University of Alabama

Detailed Assessment Report
2013-2014 Business Administration B.S.C.B.A.
As of: 7/14/2014 12:53 PM CENTRAL

Analysis Questions and Analysis Answers

For Academic Programs

Informed by your assessment activities related to student learning, what changes have you made in your degree program in the last three to five years? Describe the changes (e.g., curriculum revision, new courses, faculty development), the general results that prompted the changes (e.g., student performance on an assessment measure), and any impact on student learning that you might attribute to these changes.

Since 2009, we have emphasized the importance of internships and mentoring to improve student learning related to systems thinking and decision-making (especially related to understanding the consequences of business decisions) because performance on these two learning goals has been somewhat lower than on the others establishing for students in the undergraduate business program. With the exception of written communication, performance on learning goals has improved.

Performance on writing skills has remained flat (although still within our target range) despite significant attempts to improve in this area. Beginning in 2012, the College hired full-time instructors to teach GBA 300 (business communications), a core writing-intensive course for all undergraduate business majors. A studio was established for one-on-one support in 2013 but has been underutilized across the College. In 2013-14, the Undergraduate Programs Committee recommended that the studio be promoted more widely.

Because AACSB requires assessment of student learning only by degree program and all of our undergraduates earn the same degree, we have not measured learning within our seven majors up to now. However, to promote more localized curricular changes, each of the majors within the College will be submitting a plan to measure at least one learning goal in October of 2014.

Mission / Purpose

Mission

The Culverhouse College of Commerce is an inclusive community engaged in innovative research, service and rigorous learning – with a personal touch - that develops highly respected business leaders who solve challenges of a global society.

Shared Values

Our shared values are critical to the achievement of our mission and distinctiveness:

- Interaction with and commitment to our students and alumni
- Integrity, exhibited throughout our work in our strong ethical standards and our social responsibility; and
- Excellence in all our endeavors, including our innovative programs and research, our rigorous curricula and programs, and continuous use of relevant materials.

New mission and values developed during College strategic planning process in 2012-13.

Student Learning Outcomes, with Any Associations and Related Measures, Targets, Findings, and Action Plans

SLO 1: Systems Thinking
Students will think holistically about business issues and recognize interrelationships between and among business system components.

Related Measures

M 1: GBA 300 Case Assignment
GBA 300 Case Assignment
Source of Evidence: Academic direct measure of learning - other

Connected Documents

- GBA 300 Assignment
- GBA 300 Sample Performances with Rubric Ratings

Target:
80% must meet or exceed expectations.
Finding (2013-2014) - Target: Not Reported This Cycle
165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013. Faculty, represented by the Undergraduate Programs Committee, agreed that this specific assignment did not prompt students to demonstrate competence in systems thinking.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Review GBA 300 Case Selection**
Established in Cycle: 2011-2012
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the...  

**Revised Rubric**
Established in Cycle: 2013-2014
Faculty members agreed to edit the wording of the rubric to more closely align with final assignments in both GBA 300 and GBA 49...

**M 2: GBA 490 Case Analysis**
GBA 490 Case Analysis
Source of Evidence: Academic direct measure of learning - other

**Connected Documents**
- GBA 490 Assignment
- GBA 490 Sample Performances with Rubric Ratings

**Target:**
80% must met or exceed expectations.

Finding (2013-2014) - Target: Met
218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 25% exceeded expectations and 68% met expectations, meaning that the target of 80% was met. Only 3% failed to meet expectations for systems thinking. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was exceptional.

For the learning goal of systems thinking, the trend of student performance on all measures over three assessment cycles shows roughly the same percentage of students failing to meet expectations (always under 20%) and the percentage exceeding expectations increasing from 10% in 2011-12 to 37% in 2013-14.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Revised Rubric**
Established in Cycle: 2013-2014
Faculty members agreed to edit the wording of the rubric to more closely align with final assignments in both GBA 300 and GBA 49...

**SLO 2: Written Communication**
Students will construct written messages that are professionally and strategically appropriate for a variety of business contexts.

**Related Measures**

**M 3: GBA 300 Case Assignment**
GBA 300 Case Assignment
Source of Evidence: Academic direct measure of learning - other

**Connected Documents**
- GBA 300 Assignment
- GBA 300 Sample Performances with Rubric Ratings

**Target:**
80% must meet or exceed expectations.

Finding (2013-2014) - Target: Met
165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 32% exceeded expectations and 57% met expectations, meaning that the target of 80% was met. Only 12% failed to meet expectations for written communication. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was acceptable.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Internships**
Established in Cycle: 2011-2012
Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of...

**Provide studio for guided practice**
Established in Cycle: 2011-2012
A studio was established in 2013 to support undergraduate business writing and speaking skills. However, it has not been used by...
Support for business writing
Established in Cycle: 2011-2012
Provide better support for business writing skill development by hiring full time clinical instructors for GBA 300.

M 4: GBA 490 Case Analysis
GBA 490 Case Analysis
Source of Evidence: Academic direct measure of learning - other

Connected Documents
GBA 490 Assignment
GBA 490 Sample Performances with Rubric Ratings

Target:
80% must meet or exceed expectations.

Finding (2013-2014) - Target: Met
218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 1% exceeded expectations and 65% met expectations, meaning that the target of 80% was not met as 33% failed to meet expectations for written communication on this measure. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was problematic. However, performance on this learning goal was much better on the other measure collected under less time-sensitive conditions than in the 4-hour, hand-written GBA 490 case.

For the learning goal of written communication, the trend of student performance on all measures over three assessment cycles is flat, showing roughly the same percentage in each performance category: (1) exceeding expectations ranged from 32% in 2009-10 to 22% in both 2011-12 and 2013-14; (2) meeting expectations ranged from 61% in 2009-10 to 70% in 2011-12 to 71% in 2013-14; and 93) failing to meet expectations ranged from 7% in 2009-10 to 8% in both 2011-12 and 2013-14.

Related Action Plans (by Established cycle, then alpha):
For full information, see the Details of Action Plans section of this report.

Internships
Established in Cycle: 2011-2012
Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of...

Provide studio for guided practice
Established in Cycle: 2011-2012
A studio was established in 2013 to support undergraduate business writing and speaking skills. However, it has not been used by...

Support for business writing
Established in Cycle: 2011-2012
Provide better support for business writing skill development by hiring full time clinical instructors for GBA 300.

SLO 3: Problem & Opportunity Recognition
Problem & Opportunity Recognition: Students will diagnose business problems and recognize business opportunities

Related Measures

M 5: GBA 300 Case Assignment
GBA 300 Case Assignment
Source of Evidence: Academic direct measure of learning - other

Connected Documents
GBA 300 Assignment
GBA 300 Sample Performances with Rubric Ratings

Target:
80% must meet or exceed expectations.

Finding (2013-2014) - Target: Met
165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 41% exceeded expectations and 58% met expectations, meaning that the target of 80% was met. Only 3% failed to meet expectations for problem and opportunity recognition. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was exceptional.

M 6: GBA 490 Case Analysis
GBA 490 Case Analysis
Source of Evidence: Academic direct measure of learning - other

Connected Documents
GBA 490 Assignment
GBA 490 Sample Performances with Rubric Ratings

Target:
80% must meet or exceed expectations.

