multiple perspectives. In other words, business professionals argue that their organizations do not face separate marketing problems, finance problems, or accounting problems --- they face business problems that include elements of several functional disciplines. They are quick to point out that there is still a need for employees with strong disciplinary training but it must also be coupled with a stronger understanding of the relationship among business functions. In words that have become cliché, business professionals have had to "break out of the functional silos" in order to survive and they urge business schools to do the same.

It is with this background that the faculty of the Sam M. Walton College of Business at the University of Arkansas began, in August 1999, a study of its undergraduate core curriculum ---- a core curriculum that had not changed significantly in twenty years. Appendix A summarizes the old core curriculum that is very typical of many business schools. The core courses are all based on a single functional discipline with the only formal attempt to integrate disciplines being the capstone "Strategic Management" course.

During the 1999-2000 academic year the faculty representatives that comprise the Walton College Undergraduate Program Committee undertook the following evaluation activities:

- Examined the core curriculum at 15 benchmark business schools,
- Conducted brainstorming sessions with the Walton College's two advisory boards -- the Dean's Executive Advisory Board and the Business Alumni Advisory Council,
- Conducted a survey of business alumni,
- Interviewed representatives of companies who have hired our graduates,
- Conducted focus groups with students about to graduate, and
- Participated in an AACSB-International conference on undergraduate curriculum innovation.

The key findings relevant to this proposal were as follows:

- Our curriculum is typical of many business schools but a number are grappling with ways to have a more integrated curriculum.
- Companies who hire our graduates respect their functional area knowledge but are critical of their knowledge of "how a business really works."
- Business alumni cited examples where demands for integrated business knowledge increased as they progressed in their careers.
- Students expressed a desire to get involved with business courses sooner in their career.
- The AACSB conference gave us the opportunity to discuss efforts to integrate business curriculum with other schools facing the same issues. Most efforts involved team teaching of closely related subjects (e.g. accounting and finance professors team teaching a course that covers introductory material in both disciplines). This approach could be described as "moving the silos closer together" rather than breaking them down. One common element in these approaches, and often the cause of their failure, is the difficulty of implementing team teaching at the university level.

The results of this nine-month evaluation of the Walton College curriculum led the members of the Walton College Undergraduate Program Committee to the conclusion that a major curriculum revision should be proposed to the faculty.

As the members of the Walton College Undergraduate Program Committee were discussing the evaluation results and possible proposals for curriculum revision, they became aware of the work of Kenton Walker on a business process approach to integrating business curriculum (Walker and Black, 2000; Walker and Ainsworth, 2001). Business processes refer to the essential activities that every business must perform to succeed – acquiring resources, producing a good or service, and selling the product or service. These processes are inherently interdisciplinary and provide an organizing background that places each functional area of business in perspective.

In September 2000, the committee presented a curriculum revision proposal to the Walton College faculty. The initial proposal was designed to make everyone on the faculty a little uncomfortable and, thus, feeling the need to participate in discussions. The most controversial items were:

- A proposal to replaced the entire 42 semester hour core or "common body of knowledge" with 24 semester hours of integrated courses based on business process concepts.
- A proposal that the integrated courses would be taught by individual faculty members rather than being team-taught. This would require faculty to teach some course material outside their primary field of specialization.

As part of the series of meetings this proposal and other options, the College hosted presentations by representative of four other business schools that are attempting to integrate their undergraduate curriculum:

- The University of Virginia is combining related functional area courses into single courses that are team-taught. There is no fundamental reorganization of concepts.
- The University of Tennessee is maintaining most functional area courses and introducing a team taught ten semester hour topics course to achieve integration at the sophomore year. A business simulation is used to achieve integration in a capstone course.
- The University of Oklahoma delivers three traditional functional area courses in a "just-in-time" manner so that they mesh with an experiential project in which students plan and implement a business during the same semester.
- The University of Wyoming, where Kenton Walker is a faculty member, used a faculty team to experiment with his business process ideas for one year. However, the experiment was discontinued because of resistance to change and a lack of support from the college leadership.

After digesting these presentations and considering several modifications to the initial proposal, the Walton College faculty voted, on October 24, 2002, to respond by developing a path breaking interdisciplinary undergraduate business core curriculum that focuses on business processes -- the things that every business must do.

Our Response: "Reengineering the Curriculum: A Business Process Approach"

In addition to a commitment to integrate core concepts, the revised curriculum structure (Appendix B) reflects several strategic educational innovations.

1. **Most of the integrated courses are in the freshman and sophomore years.** The freshman year course will introduce strategic business planning and the sophomore courses will follow up with a broad view of business, organized around business process concepts. This breaks with traditional concepts that call for integration after specialized training. The faculty feels strongly that it is important for students to have this broad integrated view of business before they begin specialization in their major. Students will then begin their major seeing how their specialization fits in and relates to other business functions. We think students prepared in this way will be better business problem solvers ---- accounting and marketing majors will know their specialties are interdependent from they start their major courses rather that trying to convince them of the relationship in a senior capstone course when they have already become well entrenched in their silo. This view is an innovation in business curriculum – but it has been supported in our discussion with business leaders.
2. **Business process concepts will be the organizing theme of the curriculum.** Every business must have processes through which they acquire resources, produce a good or service, and sell it. We will break out of the functional silos. Most other integration efforts merely "put the silos closer together" or "drill some holes between them." The model we have borrowed from the work of Kenton Walker starts with a strategic overview of business, follows up with business process concepts, and concludes with a return to strategic planning and implementation. We described our plans at a recent SAP University Alliance Curriculum Conference and have had a number of requests for more information.

3. **The integrated courses will not be team-taught.** This is quite different from integration efforts at other business schools. Our faculty decided that if students should learn about business from an integrated perspective that it would help them to see faculty members teaching with an integrated perspective. The faculty has committed to the professional development necessary to teach material outside their specialty so that teams will not be necessary to teach the integrated courses. This is possibly the most innovative element of our plan to reengineer the business curriculum. It would be more difficult to accomplish with more advanced courses. However, we are convinced it is feasible with sophomore level courses. For example, faculty from finance, accounting, and economics are convinced that they can teach material from one another's discipline in the "Acquiring and Managing Capital Resources" course. An associated advantage of this approach is ease of administration. It avoids faculty workload issues and the cost of coordinating faculty teams.

Appendix B summarizes the structure and major features of the Walton College revised business curriculum. Comparison of Appendix A and B highlights the changes being introduced in the revised curriculum. This overview will focus on the new integrated business core courses for which course and faculty development support is being requested in this proposal. **Preliminary outlines of these integrated courses are in Appendix C.**

The freshman year includes nine semester hours of business including a student's first exposure to integrated business concepts in "Business Foundations:"

- **Business Foundations --** The material in this course will be arranged around the <u>key decisions</u> that are made in a business. Decisions will be examined within the context of major business processes. Subsequently, the focus will move from decisions to the identification of information needs --- which will include basic accounting concepts. Much of the course will be organized around a course-long, interactive, simulation exercise to provide students with hands-on experience of basic business processes. The course-long simulation exercise will be a group activity. Students will receive instruction in the development of interpersonal skills, and will practice these skills during on going group activities.

- Other freshman courses will be a continuation of our very successful first year experience course, Freshman Business Connections. The one-hour introduction to computer information systems will be converted to a self-paced computer competency requirement. The Legal Environment course will be shortened to two semester hours with some concepts integrated elsewhere. The traditional Principles of Economics courses will be revised to coordinate more closely with the integrated business courses.

The most innovative changes are made in the sophomore and upper division years. All of the existing discipline-specific business core courses are replaced with 21 semester hours of integrated business courses. This proposal is requesting funds to help develop the curriculum, teaching materials, and faculty teaching capability for these courses:

- **Markets and Consumers** --- This course will be designed around the key decisions that are required to understand the existence of markets and how buyers within those markets may be accessed profitably. Key concepts include and overview of competitive markets, buyer behavior, developing new markets and products, promotion and distribution channels, pricing and profitability concepts, and strategic planning.
- **Producing and Delivering Goods and Services** --- This course will give students a broad understanding of the production and delivery of goods/services. This includes: Providing a

basic understanding of both the internal (primary organizational functions) and external (suppliers and customers) entities comprising the process of the production and delivery of goods/services; emphasis on the critical tasks of managing the flow of material and information; and stressing the integrative nature of the decisions across the production and delivery of goods/services. The material will incorporate the use of appropriate decision making tools where appropriate (e.g., decision making under uncertainty, cost/volume/profit analysis, financial analysis, cost accounting, and statistical analysis). It will also provide a basic understanding of the structure and use of information technology used to manage the production and delivery of goods/services through an overview of the relevant knowledge of information systems and an overview of enterprise resource planning (ERP) systems.

- **Acquiring and Managing Capital Resources** --- This course will focus on the key decisions within business processes related to capital resources. The identification of key decisions leads to decision models, which in turn lead to the identification of information needs. This course is primarily concerned with the acquisition of capital resources, which includes both decisions regarding what to acquire, as well as how to finance the acquisition. Also included are issues related to the accounting for those capital resources.
- **Acquiring and Managing Human Resources** --- This course is designed around major issues to be addressed in understanding human behavior in organizations and in making decisions about acquiring, motivating, and retaining the best people. It is based on the premise that basic human resource functions are best addressed through detailed knowledge of the principles of organizational behavior taught within the context of critical human resource decisions. In addition, micro and labor economics and accounting issues must be integrated into the material as appropriate. It is assumed that many elements of this course

will be addressed through interactive activities, and that the value of human resources as sources of competitive advantage and as internal customers will be emphasized throughout. The key concepts include the context for managing human resources, attracting, retaining, motivating and accounting for human resources, and managing individuals versus teams.

- **Data Analysis** --- This course is designed to address the data analysis issues that students will encounter in the remainder of the business core. It is premised on the idea that, for business students (as opposed to statisticians), the best approach to data analysis is to teach the course from a user perspective. Thus, the focus of the course is on understanding the assumptions underlying data analysis techniques and the appropriate interpretation of results obtained. Accordingly, the course will make heavy use of statistical packages (primarily Excel) to provide hands-on experience to students on the appropriate statistics to be used to solve specific problems and to interpret the results. The course will deal with application and interpretation and will minimize formula memorization.
- **Business Planning and Implementation** --- This is six semester hours of material organized into two sequential courses, **Business Strategy – Theory and Concepts** and a **Business Strategy Practicum**, to be taken at the junior year. The materials will be arranged keeping in mind the nature and content of decisions that ensure the long-term effectiveness of organizations. This two-course sequence will introduce organizational actions and issues from the perspective of upper level managers. The sequence is designed to consist of two courses (three credit hours each) that are taught in the Fall and Spring semesters of the Junior Year. The first course (**Business Strategy – Theory and Concepts**) is theoretically oriented. The second course (**Business Strategy – Practicum**) consists primarily of experiential content that provides practical experience about the topics covered in the theoretical course.

The Business Strategy course will include instruction on integrating knowledge pertaining to different functional domains; adopting a holistic perspective on an organization through the use of case studies and experiential exercises; the dynamic nature of business competition; and the interrelationship between a firm's strategy and its structure and control systems.

Business Strategy Practicum course will consist of a semester long experiential exercise. The experiential exercise allows students to get hands on experience on issues covered in the previous course. A small portion of the class may be taught in traditional format to allow an integration of the concepts that have been learned during the experiential exercise. The central focus of this course is the hands-on development of a business plan. Through the development of such a plan students gain the opportunity to apply what they have learned in the Business Strategy - Theory and Concepts course. It is assumed that this experiential exercise, at the very least, will include analysis of external and internal environments, development of organizational capabilities, understanding of organizational competition, and evaluating strategies. This course sequence will draw on understanding and analyzing balance sheets, income statements, and cash flow statements from a strategic perspective. This course sequence will also actively integrate knowledge about the real business world – the key decisions facing organizations today and the manner in which they are responding to those issues.

The Plan of Work

The success in implementing this new curriculum will depend critically on the time that faculty members have to devote to developing courses and teaching materials and preparing for teaching outside their primary discipline. The faculty is already very busy with time commitments to research, teaching, and service. If we attempt to add these new activities to these commitments, something will suffer – and we fear it will be the quality of effort devoted to implementing the business process curriculum. We are seeking funds that can be used to release teams of faculty members from some of their teaching commitments to work on curriculum development. The revised curriculum requires that eight new courses be created and that four others undergo major revision. The budget request is for half of the expected faculty time costs of developing the courses, course materials, and preparing faculty to teach the eight integrated courses that must be created. No funds are requested for courses that just involve revision. The Walton College will devote some of its endowment funds to this effort and is seeking other sources of support. A FIPSE grant will provide funding to aid in the implementation but, as important, will also add visibility and recognition that will enhance dissemination efforts.

The Walton College faculty approved the plan for the revised curriculum near the end of the Fall 2001 semester. During the Spring 2002 semester, the Undergraduate Program Committee started work on outlines of the new and revised courses (Appendix C). They will continue to refine the course objectives and specify the policies that must be adjusted with implementation of the revised curriculum. The Walton College faculty must approve these detailed plans for revision by November 2002 in order for University bodies to approve the program change in time for implementation of the freshman year courses in Fall 2003.

Our plan is to form three person faculty teams to work on detailed course development, teaching material development, and faculty development for the eight new integrated courses. Each team will begin its work in the Fall semester in the year before their course will be implemented (e.g. Fall 2002 for courses implemented in the 2003-2004 academic year). Each team member will be released from teaching one course in the Fall semester, one course in the Spring semester, and be given a summer grant to divert their time from other activities. This proposal is requesting fifty percent of these costs. The amount of the request varies over the three years because our implementation plan calls for one new course to be developed in 2002-2003, five to be developed in 2003-2004, and two to be developed in 2004-2005.

They expectations of these teams are detailed in the next section on objectives and evaluation. The timetable for the teams and course implementation is as follows:

- **Fall 2002, Spring 2003, and Summer 2003**
  - One team will develop the **Business Foundations** course and teaching materials and lead the faculty development activities necessary to implement the course in the Fall 2003 semester. Revisions to the other first year courses and development of the computer competency requirement will be done without the use of release time.

  Fall 2003, Spring 2004, and Summer 2004
  - **Business Foundations** and the other revised core courses will be first offered to the freshman class entering in the Fall 2003 semester.
  - Five faculty teams will develop detailed course materials and develop the five integrated courses to be first offered in 2003-2004: **Markets and Consumers; Producing and Delivering Goods and Services; Acquiring and Managing Capital Resources; Acquiring and Managing Human Resources; and Data Analysis.**
- **Fall 2004, Spring 2005, and Summer 2005** (grant period ends Sept. 2005)
  - The five second-year integrated courses will be first offered in the Fall 2004 semester.
  - Two faculty teams will develop **Business Strategy – Theory and Practice** and the **Business Strategy Practicum** to be first offered in 2005-2006.
- **Fall 2005 and Spring 2006** (after grant period)
  - The two integrated business strategy courses will be first offered.

Table 1

Major Goals and Methods of Evaluation

Major Goals by year	**Methods of Evaluating Accomplishment**
September 2002 – August 2003	***September 2002 – August 2003***
• Develop one first-year integrated course ○ Detailed outline/syllabus ○ Teaching materials ○ Faculty development	• The following produced ○ Printed material & website ○ Printed material & website ○ Workshops – effectiveness evaluated after course implemented
September 2003 – August 2004	***September 2003 – August 2004***
• Implement course developed previous year	• Course offered ○ Course evaluations examined ○ Discuss implementation in faculty focus groups
• Develop five second-year integrated courses ○ Detailed outline/syllabus ○ Teaching materials ○ Faculty development	• The following produced ○ Printed material & website ○ Printed material & website ○ Workshops – effectiveness evaluated after course implemented
September 2004 – August 2005	***September 2004 – August 2005***
• Implement five new courses developed previous year	• Courses offered ○ Course evaluations examined ○ Discuss implementation in faculty focus groups
• Develop two third-year integrated courses	• The following produced ○ Printed material & website ○ Printed material & website ○ Workshops – effectiveness evaluated after course implemented
• Evaluate learning objectives of new curriculum	• Implement evaluation plan

Primary Objectives and Evaluation

We have engaged an external evaluator, Dr. Barbara E. Hinton, Professor and Head of the Department of Vocational and Adult Education, College of Education and Health Professions, University of Arkansas. She assisted in the evaluation design and will oversee the evaluation of the primary objectives of the project. To further assist in maintaining a connection between our curriculum and business practice, we will engaged a Business Advisory Board that will be drawn from the membership of the Dean's Executive Advisory Board (membership listed in Appendix E. This advisory board will receive project outputs as they are developed and meet twice annually to discuss their assessment with the faculty.

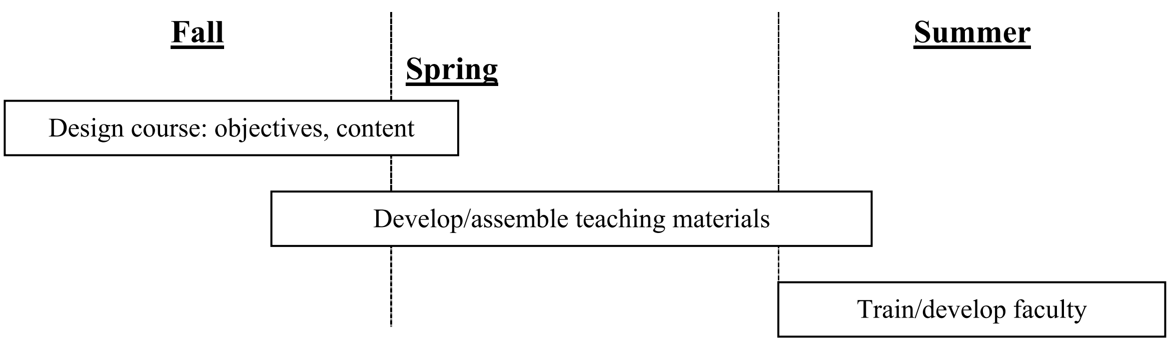
The **primary objectives** of the project can be classified into **three groups**:

1. curriculum structure and content objectives,
2. faculty development objectives, and
3. learning objectives of the integrated courses.

This section addresses each of these groups, providing specific details, a timeline for completion, and proposed evaluations of the results.