Finding (2013-2014) - Target: Met
218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and
rated using our faculty-developed rubric during summer 2013. For the sample, 23% exceeded expectations and 75% met expectations, meaning that the target of 80% was met. Only 2% failed to meet expectations for problem and opportunity recognition. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was exceptional.

For the learning goal of problem and opportunity recognition, the trend of student performance on all measures over three assessment cycles shows a decrease in the percentage of students failing to meet expectations (always under 20%) and the percentage exceeding expectations increasing from 12% in 2009-10 to 28% in 2011-12 to 35% in 2013-14.

**SLO 4: Logical Reasoning & Analysis**

Logical Reasoning & Analysis: Students will dissect business issues using logic.

**Related Measures**

**M 7: GBA 300 Case Assignment**

GBA 300 Case Assignment

Source of Evidence: Academic direct measure of learning - other

**Connected Documents**

GBA 300 Assignment

GBA 300 Sample Performances with Rubric Ratings

**Target:**

80% must meet or exceed expectations.

**Finding (2013-2014) - Target: Partially Met**

165 final case assignments (25% of 658 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 23% exceeded expectations and 54% met expectations, meaning that the target of 80% was not quite met as 23% failed to meet expectations for logical reasoning and analysis. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was not acceptable. However, they believed the assignment did not sufficiently prompt students to display competence for this learning goal.

**Related Action Plans (by Established cycle, then alpha):**

For full information, see the Details of Action Plans section of this report.

**Review GBA 300 Case Selection**

*Established in Cycle: 2011-2012*

After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the declin...

**Revised Rubric**

*Established in Cycle: 2013-2014*

Faculty members agreed to edit the wording of the rubric to more closely align with final assignments in both GBA 300 and GBA 49...

**M 8: GBA 490 Case Analysis**

GBA 490 Case Analysis

Source of Evidence: Academic direct measure of learning - other

**Connected Documents**

GBA 490 Assignment

GBA 490 Sample Performances with Rubric Ratings

**Target:**

80% must meet or exceed expectations.

**Finding (2013-2014) - Target: Met**

218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 21% exceeded expectations and 62% met expectations, meaning that the target of 80% was met. Only 18% failed to meet expectations for logical reasoning and analysis. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was acceptable.

For the learning goal of logical reasoning and analysis, the trend of student performance on all measures improved somewhat since 2009: roughly the same percentage of students failed to meet expectations in 2009-10 and 2013-14 (both under 20%) and the percentage exceeding expectations increasing from 17% to 35%. The improvement designed to more carefully select comparable case assignments across assessment cycles appears to have taken care of the anomalous results for this learning goal in 2011-12.

**Related Action Plans (by Established cycle, then alpha):**

For full information, see the Details of Action Plans section of this report.

**Review GBA 490 Case Selection**

*Established in Cycle: 2011-2012*

After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the declin...

**Revised Rubric**

*Established in Cycle: 2013-2014*

Faculty members agreed to edit the wording of the rubric to more closely align with final assignments in both GBA 300 and GBA 49...

**SLO 5: Decision Making & Evaluation**

Decision Making & Evaluation: Students will make and recognize justifiable business decisions.
Related Measures

M 9: GBA 300 Case Assignment
Geneva Business Administration
Source of Evidence: Academic direct measure of learning - other

Connected Documents

 GB 300 Assignment
 GB 300 Sample Performances with Rubric Ratings

Target:
80% must meet or exceed expectations.

Finding (2013-2014) - Target: Met
165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 49% exceeded expectations and 41% met expectations, meaning that the target of 80% was met. Only 10% failed to meet expectations for decision making and analysis. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was exceptional.

M 10: GBA 490 Case Analysis
Geneva Business Administration
Source of Evidence: Academic direct measure of learning - other

Connected Documents

 GB 490 Assignment
 GB 490 Sample Performances with Rubric Ratings

Target:
80% must meet or exceed expectations.

Finding (2013-2014) - Target: Met
215 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013. For the sample, 18% exceeded expectations and 47% met expectations, meaning that the target of 80% was met. Only 8% failed to meet expectations for decision making and analysis. Faculty, represented by the Culverhouse College Undergraduate Programs Committee, agreed student performance was acceptable.

For the learning goal of decision making and evaluation, the trend of student performance on all measures over three assessment cycles shows drastic improvement. The percentage of students failing to meet expectations decreased from 42% in 2009 to 13% in 2011-12 to 6% in 2013-14. The percentage of students exceeding expectations increased from 11% in 2009-10 to 38% in 2011-12 to 48% in 2013-14.

Other Outcomes, with Any Associations and Related Measures, Targets, Findings, and Action Plans

OthOtm 6: The program will improve and sustain a high level of recognized quality
The program will improve and sustain a high level of recognized quality

Related Measures

M 11: AACSB Accreditation

1. Documentation from the most recent reaffirmation of accreditation of the College and School by the Association to Advance College Schools of Business (AACSB) as well as recently published national rankings

Source of Evidence: Professional standards

Target:
NA

Finding (2013-2014) - Target: Met
This program was included in the maintenance of AACSB accreditation review in March 2013 and remained accredited through 2018. [Preview Formatting]
Established by Kim Campbell on 9/3/2013

OthOtm 7: The program will build and sustain an optimal level of annual program enrollments and degree completions
The program will build and sustain an optimal level of annual program enrollments and degree completions

Related Measures

M 12: OIRA Statistical Profiles

1. The University’s Office of Institutional Research and Assessment Statistical Profiles for enrollments and degrees awarded.

Source of Evidence: Existing data

Target:
Growth for both enrollment and degree completion of 6-7% annually.

Finding (2013-2014) - Target: Met
Growth of 6.9% is within target.

Culverhouse College of Commerce & Business Administration

 Majors by Level and Fall Term

<p>| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |</p>
<table>
<thead>
<tr>
<th></th>
<th>5,513</th>
<th>5,698</th>
<th>5,722</th>
<th>6,119</th>
<th>6,785</th>
<th>7,233</th>
</tr>
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<td><strong>UGTotal</strong></td>
<td>5,490</td>
<td>5,699</td>
<td>5,610</td>
<td>5,988</td>
<td>6,202</td>
<td>6,804</td>
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<td><strong>Masters</strong></td>
<td>424</td>
<td>512</td>
<td>536</td>
<td>540</td>
<td>507</td>
<td>537</td>
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<td><strong>First Prof.</strong></td>
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<td><strong>Educ Spec.</strong></td>
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<tr>
<td><strong>Doctoral</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td>6,018</td>
<td>6,263</td>
<td>6,351</td>
<td>6,757</td>
<td>7,383</td>
<td>7,956</td>
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<tr>
<td><strong>Less Sec Major</strong></td>
<td>5,998</td>
<td>6,214</td>
<td>6,239</td>
<td>6,606</td>
<td>7,118</td>
<td>7,517</td>
</tr>
</tbody>
</table>

**Related Action Plans (by Established cycle, then alpha):**

**Develop Goal & Measure for Separate Majors in Degree Program**

*Established in Cycle: 2012-2013*

Because of enrollment growth, faculty recognize potential value of measuring student learning in all of our majors within this discipline.

**Monitor Growth**

*Established in Cycle: 2012-2013*

Continue to monitor enrollment growth and submit requests for additional faculty and staff to accommodate growth.

For full information, see the *Details of Action Plans* section of this report.

**OthOtcm 8: The program will be highly valued by its program graduates and other key constituencies it serves**

The program will be highly valued by its program graduates and other key constituencies it serves.

**Related Measures**

**M 13: Job Placements**

The UA Career Center provides data on job placements for graduates of this program.

Source of Evidence: Existing data

**Target:**

80% placement

**Finding (2013-2014) - Target: Met**

Placement rate for May 2013 graduates of this program was 91% -- a 10% increase over May 2012. Starting salary for May 2013 was $47,360, down from $54,117 in May 2012 but up from $44,787 in May 2011.

**Details of Action Plans for This Cycle (by Established cycle, then alpha)**

**Internships**

Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of higher-order thinking skills.

**Established in Cycle: 2011-2012**

**Implementation Status:** In-Progress

**Priority:** High

**Relationships (Measure | Outcome/Objective):**

- **Measure:** GBA 300 Case Assignment
- **Outcome/Objective:** Written Communication

**Provide studio for guided practice**

A studio was established in 2013 to support undergraduate business writing and speaking skills. However, it has not been used by students/instructors outside of GBA 300 and GBA 490. The faculty would like to see the studio promoted as many were unaware of its existence.

**Established in Cycle: 2011-2012**

**Implementation Status:** In-Progress

**Priority:** High

**Relationships (Measure | Outcome/Objective):**

- **Measure:** GBA 300 Case Assignment
- **Outcome/Objective:** Written Communication

**Implementation Description:** To staff the studio will require resources. Associate Dean Campbell will discuss this with the GBA 300 course coordinator to learn what is required.

**Responsible Person/Group:** Kim Campbell (Assoc Dean), Jef Naidoo (GBA 300 Coordinator), Will Jackson (MGT Dept Head)

**Additional Resources:** Faculty (or students) to staff the studio.

**Review GBA 300 Case Selection**

After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009. The GBA 300 case used for the next cycle of measurement will be reviewed to insure it provides a meaningful measure of this outcome.

Although assignment was reviewed before data collection in 2013, it did not support an evaluation of student learning related to systems thinking. In addition, despite the fact that it did support assessment of logical reasoning and analysis, the faculty agreed it should require students to conduct deeper analysis and reasonably imply more than one decision/conclusion. The faculty also agreed to request that students state all assumptions made to justify their decisions.
decisions in the future. Associate Dean, Kim Campbell will work with GBA 300 course coordinator to choose an appropriate case assignment.

**Established in Cycle:** 2011-2012  
**Implementation Status:** Finished  
**Priority:** Hgh

**Relationships (Measure | Outcome/Objective):**  
- **Measure:** GBA 300 Case Assignment  
- **Outcome/Objective:** Logical Reasoning & Analysis | Systems Thinking

**Implementation Description:** GBA 300 instructors submitted final case assignment for Associate Dean for Assessment review. It was approved as appropriate for measuring logical reasoning and analysis in 2013. The same process will be used in 2015.  
**Projected Completion Date:** 05/2015  
**Responsible Person/Group:** Associate Dean, Kim Campbell

**Review GBA 490 Case Selection**

After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009. The GBA 490 case used for the next cycle of measurement will be reviewed to ensure it provides a meaningful measure of this outcome. Review completed so that 2013 case assignment seen as appropriate measure of logical reasoning and analysis.

**Established in Cycle:** 2011-2012  
**Implementation Status:** Finished  
**Priority:** Hgh

**Relationships (Measure | Outcome/Objective):**  
- **Measure:** GBA 490 Case Analysis  
- **Outcome/Objective:** Logical Reasoning & Analysis

**Projected Completion Date:** 03/2013  
**Responsible Person/Group:** Associate Dean, Kim Campbell will meet with GBA 490 instructors.

**Support for business writing**

Provide better support for business writing skill development by hiring full time clinical instructors for GBA 300.

**Established in Cycle:** 2011-2012  
**Implementation Status:** In-Progress  
**Priority:** Hgh

**Relationships (Measure | Outcome/Objective):**  
- **Measure:** GBA 300 Case Assignment  
- **Outcome/Objective:** Written Communication  
- **Measure:** GBA 490 Case Analysis  
- **Outcome/Objective:** Written Communication

**Delete**

**Established in Cycle:** 2012-2013  
**Implementation Status:** Planned  
**Priority:** Hgh  
**Projected Completion Date:** 09/2014

**Develop Goal & Measure for Separate Majors in Degree Program**

Because of enrollment growth, faculty recognize potential value of measuring student learning in all of our majors within this degree program. Faculty will identify at least one learning outcome and one measure. Accounting already does this for their undergraduate program. Economics does this for their BA program, but not the BS program.

**Established in Cycle:** 2012-2013  
**Implementation Status:** In-Progress  
**Priority:** Hgh

**Relationships (Measure | Outcome/Objective):**  
- **Measure:** OIRA Statistical Profiles  
- **Outcome/Objective:** The program will build and sustain an optimal level of annual program enrollments and degree completions

**Implementation Description:** Departmental faculty are developing the outcomes and measures to include in an assessment plan for 2014-15.  
**Projected Completion Date:** 10/2014  
**Responsible Person/Group:** Four department heads: David Mothersbaugh for major in Marketing; Will Jackson for major in management; Chuck Sox for majors in MIS and operations management; and Matt Holt for majors in finance and in economics (B.S. and B.A. to be combined).

**Monitor Growth**

Continue to monitor enrollment growth and submit requests for additional faculty and staff to accommodate growth.

**Established in Cycle:** 2012-2013  
**Implementation Status:** In-Progress  
**Priority:** Hgh

**Relationships (Measure | Outcome/Objective):**  
- **Measure:** OIRA Statistical Profiles  
- **Outcome/Objective:** The program will build and sustain an optimal level of annual program enrollments and degree completions

**Responsible Person/Group:** Dean

**Revised Rubric**

Faculty members agreed to edit the wording of the rubric to more closely align with final assignments in both GBA 300 and GBA 490. (Cases/scenarios include all needed information. No outside research is required – or even permitted.)

1. Contextualization: Drop “Drawn from outside information”
2. Critical Thinking (Fails to Meet Expectations): “No evidence of adequate data source selection or evaluation skills” from “No evidence of search, selection or data source evaluation skills.”
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<table>
<thead>
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<tbody>
<tr>
<td><strong>3.</strong> Critical Thinking (Meets Expectations): Drop “searching”</td>
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<tr>
<td><strong>4.</strong> Critical Thinking (Exceeds Expectations): Drop “searching”</td>
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<tr>
<td><strong>Established in Cycle:</strong> 2013-2014</td>
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<tr>
<td><strong>Implementation Status:</strong> Finished</td>
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<td><strong>Priority:</strong> High</td>
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<tr>
<td>**Relationships (Measure</td>
<td>Outcome/Objective):**</td>
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<tr>
<td><strong>Measure:</strong> GBA 300 Case Assignment</td>
<td><strong>Outcome/Objective:</strong> Logical Reasoning &amp; Analysis</td>
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<tr>
<td><strong>Measure:</strong> GBA 490 Case Analysis</td>
<td><strong>Outcome/Objective:</strong> Logical Reasoning &amp; Analysis</td>
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<td><strong>Projected Completion Date:</strong> 03/2014</td>
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<td><strong>Responsible Person/Group:</strong> Associate Dean Campbell</td>
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Mission / Purpose

Mission

The Culverhouse College of Commerce is an inclusive community engaged in innovative research, service and rigorous learning – with a personal touch - that develops highly respected business leaders who solve challenges of a global society.