Curriculum Structure and Content Objectives and Evaluation: The **first objective** under ***curriculum structure and content*** is to create eight integrated business core courses that are designed around common business processes. The course content will include the common functional business concepts from accounting, marketing, management, etc., that one would expect in a business core curriculum. This content will be presented, however, within the context and activities of typical business processes. Students will discover that business decisions always require multiple perspectives. They will experience from the very beginning that there are few isolated accounting, marketing, or other functional decisions. In addition, the eight core courses will incorporate a global perspective and will integrate information technology throughout. All eight courses will include significant emphasis on written and oral communication.

According to the plan of work discussed previously, the first course will be developed during the academic year 2002-03. Five additional courses will be developed during 2003-04, and the remaining two courses in 2004-05. The following diagram depicts the details within the year for each specific course. The course design phase primarily occurs in the fall. Design is followed by the development of teaching and support materials, which starts towards the end of the fall and completes by early summer. Faculty development, the third phase, is scheduled for the summer preceding the implementation of the new course into the undergraduate curriculum.



Measurable outcomes of this first objective include the following:

- Course description.
- Specific course learning objectives.
- Topical outline and representative schedule of topical coverage.

These tangible outcomes will be generated for each of the proposed courses.

The **second objective** under ***curriculum content and structure*** is the development of comprehensive teaching materials for each of the eight core courses. While the development of teaching materials might be a nice service in general, it is absolutely critical in this particular curriculum development project. The teaching materials will provide a crucial means for keeping each course focused on its design objectives. The proposed courses are innovative and cross-disciplinary. Supporting textbooks will not yet exist. In addition, these courses are going to require faculty to teach across disciplines. Without comprehensive teaching materials chances are high that individual faculty will do what comes most natural to them, which is to teach the course from their personal, functional perspective. Consequently, course content and emphasis would likely shift over time, coming to depend on which faculty is teaching the course. This is not acceptable for a core curriculum.

The comprehensive teaching materials will make it easier for faculty to teach these integrative, cross-functional courses while at the same time serving as a stabilizing force that keeps the courses focused on the original design objectives. Following are the specific teaching materials that will be produced, providing the **tangible outcomes of this second curriculum objective:**

- Statement of course philosophy and objectives.
- Student materials, including (customized) textbook options, handouts, readings, and cases.
- Detailed lecture outlines.
- Student projects and assignments, including solutions and grading instructions.
- Representative quizzes and exams.

These teaching materials will be made available in electronic form, thereby facilitating easy access and dissemination to faculty both within the Walton College and beyond.

Faculty Development Objective and Evaluation: The **faculty development objective** is to develop a group of faculty members capable of teaching the integrated business core courses. The program is designed so that a single faculty member teaches each section of each integrated course in the core curriculum. This implies that faculty members may be teaching materials about which they are marginal experts. To ensure that instructors are fully prepared to teach the integrated courses, the following activities will be undertaken:

- A detailed course syllabus will be developed for each course by a group of faculty members qualified in the areas represented in the course;
- Course materials, including readings experiential scenarios, case problems, and other resource materials will be developed for each course. These materials can be used in their entirety or selectively by instructors as they prepare to teach the course;
- To aid in designing courses that are taught from an international perspective we plan to use the services of the Centers for International Business Education and Research (CIBER). We will either send one faculty member per team to a CIBER program or arrange for CIBER representatives to come to the Walton College to help faculty with international dimensions of the courses. We have had preliminary discussions with the CIBER's at Indiana University and the University of South Carolina. The Walton College will support this activity with its own funds.
- A series of workshops will be organized during the summer before each new course is offered so faculty can learn and discuss presentation of unfamiliar material with colleagues in those disciplines;
- Since teaching the integrated courses could entail more than a normal new preparation, instructors will be provided release time and other support to facilitate preparation;

Three measures will be used to **evaluate** the effectiveness of these activities:

- **Faculty Reactions:** Detailed feedback sessions will be conducted with the course instructors at the end of each semester to assess (a) the extent to which they considered the experience beneficial to students; (b) the problems encountered in the process; (c) effective strategies; and (d) directions for improvement.
- **Student Learning:** Measures of student learning discussed in the next section will be used to assess the extent to which the faculty development efforts were successful in promoting learning objectives.
- **Student Reactions:** Course evaluations will be used to assess the extent to which students (a) react positively to the integrated approach; (b) perceive substantial learning in the course; and (c) react positively to the course materials and perspectives.

Learning Objectives and Evaluation: We have identified a set of **five learning objectives** that our faculty believes will be more easily attained within an integrated curriculum. **First**, at the most fundamental level, we want to ensure that our students learn the core concepts that every business student should master. At this level we would want students to be capable of answering factual questions and demonstrating familiarity with a wide variety of basic business topics. **Second**, it is our objective that students achieve more than a simple familiarity with core business topics. It is our intention that they can not only answer questions on a specific set of topics, but that they are capable of synthesizing and applying material they have been presented. We feel that by presenting these concepts in the context of an overriding business process, their application and relevance to other concepts will become clear. For example, if students are presented with the basic economic concepts of supply and demand within the context of a firm's strategic marketing plan, it is our belief that this will assure a solid understanding of the concept as something more than an abstract theory. Not only should the student be able to grasp the concept more readily, but also we expect that he or she would have a depth of understanding that would make it possible to apply that basic knowledge to questions that involve more than simple calculation or regurgitation.

Each of these two objectives is consistent with objectives we have for our current curriculum, but it is the faculty's belief that an integrated curriculum will help us achieve these goals more effectively. Our **third learning objective**, however, is a new objective that has arisen as a result of the changing nature of how businesses operate. That is, we hope that our students are able to integrate the materials they have learned across disciplines, and this goal we feel cannot be adequately met in the context of our current curriculum. To further the example above, if a student can answer questions about supply and demand but does not immediately recognize how to incorporate this knowledge into decisions to hire labor or acquire new capital, then we have failed them. This integrated understanding is a level of learning that we feel our current curriculum is missing entirely; we feel strongly that the program we are designing will help us effectively accomplish this critical objective.

Our **fourth learning objective** is an objective that is common to all teaching and learning objectives, and that is retention. We find that in our current curriculum, students retain very little of what they have learned beyond the scope of the individual class. Students are more likely to retain material that they truly understand and have internalized rather than memorized. It is our hope that by presenting material in an integrated environment and more effectively achieving our first three goals, retention will automatically improve. However, we feel that in addition to this indirect effect on retention, our revised curriculum will also directly target retention in that basic concepts are revisited and applied in numerous classes. In an integrated curriculum, students will not be able to discard material from a particular class that they have successfully passed.

Rather, the material should resurface in other courses and in other contexts, forcing the student to recall the material as well as to apply it in entirely different settings.

Our **fifth learning objective** is that students will garner a more positive attitude toward their educational experience. By learning material in what will seem more relevant to them, we expect that they will be more actively interested in their education. To the extent that this occurs, each of the first four objectives will be achieved more effectively. In addition, we feel that it is important to offer students a positive experience in the pursuit of achieving each of the other learning objectives.

We have devised a **plan** to assist us in **evaluating our success at meeting each of the five stated objectives**. The **first two learning objectives** relate to our students' learning and comprehension of core business material. This objective is relatively easy to assess through the use of the Education Testing Service Major Field Achievement Test in Business. It is our plan to compare the performance of students who have completed our current core curriculum (all courses other than the capstone Strategic Management class) with students who have completed our revised curriculum (aside from the capstone experiential strategy class). Our current students do not complete their core business requirements until their junior and sometimes even their senior years while under the new curriculum, a typical student will complete the core courses in their sophomore year. By the third year of the grant, (Spring 2005) we will have our first class of sophomores completing this curriculum, and it is at this time that we will administer this ETS examination. Simultaneously, we will have juniors and seniors who have just completed the old curriculum, and we will test them as well. Given that our new curriculum substantially reduces the number of hours students take in the core curriculum, we will be pleased at this point if we find that students do at least as well in demonstrating general knowledge for this examination.

The evaluation of our **third learning objective** is more difficult, but is also of much greater importance to the evaluation of our curriculum's success. Given that integration is not a standardized method of instruction, no nationally established examination exists. Consequently, we will create our own examination that will test a student's ability to effectively integrate ideas from multiple disciplines to analyze a particular business problem. This might include some case analyses in which quantifiable, multiple-choice questions are asked about a particular situation. We will establish a committee whose objective it is to create this examination, and to have the faculty approve this exam to ensure that it truly represents our objectives for integration. Once again, we can simultaneously administer this examination to our sophomores in 2005 who will be the first class to complete the new core curriculum and to the juniors and seniors who have just completed the old core curriculum. It is this comparison that will to the greatest degree determine the success of our new curriculum.

Evaluating retention of materials, the **fourth learning objective**, will take place as students move into upper division courses. <u>While this will fall outside of the grant period</u>, this part of the evaluation is critical to us, so we will undertake this step ex post. As students enter courses in which certain concepts will be utilized, we will pretest them to determine what they have retained from previous courses. Given that we will have a set of sophomores in the new curriculum concurrent with a set of juniors from the current curriculum, we will be able to simultaneously test students taking identical upper division courses in their major who have come from each of the two backgrounds. This will allow us to directly compare mastery of core concepts as students move further into their studies. As with the third objective, these tests will be generated by a committee and approved by the faculty so that we can be assured we are testing for the retention of critical concepts in the appropriate courses.