Shared Values

Our shared values are critical to the achievement of our mission and distinctiveness:

- Interaction with and commitment to our students and alumni
- Integrity, exhibited throughout our work in our strong ethical standards and our social responsibility; and
- Excellence in all our endeavors, including our innovative programs and research, our rigorous curricula and programs, and continuous use of relevant materials.

New mission and values developed during College strategic planning process in 2012-13.

Student Learning Outcomes, with Any Associations and Related Measures, Targets, Findings, and Action Plans

SLO 1: Systems Thinking
Students will think holistically about business issues and recognize interrelations between and among business system components.

Related Measures

M 1: GBA 300 Case Assignment
GBA 300 Case Assignment
Source of Evidence: Academic direct measure of learning - other

Target:
80% must meet or exceed expectations.

Finding (2012-2013) - Target: Not Reported This Cycle
Although 165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

M 2: GBA 490 Case Analysis
GBA 490 Case Analysis
Source of Evidence: Academic direct measure of learning - other

Target:
80% must meet or exceed expectations.

Finding (2012-2013) - Target: Not Reported This Cycle
Although 218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

SLO 2: Written Communication
Students will construct written messages that are professionally and strategically appropriate for a variety of business contexts.

Related Measures

M 3: GBA 300 Case Assignment
GBA 300 Case Assignment 2
Source of Evidence: Academic direct measure of learning - other

Target:
80% must meet or exceed expectations.

Finding (2012-2013) - Target: Not Reported This Cycle
Although 165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the
findings until fall 2013.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Internships**
*Established in Cycle: 2011-2012*
Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of ...

**Provide studio for guided practice**
*Established in Cycle: 2011-2012*
Provide better support for business writing skill development by establishing a studio for guided practice and feedback available...

**Support for business writing**
*Established in Cycle: 2011-2012*
Provide better support for business writing skill development by hiring full-time clinical instructors for GBA 300.

**Writing Intensive Core Requirements**
*Established in Cycle: 2011-2012*
Investigate movement of writing-intensive core requirement from GBA 490 (with large enrollment sections) to courses within the m...

**M 4: GBA 490 Case Analysis**
GBA 490 Case Analysis 2
Source of Evidence: Academic direct measure of learning - other

**Target:**
80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Internships**
*Established in Cycle: 2011-2012*
Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of ...

**Provide studio for guided practice**
*Established in Cycle: 2011-2012*
Provide better support for business writing skill development by establishing a studio for guided practice and feedback available...

**Support for business writing**
*Established in Cycle: 2011-2012*
Provide better support for business writing skill development by hiring full-time clinical instructors for GBA 300.

**Writing Intensive Core Requirements**
*Established in Cycle: 2011-2012*
Investigate movement of writing-intensive core requirement from GBA 490 (with large enrollment sections) to courses within the m...

**SLO 3: Problem & Opportunity Recognition**
**Problem & Opportunity Recognition: Students will diagnose business problems and recognize business opportunities**

**Related Measures**

**M 5: GBA 300 Case Assignment**
GBA 300 Case Assignment 3
Source of Evidence: Academic direct measure of learning - other

**Target:**
80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

**M 6: GBA 490 Case Analysis**
GBA 490 Case Analysis 3
Source of Evidence: Academic direct measure of learning - other

**Target:**
80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the
findings until fall 2013.

**SLO 4: Logical Reasoning & Analysis**
Logical Reasoning & Analysis: Students will dissect business issues using logic.

**Related Measures**

**M 7: GBA 300 Case Assignment**
GBA 300 Case Assignment 4
Source of Evidence: Academic direct measure of learning - other
Target: 80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Review GBA 300 Case Selection**
Established in Cycle: 2011-2012
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the declin...

**M 8: GBA 490 Case Analysis**
GBA 490 Case Analysis 4
Source of Evidence: Academic direct measure of learning - other
Target: 80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

**Related Action Plans (by Established cycle, then alpha):**
For full information, see the Details of Action Plans section of this report.

**Review GBA 490 Case Selection**
Established in Cycle: 2011-2012
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the declin...

**SLO 5: Decision Making & Evaluation**
Decision Making & Evaluation: Students will make and recognize justifiable business decisions.

**Related Measures**

**M 9: GBA 300 Case Assignment**
GBA 300 Case Assignment 6
Source of Evidence: Academic direct measure of learning - other
Target: 80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 165 final case assignments (25% of 659 campus students) were collected from GBA 300 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

**M 10: GBA 490 Case Analysis**
GBA 490 Case Analysis
Source of Evidence: Academic direct measure of learning - other
Target: 80% must meet or exceed expectations.

**Finding (2012-2013) - Target: Not Reported This Cycle**
Although 218 final case assignments (25% of 665 campus students) were collected from GBA 490 in spring 2013 and rated using our faculty-developed rubric during summer 2013, faculty will not meet to discuss the findings until fall 2013.

**Other Outcomes, with Any Associations and Related Measures, Targets, Findings, and Action Plans**

**OthOtcm 6: The program will improve and sustain a high level of recognized quality**
The program will improve and sustain a high level of recognized quality

**Related Measures**

**M 11: AACSB Accreditation**
1. Documentation from the most recent reaffirmation of accreditation of the College and School by the Association to Advance College Schools of Business (AACSB) as well as recently published national rankings

Source of Evidence: Professional standards
**Finding (2012-2013) - Target: Met**

1. This program was included in the maintenance of AACSB accreditation review in March 2013.

**OthOtcn 7: The program will build and sustain an optimal level of annual program enrollments and degree completions**

The program will build and sustain an optimal level of annual program enrollments and degree completions

**Related Measures**

**M 12: OIRA Statistical Profiles**

1. The University’s Office of Institutional Research and Assessment Statistical Profiles for enrollments and degrees awarded.

Source of Evidence: Existing data

**Target:** Growth for both enrollment and degree completion of 6-7% annually.

**Finding (2012-2013) - Target: Partially Met**

Growth of 10.6% exceeded optimum target.

Culverhouse College of Commerce & Business Administration

** Majors by Level and Fall Term **

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<td>UGTotal</td>
<td>5,252</td>
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<td>5,673</td>
<td>5,735</td>
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<td>6,784</td>
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<td>5,610</td>
<td>5,968</td>
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<td>64</td>
<td>125</td>
<td>164</td>
<td>264</td>
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</tbody>
</table>

There was 17% growth in degrees awarded in 2012 compared to 2011.

Culverhouse College of Commerce & Business Administration

**Degrees by Level and Year**

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Bachelor 2</td>
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<td>33</td>
<td>68</td>
<td>97</td>
<td>97</td>
<td>130</td>
</tr>
</tbody>
</table>

**Related Action Plans (by Established cycle, then alpha):**

**Monitor Growth**

*Established in Cycle: 2012-2013*

Continue to monitor enrollment growth and submit requests for additional faculty and staff to accommodate growth.

**Pilot Measures for Separate Majors in Degree Program**

*Established in Cycle: 2012-2013*

Because of enrollment growth, faculty recognize potential value of measuring student learning in all of our majors within this d... For full information, see the Details of Action Plans section of this report.

**OthOtcn 8: The program will be highly valued by its program graduates and other key constituencies it serves**

The program will be highly valued by its program graduates and other key constituencies it serves

**Related Measures**

**M 13: Job Placements**

The UA Career Center provides data on job placements for graduates of this program.

Source of Evidence: Existing data

**Target:** 80% placement

**Finding (2012-2013) - Target: Met**

Placement rate for May 2012 graduates of this program was 81% -- same as for May 2011. Starting salary for May 2012 was $54,117 compared to $44,787 for May 2011. That is an increase of 20.8% for program graduates in a single year.

**Details of Action Plans for This Cycle (by Established cycle, then alpha)**

**Internships**

Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of highest-order thinking skills.

**Established in Cycle:** 2011-2012

**Implementation Status:** In-Progress

**Priority:** High
Relationships (Measure | Outcome/Objective):
  Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
  Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

Provide studio for guided practice
Provide better support for business writing skill development by establishing a studio for guided practice and feedback available to all C&B A undergraduates.

Established in Cycle: 2011-2012
Implementation Status: In-Progress
Priority: High

Relationships (Measure | Outcome/Objective):
  Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
  Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

Review GBA 300 Case Selection
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009. The GBA 300 case used for the next cycle of measurement will be reviewed to ensure it provides a meaningful measure of this outcome.

Established in Cycle: 2011-2012
Implementation Status: Finished
Priority: High

Relationships (Measure | Outcome/Objective):
  Measure: GBA 300 Case Assignment | Outcome/Objective: Logical Reasoning & Analysis

Projected Completion Date: 03/2013
Responsible Person/Group: Associate Dean, Kim Campbell will review case chosen by instructors.

Review GBA 490 Case Selection
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009. The GBA 490 case used for the next cycle of measurement will be reviewed to ensure it provides a meaningful measure of this outcome. Review completed so that 2013 case assignment seen as appropriate measure of logical reasoning and analysis.

Established in Cycle: 2011-2012
Implementation Status: Finished
Priority: High

Relationships (Measure | Outcome/Objective):
  Measure: GBA 490 Case Analysis | Outcome/Objective: Logical Reasoning & Analysis

Projected Completion Date: 03/2013
Responsible Person/Group: Associate Dean, Kim Campbell will meet with GBA 490 instructors.

Support for business writing
Provide better support for business writing skill development by hiring full time clinical instructors for GBA 300.

Established in Cycle: 2011-2012
Implementation Status: In-Progress
Priority: High

Relationships (Measure | Outcome/Objective):
  Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
  Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

Writing Intensive Core Requirements
Investigate movement of writing-intensive core requirement from GBA 490 (with large enrollment sections) to courses within the majors.

Established in Cycle: 2011-2012
Implementation Status: Terminated
Priority: Medium

Relationships (Measure | Outcome/Objective):
  Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
  Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

Projected Completion Date: 08/2013
Responsible Person/Group: Associate Dean

Delete

Established in Cycle: 2012-2013
Implementation Status: Planned
Priority: High
Projected Completion Date: 09/2014

Monitor Growth
Continue to monitor enrollment growth and submit requests for additional faculty and staff to accommodate growth.

Established in Cycle: 2012-2013
Implementation Status: Planned
Priority: High

Relationships (Measure | Outcome/Objective):
  Measure: OIRA Statistical Profiles | Outcome/Objective: The program will build and sustain an optimal level of annual program enrollments and degree completions
Responsible Person/Group: Dean

**Pilot Measures for Separate Majors in Degree Program**

Because of enrollment growth, faculty recognize potential value of measuring student learning in all of our majors within this degree program. Faculty will identify at least one learning outcome and one measure to report in 2013-14. Accounting already does this for their undergraduate program. Economics does this for their BA program, but not the BS program.

Established in Cycle: 2012-2013
Implementation Status: In-Progress
Priority: High

**Relationships (Measure | Outcome/Objective):**
- **Measure:** OIRA Statistical Profiles
- **Outcome/Objective:** The program will build and sustain an optimal level of annual program enrollments and degree completions

Projected Completion Date: 09/2014

Responsible Person/Group: Four department heads: David Mothersbaugh for major in marketing; Will Jackson for major in management; Chuck Sox for majors in MIS and operations management; and Matt Holt for majors in finance and in economics (B.S. and B.A. to be combined).
Detailed Assessment Report  
2011-2012 Business Administration B.S.C.B.A.  
As of: 7/14/2014 12:51 PM CENTRAL

Mission / Purpose
Mission The mission of the Culverhouse of College and Business Administration is to excel in the creation and application of general and discipline-based business knowledge. We are committed to providing the educational and enrichment experiences expected of a full-time residential major state university. Vision We will never be satisfied with the quality of our research, teaching, and service. We will continuously strive to improve our scholarship, using national standards; our efforts to educate and inspire lifelong learning; our contributions to the corporate community and to the state of Alabama. Values All of our actions are guided by integrity – being reliable and truthful; contribution – being responsible citizens of the college, university and community; respect for others – being open minded and appreciating diverse views.
Note: The C&B mission statement was revised in 2010-11.

Student Learning Outcomes, with Any Associations and Related Measures, Targets, Findings, and Action Plans

SLO 1: Systems Thinking
Students will think holistically about business issues and recognize interrelations between and among business system components.

Connected Document  
BSCBA Curriculum Map

Related Measures

M 1: GBA 300 Case Assignment
GBA 300 Case Assignment
Source of Evidence: Academic direct measure of learning - other

Connected Document  
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

Finding (2011-2012) - Target: Met
At least 80% of students could contextualize business issues and integrate disciplinary knowledge. Definite improvement compared with 2009.

M 2: GBA 490 Case Analysis
GBA 490 Case Analysis
Source of Evidence: Academic direct measure of learning - other

Connected Document  
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

Finding (2011-2012) - Target: Met
At least 80% of students could contextualize business issues and integrate disciplinary knowledge. Definite improvement compared with 2009.

SLO 2: Written Communication
Students will construct written messages that are professionally and strategically appropriate for a variety of business contexts.

Connected Document  
BSCBA Curriculum Map

Related Measures

M 3: GBA 300 Case Assignment
GBA 300 Case Assignment 2
Source of Evidence: Academic direct measure of learning - other

Connected Document  
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

Finding (2011-2012) - Target: Partially Met
At least 85% of students met expectations for business writing. But more than a 20% decline in students who exceeded expectations for organization and visual impression compared with 2009.

Related Action Plans (by Established cycle, then alpha):
For full information, see the Details of Action Plans section of this report.

Internships
Established in Cycle: 2011-2012
Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of...

**Provide studio for guided practice**
*Established in Cycle: 2011-2012*
Provide better support for business writing skill development by establishing a studio for guided practice and feedback availab...  

**Support for business writing**
*Established in Cycle: 2011-2012*
Provide better support for business writing skill development by hiring full time clinical instructors for GBA 300.

**Writing Intensive Core Requirements**
*Established in Cycle: 2011-2012*
Investigate movement of writing-intensive core requirement from GBA 490 (with large enrollment sections) to courses within the m...  

**M 4: GBA 490 Case Analysis**
GBA 490 Case Analysis 2
Source of Evidence: Academic direct measure of learning - other

**Connected Document**
Rubric for BSCBA Measures

**Target:**
80% must meet or exceed expectations.

**Finding (2011-2012) - Target: Partially Met**
At least 85% of students met expectations for business writing. But more than a 20% decline in students who exceeded expectations for organization and visual impression compared with 2009.