Finally, the **fifth learning objective,** student attitudes, will be the easiest objective to measure. We will administer a survey to that same comparison group of 2005 Sophomores from the new curriculum and Juniors and Seniors from the current curriculum to ascertain how student feel about their educational process. This will include how well they enjoyed their studies as well as how well they feel it has prepared them for their future career.

We feel that not only will this evaluation plan help us to determine how well we have met our goals; it will also help us to continue to revise and improve our program. In addition, if other institutions choose to implement this curriculum, our evaluation procedures can be readily replicated and adapted to their needs.

Strategies for Dissemination

In a sense, dissemination of the results of this project has already begun. During our two-year curriculum evaluation, we discussed our ideas with a number of business schools. The commitment the Walton College faculty made in Fall 2001 has generated considerable interest. For example, at the recent national meeting of the Association for the Advancement of Collegiate Schools of Business – International the Dean and Associate Dean were asked for additional information quite often. We already have tentative plans to visit several business schools to present our plans to their faculty. A presentation at a recent SAP Innovation Institute also generated considerable interest (see attached letter).

The Walton College of Business plans to document its new integrated core curriculum and the results of its effectiveness in sufficient detail to permit other interested colleges to adopt similar approaches to providing core material instruction to undergraduate students. Overviews and detailed information pertaining to both the Integrated Core and the results of its effectiveness will be prepared and distributed in a variety of ways.

- Brochures containing overviews of both the Integrated Core and the results of its effectiveness will be mailed to the Deans all AACSB Schools with an invitation to contact the Walton College for more information.
- Papers detailing the development of the program and its effectiveness will be written and submitted for publication and presentations at international, national, and regional multi-disciplinary conferences such as the AACSB Continuous Improvement Symposium, the AACSB Undergraduate Program Conference, the International Business & Economics Research Conference, and the National Conference of the Academy of Business Administration.
- The Walton College will develop an integrated curriculum website through which basic information will be made available. This website will be linked to the University of Arkansas website and the Walton College of Business website and will include a brief history and overview of the program together with course outlines, faculty profiles, and faculty development materials. The website will also include answers to Frequently Asked Questions concerning the process and problems of development and implementation, and it will provide contact information of key personnel so that interested parties can get in touch with specific individuals to access additional information or to arrange for campus visits.
- The Walton College of Business will invite interested parties from other campuses to visit the University of Arkansas to witness first hand the program in progress and to visit with faculty and to hear presentations. The College will subsidize the lodging and food costs of visiting faculty. Additionally, the Walton College will provide support for faculty to travel to other campuses to provide presentations and discuss the program to larger audiences.

References

AACSB Faculty Leadership Task Force Report, St. Louis, MO, 1996.

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Budget Summary and Detailed Budget

Budget Summary

A. Budget Items Requested from FIPSE		Year 1	Year 2	Year 3
Direct Costs:				
1. Salaries & Wages (professional & clerical employees)	$	19,125	96,941	39,317
2. Employee Benefits --- 22.67%		4,336	21,979	8,914
3. Travel (employees only)		3,850	3,950	4,050
4. Equipment (purchase)				
5. Materials and Supplies				
6. Consultants and Contracts (including any travel)		3,500	3,500	3,500
7. Other (equipment rental, printing, etc.)				
Total Direct Costs (add 1-7 above):		30,811	126,371	55,781
Indirect Costs: 8%		2,465	10,110	4,462
Total Requested from FIPSE: (These figures should appear on the title page)	$	33,276	136,481	60,243

B. Project Costs Not Requested from FIPSE (institutional and other support):		Year 1	Year 2	Year 3
1. Salaries & Wages (professional & clerical employees)	$	19,125	96,941	39,317
2. Employee Benefits		4,336	21,979	8,914
3. Travel (employees only)				
4. Equipment (purchase)				
5. Materials and Supplies				
6. Consultants and Contracts (including any travel)				
7. Other (equipment rental, printing, etc.)		5,000	10,000	10,000
Total Direct Costs (add 1-7 above):		28,461	128,921	58,231
Indirect Costs: (8%)		2,277	10,314	4,658
Total Institutional and Other Support:	$	30,728	139,234	62,889

Budget Detail and Narrative

As stated earlier in the proposal narrative, the success in implementing this new curriculum will depend critically on the time that faculty members have to devote to developing courses and teaching materials and preparing for teaching outside their primary discipline. We are seeking funds that can be used to release teams of faculty members from some of their teaching commitments to work on curriculum development. The revised curriculum requires that eight new courses be created and that four others undergo major revision. The budget request is for half of the expected faculty time costs of developing the courses, course materials, and preparing faculty to teach the eight integrated courses that must be created. Details of the proposed budget items are described in the following tables.

FIPSE Budget	2002-2003		2003-2004		2004-2005		Total	
	FIPSE	Instit. Support	FIPSE	Instit. Support	FIPSE	Instit. Support	FIPSE	Instit. Support
Faculty Salaries (in Dollars - $)								
Release Time								
3 faculty members (@ $90,000)	10,125	10,125					10,125	10,125
15 faculty members (@ $92,340)			51,941	51,941			51,941	51,941
6 faculty members (@ $94,740)					21,317	21,317	21,317	21,317
							-	-
Summer Support							-	-
3 faculty members	9,000	9,000					9,000	9,000
15 faculty members			45,000	45,000			45,000	45,000
6 faculty members					18,000	18,000	18,000	18,000
							-	-
Total Salary Support	19,125	19,125	96,941	96,941	39,317	39,317	155,383	155,383
Fringe Benefits (22.67%)	4,336	4,336	21,979	21,979	8,914	8,914	35,230	35,230
Total Salary and Fringes	23,461	23,461	118,921	118,921	48,231	48,231	190,613	190,613

Individual faculty members have not been selected for the project as of the grant writing. Therefore, an estimate of an average faculty salary has been used in lieu of actual salaries for actual faculty members. There was not a way to scientifically estimate the salary number to use, since the range of faculty salaries varies from $59,000 to $175,500. However, most of the faculty salaries cluster between $80,000 and $100,000. We have increased the base estimate by 2.6% for each year of the project. The budget expenditures represent 7.5% of the annual salary of $90,000. For instance, in year one, we estimate 3 faculty members at $90,000. 7.5% of $90,000 is $6,750, and 3 times $6,750 is $20,250. These amounts are roughly equivalent to the cost of temporary replacement for teaching. In addition, individual faculty members have not been selected for the summer work. These grants will be in fixed amounts of $6,000 per faculty member. The current aggregate university rate of 22.67% for fringe benefits is estimated constant throughout the grant period.

FIPSE Budget	2002-2003		2003-2004		2004-2005		Total	
	FIPSE	Instit. Support	FIPSE	Instit. Support	FIPSE	Instit. Support	FIPSE	Instit. Support
Other Costs (in Dollars - $)								
Travel (FIPSE conference)	3,850	-	3,950	-	4,050	-	11,850	-
Consultants (Program Evaluation)	3,500		3,500		3,500		10,500	-
Other Direct Costs		5,000		10,000	-	10,000	-	25,000

As specified in the grant, we have budgeted $11,850 for travel to the annual FIPSE Project Directors' Meeting each Fall for the Project Director, the Evaluation Consultant, and one other staff member. In addition, we have budged $10,500 for the program evaluation. In other direct costs we include such items as printing and dissemination costs. In addition, an opportunity may develop to attend CIBER workshops.

FIPSE Budget	2002-2003		2003-2004		2004-2005		Total	
	FIPSE	Instit. Support	FIPSE	Instit. Support	FIPSE	Instit. Support	FIPSE	Instit. Support
Summary								
Total Direct Costs	30,811	28,461	126,371	128,921	55,781	58,231	212,963	215,613
Indirect Costs (8%)	2,465	2,277	10,110	10,314	4,462	4,658	17,037	17,249
Total	33,276	30,738	136,481	139,234	60,243	62,889	230,000	232,862

Presented above is the summary of the total direct costs (the sums of the first two tables), the indirect cost (facilities and administrative) rate of 8%, and the total of the budgeted expenditures for the proposal period.