**Related Action Plans (by Established cycle, then alpha):**
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**Internships**
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**Writing Intensive Core Requirements**
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**SLO 3: Problem & Opportunity Recognition**
Problem & Opportunity Recognition: Students will diagnose business problems and recognize business opportunities

**Connected Document**
BSCBA Curriculum Map

**Related Measures**

**M 5: GBA 300 Case Assignment**
GBA 300 Case Assignment 3
Source of Evidence: Academic direct measure of learning - other

**Connected Document**
Rubric for BSCBA Measures

**Target:**
80% must meet or exceed expectations.

**Finding (2011-2012) - Target: Met**
At least 80% of students could identify both problems and opportunities. Definite improvement compared with 2009.

**M 6: GBA 490 Case Analysis**
GBA 490 Case Analysis 3
Source of Evidence: Academic direct measure of learning - other

**Connected Document**
Rubric for BSCBA Measures

**Target:**
80% must meet or exceed expectations.
Finding (2011-2012) - Target: Met
At least 80% of students could identify both problems and opportunities. Definite improvement compared with 2009.

SLO 4: Logical Reasoning & Analysis
Logical Reasoning & Analysis: Students will dissect business issues using logic.

Connected Document
BSCBA Curriculum Map

Related Measures

M 7: GBA 300 Case Assignment
GBA 300 Case Assignment 4
Source of Evidence: Academic direct measure of learning - other

Connected Document
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

Finding (2011-2012) - Target: Partially Met
At least 80% of students showed critical thinking skills. More than 40% of students failed to meet expectations for quantitative/qualitative analysis. Extreme decline ~40% compared with 2011. After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009.

Related Action Plans (by Established cycle, then alpha):
For full information, see the Details of Action Plans section of this report.

Review GBA 300 Case Selection
Established in Cycle: 2011-2012
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the declin...

M 8: GBA 490 Case Analysis
GBA 490 Case Analysis 4

Source of Evidence: Academic direct measure of learning - other

Connected Document
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

Finding (2011-2012) - Target: Partially Met
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Related Action Plans (by Established cycle, then alpha):
For full information, see the Details of Action Plans section of this report.

Review GBA 490 Case Selection
Established in Cycle: 2011-2012
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the declin...

SLO 5: Decision Making & Evaluation
Decision Making & Evaluation: Students will make and recognize justifiable business decisions.

Connected Document
BSCBA Curriculum Map

Related Measures

M 9: GBA 300 Case Assignment
GBA 300 Case Assignment 6
Source of Evidence: Academic direct measure of learning - other

Connected Document
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

Finding (2011-2012) - Target: Met
At least 80% of students showed strong decision making skills and discussed implications or consequences of those decisions. Definite improvement compared with 2009.

M 10: GBA 490 Case Analysis
GBA 490 Case Analysis

Source of Evidence: Academic direct measure of learning - other

Connected Document
Rubric for BSCBA Measures

Target:
80% must meet or exceed expectations.

**Finding (2011-2012) - Target: Met**
At least 80% of students showed strong decision making skills and discussed implications or consequences of those decisions. Definite improvement compared with 2009.

**Other Outcomes, with Any Associations and Related Measures, Targets, Findings, and Action Plans**

**OthOtcm 6:** The program will improve and sustain a high level of recognized quality
The program will improve and sustain a high level of recognized quality

**OthOtcm 7:** The program will build and sustain an optimal level of annual program enrollments and degree completions
The program will build and sustain an optimal level of annual program enrollments and degree completions

**OthOtcm 8:** The program will be highly valued by its program graduates and other key constituencies it serves
The program will be highly valued by its program graduates and other key constituencies it serves

**Details of Action Plans for This Cycle (by Established cycle, then alpha)**

**Internships**
Continue to promote participation in internships, service-learning, and other workplace experiences to encourage development of highest-order thinking skills.

**Established in Cycle:** 2011-2012
**Implementation Status:** In-Progress
**Priority:** High

**Relationships (Measure | Outcome/Objective):**
- Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
- Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

**Provide studio for guided practice**
Provide better support for business writing skill development by establishing a studio for guided practice and feedback available to all GBA undergraduates.

**Established in Cycle:** 2011-2012
**Implementation Status:** Planned
**Priority:** High

**Relationships (Measure | Outcome/Objective):**
- Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
- Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

**Review GBA 300 Case Selection**
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009. The GBA 300 case used for the next cycle of measurement will be reviewed to insure it provides a meaningful measure of this outcome.

**Established in Cycle:** 2011-2012
**Implementation Status:** Planned
**Priority:** High

**Relationships (Measure | Outcome/Objective):**
- Measure: GBA 300 Case Assignment | Outcome/Objective: Logical Reasoning & Analysis

**Projected Completion Date:** 03/2013
**Responsible Person/Group:** Associate Dean, Kim Campbell will review case chosen by instructors.

**Review GBA 490 Case Selection**
After much discussion of a potential weakness in logical reasoning and analysis based on results, faculty agreed that the decline in student performance in 2011 related specifically to differences in course-embedded measures used in 2009. The GBA 490 case used for the next cycle of measurement will be reviewed to insure it provides a meaningful measure of this outcome.

**Established in Cycle:** 2011-2012
**Implementation Status:** Planned
**Priority:** High

**Relationships (Measure | Outcome/Objective):**
- Measure: GBA 490 Case Analysis | Outcome/Objective: Logical Reasoning & Analysis

**Projected Completion Date:** 03/2013
**Responsible Person/Group:** Associate Dean, Kim Campbell will meet with GBA 490 instructors.

**Support for business writing**
Provide better support for business writing skill development by hiring full time clinical instructors for GBA 300.

**Established in Cycle:** 2011-2012
**Implementation Status:** In-Progress
**Priority:** High

**Relationships (Measure | Outcome/Objective):**
- Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
- Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication

**Writing Intensive Core Requirements**
Investigate movement of writing-intensive core requirement from GBA 490 (with large enrollment sections) to courses within the majors.

**Established in Cycle:** 2011-2012
**Implementation Status:** Planned
<table>
<thead>
<tr>
<th>Priority:</th>
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| Relationships (Measure | Outcome/Objective):
  Measure: GBA 300 Case Assignment | Outcome/Objective: Written Communication
  Measure: GBA 490 Case Analysis | Outcome/Objective: Written Communication |
| Projected Completion Date: | 08/2013 |
| Responsible Person/Group: | Associate Dean |
### Curriculum Map for C&BA Learning Goals in Undergraduate Program

<table>
<thead>
<tr>
<th></th>
<th>EC 110-11²</th>
<th>LGS 200³</th>
<th>AC 210⁴</th>
<th>ST 260⁵</th>
<th>OM 300⁶</th>
<th>MKT 300⁷</th>
<th>MGT 300⁸</th>
<th>FI 302⁹</th>
<th>MGT 395¹⁰</th>
<th>GBA 490¹¹</th>
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<td><strong>Systems Thinking</strong></td>
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<td><strong>Problem &amp; Opportunity Recognition</strong></td>
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</tr>
</tbody>
</table>

¹ This table captures how our core C&BA curriculum covers the five learning goals adopted for our undergraduate program. More detail about coverage of the goals in each identified course appears on the following page. Updated on November 6, 2008.

² Harold Elder, course contact.
³ Ruth Ann Hall, course contact.
⁴ Lisa McKinney, course contact.
⁵ Brian Gray & Edd Mansfield, course contacts.
⁶ John Mittenthal & Chuck Sox, course contacts.
⁷ Kristy Reynolds, course contact.
⁸ Jim Cashman, course contact.
⁹ Tom Downs, course contact.
¹⁰ Kim Sydow Campbell, course contact.
¹¹ Ron Dulek, course contact.
Systems Thinking

- EC 110/111 students consider the operations of the economy, analyze how individuals and firms act within an economic system and discover how the economy affects both consumers and producers in a market setting.
- LGS 200 students learn to understand the parameters of the law through the study of business ethics and corporate governance.
- AC 210 students learn to think about the role of accounting regulation in general and Sarbanes-Oxley in particular as they relate to business, society, and the accounting profession.
- OM 300 students will be able to explain how Operations Management addresses the design, operation, and continuous improvement of the business processes that produce and deliver products and services.
- MKT 300 students learn to think about the role of marketing within an organization and how it relates to all other functional areas. In addition, students learn about the role marketing plays in our society as a whole.
- MGT 300 students learn how organizational subsystems must work together in a planned and organized fashion in order to operate effectively.
- FI 302 students learn that the financial system is the mechanism by which households, businesses, and governments transfer and accumulate wealth in accordance with well-known financial principles.
- MGT 395 students learn to think about the quality of workplace messages as the holistic result of the systems represented within a workplace rhetorical context: the writer’s or speaker’s purpose, the writer’s or speaker’s relationship with the audience, and the audience’s knowledge of and reaction to the message.
- GBA 490 students demonstrate the ability to develop a strategic plan by analyzing the enterprise and its relation to the industry and the broader socio-economic setting in which the enterprise competes.

Problem & Opportunity Recognition

- EC 110/111 students address problems that focus on economic issues and policy questions; the primary focus is on identifying problems and learning how to reason through the weighing of costs and benefits.
- LGS 200 students study different problems that occur in business and what steps they can take in advance to prevent these problems, specifically students understand how businesses can be liable for the tort of negligence in almost any workplace setting.
- AC 210 students identify and explain elementary problems in financial statements to potential investors.
- After successful completion of ST 260, students will be able to think statistically and view decision-making problems from a quantitative perspective.
• OM 300 students identify factors that are relevant to improving product and process design, demand forecasting, inventory management, quality control, supply chain management, transportation management, and total quality management. The students then employ appropriate solution techniques for controlling these factors.
• MKT 300 students learn how to identify elementary marketing problems and opportunities, as well as tactics organizations can use to respond to them.
• MGT 300 students review and reconfirm the traditional problem solving process and also learn more competitive processes as well as the ethical challenges that attend to each of these processes.
• FI 302 students study financial problems and use financial formulas to find answers consistent with underlying intrinsic relationships.
• MGT 395 students identify personal ethical dilemmas encountered while completing a team project.
• GBA 490 students learn to employ a strategic methodology to identify exogenous threats and opportunities through a series of case discussions/analyses.

Logical Reasoning & Analysis

• EC 110/111 students solve a range of problems in which the development of the chain of reasoning is a necessary element; this approach is a central part of the understanding of economic behavior and the tradeoffs involved in the choices.
• LGS 200 students study case law relevant to business settings, and develop an understanding of how the courts use of logical reasoning and rationale influences the outcome of a particular case.
• AC 210 students use financial information to explain elementary business operating strategies.
• After successful completion of ST 260, students will have developed statistical thinking skills that will allow them to use graphical and numerical tools for extracting and summarizing information from data and then make effective business decisions supported by the data.
• OM 300 students analyze various operations and supply chain problems and provide recommendations with logical justifications to solve those problems.
• MKT 300 students use elementary marketing information to justify organizational strategies.
• MGT 300 students use systems thinking tools to understand how each management process contributes to the efficiency and effectiveness of the organization.
• FI 302 students solve algebraic multi-step problems using data from financial statements or setups and deduce and interpret the results.
• MGT 395 students analyze the logic of arguments in workplace documents and develop logical arguments for their own written and spoken messages.
• GBA 490 students learn and demonstrate proficiency in using a series of internal and competitive analysis tools.

**Decision Making & Evaluation**

• EC 110/111 students learn how economic factors can be used as a basis for the making of decisions in a constrained environment; students focus on making choices based upon the weighing of costs and benefits.
• LGS 200 students study written statutory law and case law, which is key to their realistic worldview, and understand how the business decision making process sometimes determines success or failure.
• AC 210 students recommend elementary business decisions based on financial computations.
• After successful completion of ST 260, students will understand the importance of data collection and data analysis for making and supporting business decisions. They will also understand the consequences of the two type of decision errors that can be made.
• OM 300 students evaluate alternative strategies for solving operational problems and recommend an appropriate choice from among those alternatives.
• MKT 300 students suggest elementary business strategies, using marketing information.
• MGT 300 students learn to judge the appropriateness of various decision making activities against the backdrop of the current context of a business.
• FI 302 students analyze wealth management scenarios and translate the output into verbal or written action plans.
• MGT 395 students use ethical decision-making procedures to evaluate alternative actions and determine the best alternative.
• GBA 490 students learn and practice decision making skills through employing the strategic decision making process of strategy formulation, implementation, and strategic control in the context of case studies and a live business simulation.

**Oral & Written Communication**

• After successful completion of ST 260, students will know how to present and interpret information from data in graphical and numerical summaries in a clear and unbiased way. Students will also be able to assess technical presentations made by others and to know when to be skeptical of data results communicated by others.
• FI 302 students prepare and submit a written report addressing topics pertinent to a 4-week financial market portfolio management simulation.
• MGT 395 students use their understanding of different workplace rhetorical contexts to plan and implement a strategy for a message’s medium/genre, development, organization, style/tone, visual impression, and mechanics.
• GBA 490 students demonstrate oral and written proficiency through case analysis and discussion.
What should you do first?
Read this handout carefully as it describes the scenario to which you must respond.

Who are you?
You are a senior consultant at Prestige Consulting. Senior consultants serve as team leaders on consulting projects. For several months, you have been working with a team of six junior consultants to complete a project.

What's the other relevant background for this case?
The work your team has completed has involved a variety of research, planning, analysis, writing, and speaking activities. One of your team members, Chloe Spade, is now eligible for a promotion to senior consultant. Based on three assessments of her performance by her teammates over the course of this project, you have calculated statistics for Chloe's team leadership skills (Table 1).

What are you supposed to do?
Your boss, Harold Kumar, has asked you to recommend whether or not Chloe should be promoted. Because teams handle all consulting projects at Prestige, team leadership skills are highly valued. Mr. Kumar will use your report as background for his upcoming performance review meeting with Chloe. Mr. Kumar feels strongly that performance reviews should be honest and developmental. In other words, he feels they should provide a clear picture of an employee's strengths and weaknesses to provide a basis for future improvement.

As with any recommendation, your advice about Chloe's promotion will be persuasive only if you clearly state her strengths and weaknesses.

In sum, as defined in GBA 300, your recommendation should demonstrate an ability to deliver a professional quality business document.

How do you complete the assignment?
Within the time period set by your instructor, based on the available data, you must plan and draft a recommendation to promote (or not promote) Ms. Spade.