List of Appendices

A. Old Bachelor of Science in Business Administration Curriculum

B. New Bachelor of Science in Business Administration Curriculum

C. Preliminary Outlines of Integrated Core Courses

D. Key Personnel

E. Business Advisory Committee and Letters of Support

APPENDIX A

Sam M. Walton College of Business

Old Bachelor of Science in Business Administration Curriculum

A. University Core Requirements-		35 hours
English Composition	6 hrs.	
Finite Mathematics	3 hrs.	
American History or Government	3 hrs.	
Laboratory Science (two courses)	8 hrs.	
Social Science (three courses)	9 hrs.	
Fine Arts & Humanities (two courses)	6 hrs.	
B. Additional Requirements for Business Students-		6 hours
Fundamentals of Communication**	3 hrs.	
Survey of Calculus**	3 hrs.	
C. Business Administration Core Courses		42 hours
Lower Division Courses	21 hours	
Introduction to Computer Information Systems	1 hr. (1st year)	
Introduction to Accounting Information I	3 hrs. (2nd year)	
Introduction to Accounting Information II	3 hrs. (2nd year)	
Legal Environment of Business	3 hrs. (2nd year)	
Business Information Systems	2 hrs. (2nd year)	
Business Statistics	3 hrs. (2nd year)	
Principles of Macroeconomics (Univ. core)	3 hrs. (2nd year)	
Principles of Microeconomics (Univ. core)	3 hrs. (2nd year)	
Upper Division Courses	21 hours	
Information Systems Management	3 hrs. (3rd or 4th year)	
Production and Operations Management	3 hrs. (3rd or 4th year)	
Financial Management Theory and Practice	3 hrs. (3rd or 4th year)	
Management Concepts and Organizational Behavior	3 hrs. (3rd or 4th year)	
Principles of Marketing	3 hrs. (3rd or 4th year)	
Economics-any upper division course	3 hrs. (3rd or 4th year)	
Strategic Management	3 hrs. (4th year)	
D. Major Requirements (varies by major and concentration)		15-22 hours
E. Business Electives (varies by major and concentration)		8-12 hours
F. General Education Electives (varies by major and concentration)		up to19 hours
TOTAL REQUIRED FOR BSBA DEGREE		**126 hours**

APPENDIX B

Sam M. Walton College of Business

New Bachelor of Science in Business Administration Curriculum

A. University Core	**35 (Econ included)**
B. Additional University Requirements for Business Students	**9**
Fundamentals of Communication	(3)
Survey of Calculus	(3)
Additional Social Science course (from specified list)	(3)
C. Business Core Courses	**27 + Econ**
Freshman Business Connections (1st year – includes computer competency requirement)	(1)
Business Foundations (1st year)	(3)
Legal Environment (1st year)	(2)
Macro & Micro Economics Revised (1st & 2nd year – Counted in University Core)	(6)
Data Analysis (2nd year)	(3)
*Integrated Courses**	
Capital Resources (2nd year)	(3)
Human Resources (2nd year)	(3)
Production/Delivery of Goods/Services (2nd year)	(3)
Markets and Consumers (2nd year)	(3)
Business Planning/Implementation (Upper Division)	(6)
D. Major Requirements (including collateral courses)	**24**
E. Business Electives	**15****
F. General (non-business)Education Electives	**16** (at least 9 in single area)
Total	**126**

** *Maximum of 27 hours in one WCOB department (core, major, elective). Exception – More than 27 hours allowed if the extra courses are part of interdisciplinary minor or collateral track*

Appendix B (continued)

Sam M. Walton College of Business

New Bachelor of Science in Business Administration Curriculum

Features of the Revised Curriculum

- Business core reduced from 42 hours to an integrated core of 33 hours

- The integrated core includes courses in economics (6 hours), legal environment (2 hours), and data analysis (3 hours) that are to be revised to integrate with the rest of the core

- Core courses are taught by individual instructors rather than with team teaching

- Core courses will be developed and taught from an international perspective and will integrate information technology and communications

- Departments control 24 hours for their majors
- Departments may specify disciplinary or collateral courses in another discipline

- 15 hours of business electives allow student choice of:
  - Elective courses
  - Disciplinary or interdisciplinary minors
  - Elective tracks (6 to 9 hrs.) - one discipline or interdisciplinary

- Maximum of 27 hours in one WCOB department (core, major, elective). Exception - More than 27 hours allowed if the extra courses are part of interdisciplinary minor or elective track

- General Education (non-business) electives
- 16 hours of non-business electives – 9 hours in a single area

APPENDIX C

PRELIMINARY OUTLINES OF INTEGRATED CORE COURSES

BUSINESS FOUNDATIONS

DESIGNING GUIDELINES

- The material will be arranged around the key decisions that are made in a business. Decisions will be examined within the context of major business processes. Subsequently, the focus will move from decisions to the identification of information needs.

- This outline is based on the premise that the *Business Foundations* course needs to include instruction on (among others):
  - Understanding accounting's role in business
  - Understanding the differences between expenses and cash flows (accrual-based vs. cash-based accounting figures).
  - Knowledge of the accounting model
  - Understanding the primary financial statements: income statement, balance sheet, and statement of cash flows.

- The task group is envisioning the use of a course-long, interactive, simulation exercise to provide students with hands-on experience of basic business processes.

- The course-long simulation exercise will be a group activity. Students will receive instruction in the development of interpersonal skills, and will practice these skills during on-going group activities. Group activities will occur inside as well as outside of class. (Some classes may be designated as "team days" for students to work on their team projects).

- International issues will be introduced through examples, case studies, and illustrative comparisons.

- This course will identify the use of statistics as a tool for data analysis and decision-making. However, the course will not incorporate any statistical analysis.

PRE-REQUISITES

This course requires that students have satisfied the computer competency requirement. There are no other perquisites.

TOPICAL OUTLINE

The Creation of Value

Goals of business and non-business organizations

a. Organizational strategy
b. The value chain

Organizations

c. Organizational governance
    i. Sole proprietorship
    ii. Partnership
    iii. Corporation
d. Legal and economic ramifications of organizational type
e. Globalization
f. Information for decision making
    i. Strategic information systems
    ii. Management information systems
    iii. Accounting information systems

Acquiring Financial Resources and Capital Resources

Acquiring Financial Resources: Overview of the business process

Financing decisions

iv. Sources of financial capital
    1. Capital markets
    2. Debt capital, Equity capital

v. Accounting for financial capital (liabilities, owners' equity)
    1. Creating a balance sheet

Acquiring Capital Resources: Overview of the business process

vi. Investment decisions: acquiring assets

vii. Accounting for assets
    1. Types of assets (cash, inventory, buildings and equipment)
    2. Completing the balance sheet
        a. The Accounting equation

Acquiring and Managing Human Resources

Overview of the business process

g. Typical decisions
    i. Attracting and retaining human resources
    ii. Motivating human resources
    iii. Managing individuals versus teams

h. Accounting for human resources

i. Performance measurement

Production and Delivery of Goods and Services

Overview of the business process

Typical decisions

i. Managing the flow of material
    1. Management of inventory
    2. Management of distribution/logistics

ii. Managing the flow of information
    1. Overview of information systems
    2. Enterprise Resource Planning systems

j. Accounting for goods and services
    i. Product and service costing (ABC systems)
    ii. Inventory valuation

k. Performance measurement (financial, physical)

Acquisition of Customers and Collection of Receivables

Overview of the business process

l. Typical decisions

Market research

i. Buyer behavior

ii. Elements of marketing mix
    1. Product decisions
    2. Promotional issues
    3. Pricing
    4. Distribution channels

m. Accounting for sales and receivables
    i. Revenue & expense recognition
    ii. Income statement
    iii. Customer profitability

Strategy (Revisited)

Corporate level

n. Business level
o. Process level
p. International Perspective

Reporting the Results of Business Operations: The Annual Report

Income Statement

   i. Economic definition of income
   ii. Accounting definition of income

q. Balance Sheet
r. Statement of Cash flows
   i. The relationship between income and cash flows
   ii. Sources and uses of cash
s. Generally Accepted Accounting Principles
   i. Basic assumptions of financial accounting
   ii. Broad principles of financial accounting
   iii. Constraints that affect financial reports
t. Other components of the annual report

II. Interpersonal Skills Development ***(interspersed throughout the course)***

a. Building effective work teams
   i. How to manage team interactions as a team member (includes material from the "team management class.")

MARKETS AND CONSUMERS

DESIGN GUIDELINES

- This course will be designed around the key decisions that are required to understand the existence of markets and how buyers within those markets may be accessed profitably.

- <u>International issues</u> will be introduced through examples, case studies, and illustrative comparisons.

PREREQUISITES:

Prerequisite courses include Microeconomics and Business Foundations.

Microeconomics: It is assumed that students will have a basic understanding of:
1) Supply and demand, market equilibrium price
2) Determinants of consumer demand
3) Elasticity
4) Various market structures and their implication for pricing behavior

Business Foundations: It is assumed that from this course students will have been introduced to:
1) The concepts behind the creation of value.
2) The behavior of organizations.
3) The acquisition of financial, capital, and human resources.
4) The acquisition of customers and the collection of receivables.
5) The production and delivery of goods.
6) The nature and use of financial statements.
7) The concept of strategy.

TOPICAL OUTLINE:

I. Overview of Competitive Markets
- a. Types of Markets Structures
  - i. Perfect Competition
  - ii. Monopoly/Oligopoly
- b. The Legal Environment
- c. The Global Environment

II. Buyer Behavior
- a. Consumers
  - i. Demand Shifters
  - ii. Elasticity
- b. Industrial Buyers
  - i. Market Power of buyers
  - ii. Cultural Issues

III. Marketing Research
- a. Information Systems
- b. Identifying Target Markets

IV. Product Concepts
- a. Developing New Products
- b. Branding and Packaging

c. Services

V. Marketing Channels
a. Wholesaling and Retailing
b. Physical Distribution/Logistics
c. Channel Control

VI. Promotion
a. Advertising and Publicity
i. Economics of brand loyalty, product differentiation
ii. Strategic interaction among competing firms
b. Personal Selling and Sales Promotion

VII. Pricing Concepts
a. Economic Concepts
i. Cost-Based Pricing
c. Psychological Pricing
d. New Product Pricing
e. Cost-Volume Profit Analysis

VIII. Customer Profitability Analysis

IX. Relationship Marketing

X. Strategic Market Planning

PRODUCTION & DELIVERY OF GOODS AND SERVICES

COURSE DESCRIPTION

This course is designed to provide students with a broad understanding of the production and delivery of goods/services. The production and delivery of goods/services pertains to the coordination of decisions regarding the delivery of goods and services both within and across firms. The course will focus on concepts and methodologies for managing the flow of material and information throughout the production and delivery of goods/services.

DESIGN GUIDELINES

1) To give students a broad understanding of the production and delivery of goods/services. This includes:
   - Providing a basic understanding of both the internal (primary organizational functions) and external (suppliers and customers) entities comprising process of the production and delivery of goods/services.
   - Emphasis on the critical tasks of managing the flow of material and information.
   - Stressing the integrative nature of the decisions across the production and delivery of goods/services.
   - Global issues are to be included throughout.

2) Incorporate the use of appropriate decision making tools where appropriate (e.g., Decision making under uncertainty, cost/volume/profit analysis, financial analysis, cost accounting, statistical analysis etc.)

3) Provide a basic understanding of the structure and use of information technology used to manage the production and delivery of goods/services This should involve coverage of:
   - Overview of the relevant knowledge of information systems
   - An overview of enterprise resource planning (ERP) systems.

PREREQUISITES

1) Basic business statistics: conditional probabilities, confidence intervals, and some linear regression.
2) Familiarity with a balance sheet, income statement.
3) Basic concepts of cash flows and future value of money.

TOPICAL OUTLINE

A. Overview

a) Overview of the basic organizational functions in the production and delivery of goods/services.
b) Integrated flow of material and information
c) Supply chain management models: anticipatory-based –vs– response-based systems
d) Overview of the product/service order fulfillment-cycles

B. Managing the Flow of Material

I. Management of inventory

a) Demand Forecasting

i. Basic time series models
   - Moving averages
   - Exponential smoothing
   - Seasonal Models

ii. Causal models
   - Multiple regression

b) Inventory management

i. Overview of role of inventory
ii. Costs associated with inventory
   - Deriving inventory costs

iii. Basic inventory control models
   - Economic order quantity models
   - Reorder point models

iv. Integration of decisions across functions
- MRP/DRP systems
- JIT systems

c) Make or buy decisions

i. Production – Capacity Planning
ii. Account for manufacturing costs
iii. Procurement/Outsourcing
iv. Supplier selection
v. Quality control

II. Management of distribution/logistics

a) Distribution systems

i. Central –vs.- decentralized systems
ii. Facility location
iii. Material Handling

b) Transportation systems

i. Transportation cost structure
ii. Accounting for distribution/logistics costs
iii. Carrier selection
iv. Logistics systems
v. Trade-offs

C. Managing the Flow of Information

I. Information Systems

a) Overview of information systems

i. Functional information systems
- Transaction (operational), Managerial, and Strategic applications

ii. Information Systems
- PC networks –vs.– mainframes

iii. Managing information
- Database environment and systems (teach them something about Access?)
- Data warehousing

b) Enterprise Resource Planning (ERP) systems (e.g., SAP)

i. Evolution of Information Management across Product/Service Delivery Process
- MRP, MRPII, ERP, B2B, E-Commerce

ii. Systems design and technology
- Basic ERP architecture
- Technology: point-of-sale technology, bar-coding, EDI
- Systems development life cycle
- End-user development

II. Performance Assessment

a) Financial
b) Operational

III. Activity Based Costing

ACQUIRING AND MANAGING CAPITAL RESOURCES

DESIGNING GUIDELINES

- The material is arranged around key decisions within business processes related to capital resources. The identification of key decisions leads to decision models, which in turn lead to the identification of information needs.

- This course is primarily concerned with the acquisition of capital resources, which includes both decisions regarding what to acquire, as well as how to finance the acquisition. Also included are issues related to the accounting for those capital resources. This course does not deal with the use of capital resources. This topic will be in the production and markets courses.

- International issues will be introduced through examples, case studies, and illustrative comparisons.

- Information Technology coverage consists of the use of Excel in financial modeling, and the use of the Internet to access corporate financial information and financial databases.

PRE-REQUISITES

Prerequisite courses include Macroeconomics and Business Foundations. This course does not require any other business process course as a prerequisite.

Macroeconomics

This course outline is based on the assumption the *Macroeconomics* course has provided basic instruction on

- the money supply,
- Federal Reserve,
- financial markets in general, and
- some financial intermediaries.

Business Foundations

This course outline is based on the assumption the *Business Foundations* course has provided basic instruction on:

- Basic understanding of accounting's role in business
- Understanding the differences between expenses and cash flows (accrual-based vs. cash-based accounting figures).
- Understanding the primary financial statements: income statement, balance sheet, and the statement of cash flows.

TOPICAL OUTLINE

Business Process Context

b. Overview of business processes
c. Business processes involving capital resources
    i. Typical decisions
    ii. Environmental constraints
    iii. Agency Relationships (owner, manager, debt holder conflicts)

What Is Capital?

d. Capital Resources: Long term funding
    i. Stocks, retained earnings, bonds
e. Capital resources on the balance sheet

What Are Assets?

Nature of economic resources

f. What is an asset?
g. Assets on the balance sheet

III. Acquiring Capital (Financing Decisions)

Capital is acquired by the firm in the financial markets usually with the assistance of financial intermediaries (investment bankers, stock brokers and dealers).

a. Financial markets and intermediaries
b. Sources of capital
    i. Equity (primarily preferred stock, common stock, and retained earnings)
    ii. Debt
    iii. Leases (some discussion)
    iv. Other financial instruments (some discussion)
c. Financial Theory
    i. Risk and return
    ii. Time value of money
        1. future value of lump sum and annuity
        2. present value of lump sum and annuity
    iii. Capital asset pricing model
    iv. Long-term financial theory
d. Accounting for debt
    i. Accounts payable
    ii. Wages payable
    iii. Pension obligations and other post-retirement benefits
    iv. Taxes payable
    v. Notes payable
    vi. Bonds payable
        1. book value vs. market value
    vii. Cost of debt
e. Accounting for equity
    i. Capital stock
        1. book value vs. market value
    ii. Retained earnings
    iii. Cost of equity (dividend model and CAPM)
f. Off-balance sheet financing
g. Tax implications (debt vs. equity)
h. Leverage and liquidity ratios
i. Cost of capital computation

IV. Acquiring Assets (Investment Decisions)

Capital is used to acquire assets to be used in the production of goods and services, which will provide profits to the company and increased wealth to the owners. Determining which assets or projects should be undertaken utilizes analytical tools such as Cost of Capital and Capital Budgeting.

a. Accounting for assets
    i. Generally Accepted Accounting Principles (GAAP) on assets
        1. historical costs
    ii. Management assertions
    iii. Accounting for inventories
        1. Valuation methods

        iv. Accounting for fixed assets
            1. depreciation
        v. Tax implications
    b. Interpreting and Analyzing Financial Statements
        i. Ratio analysis
        ii. Cash flow statement
    c. Capital budgeting
        i. Capital budgeting models: (Basic computations)
            1. NPV (Net Present Value)
            2. IRR (Internal Rate of Return)

Management of Capital Resources

    d. Working capital management (policy)
        i. Developing pro-forma cash budgets
    e. Capital structure
        i. Financial leverage

ACQUIRING AND MANAGING HUMAN RESOURCES

DESIGNING GUIDELINES

- This course is designed around major issues to be addressed in understanding human behavior in organizations and in making decisions about acquiring, motivating, and retaining the best people.

- This outline is based on the premise that basic human resource functions are best addressed through detailed knowledge of the principles of organizational behavior taught within the context of critical human resource decisions. In addition, micro and labor economics and accounting issues must be integrated into the material as appropriate.

- It is assumed that many elements of this course will be addressed through interactive activities, and that the value of human resources as sources of competitive advantage and as internal customers will be emphasized throughout.

- International issues will be integrated throughout the course through examples, case studies, and within the course content itself.

- The course is premised on the assumption that students have been exposed to some statistics.

PREREQUISITES

- The prerequisites for this class include Business Foundations and Microeconomics

- With respect to Microeconomics, we assume that students will have a basic understanding of

  - Supply and demand
  - Competitive markets
  - Substitutes and complements
  - Economic incentive models

- With respect to Business Foundations, we assume that students have a general feel for the role of human resources in organizations

- In addition, we assume that students have rudimentary familiarity with statistics.

TOPICAL OUTLINE

I. The Context for Managing Human Resources

- Individual differences
- Perception
- Attitudes
- Economics of discrimination
- Employment law
- Labor relations
  - Economics of unions and negotiations
  - ii. Impact of wage increases in various market conditions

II. Human Resource Planning

- Demand for labor
- Optimal capital/labor choice
- Substitutes/complements, scale effects
- Developing staffing estimates

III. Attracting and Retaining Human Resources

a.. Supply of Labor
    Elasticity (effects and determinants of elasticities)
    ii. Incentives, education decisions, welfare reform
b. Recruitment/selection
    i. Measurement of human qualities
    ii. Recruiting approaches
    iii. Selection approaches
c. ABuild or buy@
    i. Training
    ii. Differences between general vs. specific training, education
d. Dysfunctional Behaviors
e. Termination
    Employment at will
    Discipline
    Quits and fires

IV. Motivating Human Resources

a. Intrinsic motivation
    i. Job design
b. Extrinsic motivation
    i. Financial and accounting-based incentives
c. Performance appraisal
    i. Financial and accounting-based performance measures
d. Base and incentive compensation
e. Economic incentive models
f. Accounting For Human Resources
    a. Payroll accounting
    b. Employment taxes
    c. Employment benefits

VI. Managing Individuals versus Teams

Managing groups
    a. Virtual teams
    b. Culture/leadership
Power/politics
    Negotiation/conflict management
    Health and safety
    a. Employees= willingness to accept risk for pay, compensating differentials
    b. Regulations and individual choice (information, externalities etc)
    Stress
    Non-traditional employment arrangements (telecommuting, job sharing, etc.)

BUSINESS PLANNING AND IMPLEMENTATION

BUSINESS STRATEGY (6 HOURS)

DESIGNING GUIDELINES

- The materials will be arranged keeping in mind the nature and content of decisions that ensure the long-term effectiveness of organizations. This two-course sequence will introduce organizational actions and issues from the perspective of upper level managers. The sequence is designed to consist of two courses (three credit hours each) that are taught in the Fall and Spring semesters of the Junior Year. The first course (Business Strategy – Theory and Concepts) is theoretically oriented. The second course (Business Strategy – Practicum) consists primarily of experiential content that provides practical experience about the topics covered in the theoretical course.

- This outline is based on the premise that the Business Strategy courses need to include instruction on (among others):
    - Integrating knowledge pertaining to different functional domains.
    - Adopting a holistic perspective on an organization through the use of case studies and experiential exercises.
    - The dynamic nature of business competition.
    - The interrelationship between a firm's strategy and its structure and control systems.

- Issues relating to International Strategy and Business Ethics will be integrated throughout the course.

- This course sequence will draw on understanding and analyzing balance sheets, income statements, and cash flow statements from a strategic perspective.

- This course sequence will also actively integrate knowledge about the real business world – the key decisions facing organizations today and the manner in which they are responding to those issues.

PREREQUISITES

A student must complete all other courses in the business core before enrolling for this course sequence.

BUSINESS STRATEGY (THEORY AND CONCEPTS)

Introduction to Strategy, Strategists, and Stakeholders

Strategy and strategic objectives.

a. Understanding the processes of strategy formulation and the role of different organizational levels in formulating strategy.
b. Stakeholders.
c. Vision and Mission Statements.
d. Basic Strategy Models.

i. Analyzing External and Industry Environment

e. Definition/Dynamic Nature of a Firm's Industry.
f. Components of external environment.
g. Industry Analysis.
h. Strategic Groups.

Analyzing Internal Environment and Developing Organizational Capabilities

Resource Based View. Resources. Capabilities. Core Competencies.

Temporal Nature of Core Competencies

a. Value Chain Analysis

Types of Strategies

Content of Generic strategies

a. Implementing Generic Strategies

Understanding the Dynamics of Organizational Competition

Strategic and tactical moves.

a. Hypercompetitive Sequencing.
b. First Mover, Second Mover, Late Mover Strategies.
c. Predicting competitor moves and countermoves.

Evaluating and Measuring Strategies

Strategic Objectives.

Balanced scorecard approach.

a. Mid-course evaluations of strategies.
b. Non-rational escalation of commitment in strategies.

Corporate Strategy

Introduction to diversification, divestment, and restructuring.

a. Pros and cons of diversification.
b. Types of diversification.
c. Diversification and firm performance.

Strategy Implementation

Organizational Structure.

a. Link between organizational structure and strategy.
b. Corporate governance.

Creating Change in Organizations

a. The role of leadership
b. Introduction to various models of organizational change
c. Challenges in creating change

Mergers and Alliances

a. Advantages and disadvantages of co-operative strategies.
b. Types of cooperative strategies.
c. Strategic issues involved in cooperative strategies.
d. Characteristics of successful mergers/acquisitions.

Strategic Leadership

a. Importance of strategic leadership in designing and implementing strategy.
b. Leadership styles and their impact on organizations.
c. Developing leadership in organizations
d. Ensuring effective succession in organizations.

Strategic Management of Human and Social Capital

a. Define human and social capital.
b. Importance of human and social capital for strategy and innovation.
c. Issues involved in human and social capital.
d. Strategies for managing human and social capital.

BUSINESS STRATEGY (PRACTICUM)

The course consists of a semester long **experiential** exercise. The experiential exercise allows students to get hands on experience on issues covered in the previous course [Business Strategy (Theory and Concepts)]. A small portion of the class may be taught in traditional format to allow an integration of the concepts that have been learned during the experiential exercise.

The central focus of this course is the hands-on development of a business plan. Through the development of such a plan students gain the opportunity to apply what they have learned in the Business Strategy (Theory and Concepts) course. It is assumed that this experiential exercise, at the very least, will involve use of most of the topics covered in items I through VI of the Business Strategy (Theory and Concepts) course. (See the list of "skills to be included" at the bottom of this outline.) Additional topics that are covered in the exercise will vary with the specific exercise being used.

Prerequisite: Business Strategy (Theory and Concepts) .

Approaches to Teaching the Practicum

- Business simulation
- Starting and running a business
- Addressing an actual business problem
- Etc.

Format

The different formats will be used in different sections of the course. For example, all students in Sections 1 and 2 will use business simulations. All students in Section 3 will start and run a business, and so forth. The precise format used in each of these sections will naturally be determined by the approach to be used in the section.

Skills to be Included in All Sections

- Business planning
- Environmental analysis
- Strategy formulation and implementation
- Competitor analysis
- Strategic management in a dynamic environment
- Strategy/performance mapping and evaluation

Appendix D

Key Personnel

William P. Curington, Project Director

Barbara E. Hinton, External Evaluator

Members of the Walton College Undergraduate Program Committee

William P. Curington
January 2002

Associate Dean for Academic Affairs
Sam M. Walton College of Business
University of Arkansas
Fayetteville, Arkansas 72701
479-575-7105
e-mail: bcurington@walton.uark.edu

Home address:
1611 Halsell Road
Fayetteville, AR 72701
479-521-2118

Current Position:

Walton College of Business Administration, University of Arkansas, Fayetteville
Professor of Economics, since 1989
Associate Dean for Academic Affairs, since 1996

I am responsible for leadership of all undergraduate and graduate degree programs. The Director of International Business Programs, the Director of the MBA Program, the Director of Minority Student Affairs, and the Director of Distance Education as well as the staffs of the Undergraduate Programs Office, Graduate School of Business, and Walton Career Development Center report directly to me.

Selected Accomplishments as Associate Dean

- Currently leading the design of an integrated undergraduate business core curriculum
- Restructured the College advising system
- Led the design and implementation of the Walton College Honors Program
- Designed, managed approval, and led implementation of a Graduate School of Business
- Oversaw the implementation of a completely restructured MBA program
- Led implementation of an optical scanning system for undergraduate student records
- Led selection of a Director of Distance Education and the implementation of interactive compressed video delivery of the part-time MBA program to two off-campus corporate locations
- Led the selection of the Director of Web Development and facilitated the revision of the Walton College web site (www.waltoncollege.uark.edu).

Other Academic Positions:

Walton College of Business Administration, University of Arkansas, Fayetteville
Associate Dean for Undergraduate Studies, 1995 - 1996
Coordinator of Graduate Studies in Economics, 1986 - 1995
Associate Professor of Economics, 1983-1989
Assistant Professor of Economics, 1980-1983

Rochester Institute of Technology, Rochester, New York
Assistant Professor of Economics, 1978-1980

Degrees:

B.S. Ed.	1970	University of Texas at Austin	Economics
M.L.I.R.	1972	Michigan State University	Labor & Industrial Relations
M.A.	1977	Syracuse University	Economics
Ph.D.	1979	Syracuse University	Economics (Labor Economics)

Selected Publications:

Retroactive Benefits in Income Replacement Programs: Results from a Modified Natural Experiment. Southern Economic Journal. Vol. 64, No. 1 (July 1997) p. 255-267.

Compensation for Permanent Impairment and the Duration of Work Absence: Evidence from Four Natural Experiments. Journal of Human Resources. Vol. 29 No. 3 (Summer 1994) p 888-910.

Safety Regulation and Workplace Injuries. Southern Economic Journal Vol. 53, No. 1 (July 1986), p. 51-72.

Barbara E. Hinton

Head, Department of Vocational & Adult Education
Professor, Department of Vocational and Adult Education

Academic Degrees:

	1983	Ed. D. (Adult Education) University of Arkansas, Fayetteville
	1980	M.Ed. (Secondary Education) University of Arkansas, Fayetteville
	1961	B.S. (Secondary Education) Auburn University, Auburn, Alabama

Major Fields: Adult Education, English Education, Music Education, Human Resource Development

Professional Organizations:
Academy for Human Resource Development; Association for Career and Technical Education; University Council for Workforce and Human Resource Education (President, 1996-1998, Board of Trustees, 1992-present; Chair, Editorial Board, 1992-95); American Society for Training and Development; Editorial Board, Journal for Research in Vocational Education.

Publications: Over 25 publications including book chapters, refereed journal articles, proceedings papers, and curriculum materials.

Presentations: (Since 1990) Over 50 international and national presentations on topics such as distance learning, human resource development, empowered teams, competency-based education, occupational analysis, workplace training, criterion-referenced testing, workplace literacy, and adult education.

Principal Investigator/Co-Researcher: Grants averaging over $200,000 annually since 1990. PI - Fund for Improvement for Post Secondary Education, U.S. Department of Education, 1997-2000, $87.690; Arkansas Department of Workforce Education, $194,000 - 1999-2000.

Consultant/Evaluator:

International - Centre for Human Resource Development, University of Canberra (Australia); Edith Cowan University, Perth, Australia; University of Concepcion and University of Austral (Chile).

National - Business and Industry: General Electric Major Appliances, Arkansas Gas Association, Gates Rubber Corporation, Tyson Foods, Michelin Tire Company, UAW-Chrysler, Fieldcrest Cannon, Lozier Manufacturing, National Copper and Smelting, O'Neal Steel, Inc., Champion, Southern Ductile, Southern Pride, and Standard Furniture.

Educational/Governmental Agencies: U.S. Department of Education, OVAE; National Environmental Training Center for Small Communities; The National Transportation Safety Institute; Alabama Department of Education, National Workplace Literacy Projects; Arizona Department of Education; Texas A&M University; The Ohio State University; New Jersey Department of Education; Michigan Department of Education; South Dakota Department of Education; Tennessee Department of Education; National Center for Research in Vocational Education; and the Vocational-Technical Education Consortium of States (V-TECS).

Sam M. Walton College of Business

Undergraduate Program Committee

Dr. Marinus J. Bouwman, Associate Professor, Ralph McQueen Chair in Accounting

Dr. Amy Farmer, Associate Professor of Economics

Dr. Nina Gupta, Professor, Raymond F. Orr Chair in Management

Dr. Scott O'Leary-Kelly, Assistant Professor of Information Systems

Dr. John D. Ozment, Professor of Marketing, Oren Harris Chair in Transportation

Dr. Larry Perry, Associate Professor of Finance

Dr. Barbara Lofton, Walton College Director of Minority Student Affairs

Appendix E

Letters of Support

And

Membership of the Walton College Dean's Executive Advisory Board

Dr. Kenton Walker ideas on restructuring undergraduate business curriculum have influenced our plans at the University of Arkansas. He has indicated that he would be happy for you to contact him and discuss our plans.

Kenton B. Walker, Director
Solomon D. Trujillo Center for e.Business
College of Business
University of Wyoming
Laramie, WY 82071-3275
Voice: (307) 766-3154
Fax: (307) 766-4028
Email: kbwalk@uwyo.edu

Sam M. Walton College of Business

Dean's Executive Advisory Board

Adams, Jerry
Corporate Leader for
Economic Development
Acxiom Corporation
Conway, AR

Barnett, James
President
DaySpring Cards
Siloam Springs, AR

Bodenhamer, Lee
President
Centennial Consulting
Company
Little Rock, AR

Boston, Allen
Partner
Ernst & Young LLP
1285 Avenue of Americas
New York, NY

Boyer, Tommy
CEO
Micro Images
Amarillo, TX

Bradberry, E. G. "Ed"
President/ CEO
B & B Resources Inc.
Fayetteville, AR

Brewer, Clete T.
Chairman/ CEO
Edgewater Technologies,
Inc.
Fayetteville, AR

Brinkley, Cynthia J.
President
Southwestern Bell
Telephone Company
Little Rock, AR

Bull, Scott
President
Pace Industries, Inc.
Fayetteville, AR

Doramus, Mark C.
Assistant to the President
Stephens Inc.
Little Rock, AR

Floyd, William R. "Bill"
CEO
Beverly Enterprises, Inc.
Fort Smith, AR

Ford, Scott T.
President/ COO
ALLTEL Corporation
Little Rock, AR

Garrison, Tom
President/ CEO
FedEx Freight East, Inc.
Harrison, AR

Gibson, Don L.
President
Bank of America
Fayetteville, AR

Greenwood, Mary Ann
President
Greenwood & Associates,
Inc.
Fayetteville, AR

Kennedy, William H. III
"Bill"
Senior Partner
Rose Law Firm, P.A.
Little Rock, AR

Korell, Harold
President/CEO
Southwestern Energy
Company
Houston, TX

Lee, Gregory W. "Greg"
COO & Group President
Tyson Foods, Inc.
Foodservice &
International Group
Springdale, AR

McDonald, Hugh T.
President/ CEO
Entergy Arkansas, Inc.
Little Rock, AR

Menzer, John B.
President
Wal-Mart International,
Inc.
Bentonville, AR 72712

Mobley, Julia Peck
Chairman/ CEO
Commercial National
Bank
Texarkana, AR

Pardue, Barbara
Partner
Solutions
Little Rock, AR

Pickens, Jim
Director
Arkansas Department. of
Economic Development
Little Rock, AR

Ray, Paul R. Jr.
President/ CEO
Ray & Berndtson Inc.
Fort Worth, TX

John C. Reap
President/CEO
Town North Bank
Dallas, TX

Rosenbaum, Carl S. II
Chairman of the Board
SafeFoods Corporation
North Little Rock, AR

Rutledge, Reynie
Chairman
First Security Bancorp
Searcy, AR

Sells, Harold E.
Woolworth Corporation
(Retired)
Las Vegas, NV

Shoptaw, Robert L. "Bob"
President/ CEO
Arkansas BlueCross and
BlueShield
Little Rock, AR

Thompson, J. Kirk
President and CEO
J. B. Hunt Transport, Inc.
Lowell, AR

Toller, William R. "Bill"
TITAN Consultants, Inc.
Cypress, TX

Tygart, Barger
E Tygart Consulting
Group
Dallas, TX

Walton, Jim C.
Chairman/ CEO
Arvest Bank Group, Inc.
Bentonville, AR

Wilson, Larry T.
President/ CEO
First Arkansas Bank &
Trust
Jacksonville, AR

Wray, Donald E. "Buddy"
Tyson Foods, Inc.
(Retired)
Springdale, AR

Yarnell, A. Rogers II
President
Yarnell Ice Cream
Company
Searcy, AR

GEPA Certification

There are no barriers that might prevent our teachers from participating in this activity. The activity in question is curriculum development, and any faculty member in the Sam M. Walton College of Business will be eligible to participate. Further, the University of Arkansas is an affirmative action institution, and the Walton College is in adherence with the procedure and intent of the University policy.

ASSURANCES

The Applicant hereby assures and certifies that it will comply with the regulations, policies, guidelines and requirements, as they relate to the application, acceptance and use of Federal funds for this Federally assisted project. Also the Applicant assures and certifies that:

1. It possesses legal authority to apply for the grant; that a resolution, motion or similar action has been dully adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

2. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of the Act, no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effect this agreement.

3. It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) prohibiting employment discrimination where (1) the primary purpose of a grant is to provide employment or (2) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.

4. It will comply with Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

5. It will comply with Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

6. It will comply with the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

7. It will comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal and Federally-assisted programs.

8. It will comply with provisions of the Hatch Act which limit the political activity of employees.

9. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act, as they apply to hospital and educational institution employees of State and local governments.

10. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

11. It will give the sponsoring agency or the Comptroller General through any authorized representative the access to and the right to examine all records, books, papers, or documents related to the grant.

12. It will comply with all requirements imposed by the Federal sponsoring agency concerning special requirements of law, program requirements, and other administrative requirements.

13. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

14. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, P.L. 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires, on or after March 2, 1975, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

15. It will assist the Federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notifying the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such property.

CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying," and 34 CFR Part 85, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Education determines to award the covered transaction, grant, or cooperative agreement.

1. **LOBBYING**

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a grant or cooperative agreement over $100,000, as defined at 34 CFR Part 82, Sections 82.105 and 82.110, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. **DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions, as defined at 34 CFR Part 85, Sections 85.105 and 85.110--

A. The applicant certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c)Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. **DRUG-FREE WORKPLACE**
(GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605 and 85.610 -

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee□s workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an on-going drug-free awareness program to inform employees about-

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will-

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Director, Grants Policy and Oversight Staff, U.S. Department of Education, 600 Independence Avenue, S.W. (Room 3652, GSA Regional Office Building No. 3), Washington, DC 20202-4248. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted-

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address. city, county, state, zip code)

University of Arkansas

Fayetteville (Washington County)

Arkansas 72701

Check [ ] if there are workplaces on file that are not identified here.

DRUG-FREE WORKPLACE
(GRANTEES WHO ARE INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605 and 85.610-

A. As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; and

B. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Director, Grants Policy and Oversight Staff, Department of Education, 600 Independence Avenue, S.W. (Room 3652, GSA Regional Office Building No. 3), Washington, DC 20202-4248. Notice shall include the identification number(s) of each affected grant.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

NAME OF APPLICANT	PR/AWARD NUMBER AND / OR PROJECT NAME
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	
SIGNATURE	DATE

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