<table>
<thead>
<tr>
<th>Assessment Categories</th>
<th>Specific Behaviors</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributing</td>
<td>Offers ideas, suggestions, etc.</td>
<td>Mean: 2.83</td>
</tr>
<tr>
<td></td>
<td>Attends all meetings</td>
<td>Range: 2-3</td>
</tr>
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<td></td>
<td>Meets all deadlines</td>
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</tr>
<tr>
<td>Listening</td>
<td>Lets other members talk</td>
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<tr>
<td></td>
<td>Limits discussion to main point of meeting</td>
<td>Mean: 1.96</td>
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<tr>
<td></td>
<td>Summarizes or clarifies other members' ideas</td>
<td>Range: 0-3</td>
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<tr>
<td></td>
<td>Resists telling other members what to think</td>
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<tr>
<td>Facilitating</td>
<td>Asks questions to organize discussion</td>
<td>Mean: 2.18</td>
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<tr>
<td>Group</td>
<td>Defines questions in order to stay on topic</td>
<td>Range: 0-3</td>
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<tr>
<td>Problem-Solving</td>
<td>Selects criteria for evaluating suggested ideas</td>
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<td></td>
<td>Encourages suggestion of alternative solutions</td>
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<td></td>
<td>Discards all but the best solution</td>
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<tr>
<td>Overall</td>
<td></td>
<td>Mean: 2.42</td>
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<td></td>
<td></td>
<td>Mode: 2</td>
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Scale:
3 = The member has performed very well in this area.
2 = The member has performed OK in this area.
1 = The member has not performed very well in this area.
0 = The member has performed poorly in this area.
As you sit in the lobby of the executive suite at J.C. Penney’s headquarters in Plano, Texas, you reflect on the whirlwind process that brought you here. After searching most of your senior year and feeling the pressure to find a job, you said to yourself, “Perhaps I’m aiming too high, and should just try to get my foot in the door somewhere. Eventually, they’ll recognize my brilliance and I’ll be promoted.” It was with these thoughts in mind that you applied to J.C. Penney at the University mall in Tuscaloosa just one short week ago, thinking to yourself, “Heck, selling merchandise at a department store and running a cash register has got to be better than moving back home.”

However, you were pleasantly surprised when you received a call directly from the office of Daniel Walker, Chief Talent Officer at J.C. Penney. After a few initial questions, Walker’s people invited you to interview at Penny’s corporate headquarters!

Your meetings throughout the day appeared to have gone well, and you think to yourself, “Perhaps I’ll get lucky and receive an offer for an entry-level management trainee position or something!” You are now waiting to meet with Mr. Walker directly when a woman approaches and says, “Hello, you must be the student from the University of Alabama?” You exchange greetings and she informs you that there has been a change of plans. “Mr. Mike Ullman, our new CEO, has asked to meet with you.” “Great,” you exclaim, and follow her to the big corner office.

“Hello, nice to meet you,” states Mr. Ullman. “The pleasure is all mine,” you respond. After some small talk about Alabama football, Mr. Ullman surprises you by stating, “Let me cut to the chase and tell you why you are here. One of our executives was at the national championship game back in January and remembered hearing someone mention that Alabama has a top-notch strategy class there, GBA 490 or something. So, I asked our talent office to find me a young hotshot from there for us to interview.”

Basically, we’re currently losing a lot of retail store market share to competitors such as Kohl’s, Dillard’s, Target, Macy’s, etc.; you name it, they’re all beating us! We are also not sure if we should continue with the everyday low pricing and mini-shop approaches of our former CEO, or return to high mark-ups and then run gimmick mark-down sales like our competitors. In short, we could use a fresh perspective on these issues from someone who understands current trends among younger generations and their implications.

Frankly, I’m a little nervous…when I left J.C. Penney two years ago I expected my replacement, Ron Johnson, would take the company to new, higher levels. Unfortunately, that didn’t happen, so I’m back with even greater challenges and less room for error. I have a meeting first thing tomorrow morning with the board of directors and I desperately need some strategic options and a strong recommendation for them. If you can help me with this, we will offer you an executive-level position with a six-figure starting salary! How does that sound?” You are speechless. Mr. Ullman says, “Great! Take this packet of assorted background information on our major issues, financials, and competitors. It should have everything you need to analyze to prepare a report. Do a thorough analysis of this information to come up with viable options and a solid recommendation for how best to improve J.C. Penney’s performance. You have until 10:00 PM tonight to get your report to me, or my offer expires.”

**DIRECTIONS:** Prepare a report to Mr. Ullman analyzing J.C. Penney’s external and internal environments, strategic options, and offering a recommendation. Your report should contain detailed external and internal analysis, including assessments of opportunities, threats, strengths, and weaknesses, possible strategic options, and a logical, well-reasoned recommendation(s). At a minimum, the following analysis should be completed: identify major issues/driving forces, analysis of the external environment (Macro/Industry/Competitive Environments), industry analysis/five forces analysis, competitor analysis, SWOT, and performance analysis (strategic and
financial). Make sure to include thorough support from your analyses to justify and support your recommendation(s). Good luck!
In January of 2012, Ron Johnson, the new C.E.O. of J. C. Penney, gave a speech unveiling his ambitious strategy for reinventing the hoary old retailer. It was a much anticipated event. Penney was directionless and barely profitable, and Johnson was a retail superstar. He had helped make Target hip, pioneering partnerships with big-name designers like Michael Graves, and had then moved to Apple, where he orchestrated the creation of the Apple Store. Johnson’s presentation did not disappoint. He made it clear that he wasn’t going to just stabilize Penney; he was going to revolutionize it. Coupons and sales, which had become ubiquitous, were going to be replaced by what he called “fair and square pricing.” The stores themselves would be radically redesigned, becoming curated showcases of mini shops, arranged by brand. J. C. Penney, Johnson said, would become “America’s favorite store.”

Fourteen months later, J. C. Penney is America’s favorite cautionary tale. Customers have abandoned the store en masse: over the past year, revenues have fallen by twenty-five per cent, and Penney lost almost a billion dollars, half a billion of it in the final quarter alone. The company’s stock price, which jumped twenty-four per cent after Johnson announced his plans, has since fallen almost sixty per cent. Twenty-one thousand employees have lost their jobs. And Johnson has become the target of unrelenting criticism. “There is nothing good to say about what he’s done,” Mark Cohen, a former C.E.O. of Sears Canada, who is now a professor at Columbia, told me. “Penney had been run into a ditch when he took it over. But, rather than getting it back on the road, he’s essentially set it on fire.” Johnson is scrapping his pricing strategy but is sticking by the mini-shop concept: last week, Joe Fresh boutiques débuted in stores across the country. Meanwhile, rumors of Johnson’s imminent departure are everywhere, and last year’s pronouncement is starting to look like the business equivalent of George Bush’s “Mission Accomplished” speech.
The biggest problem with Johnson’s strategy is simple: he misread what Penney’s customers wanted. Doing away with constant markdowns was, on the face of it, sensible: instead of starting with a high price and quickly marking it down, start with a lower price. But Johnson failed to see how attached customers were to markdowns. “In most of the retail universe, price is the most powerful motivator,” Cohen said. “This game of cat and mouse with regular, ever-changing discounts is illogical, but it’s one that lots of consumers like to play. Johnson just ignored all that.”

The way Penney implemented its plan also hurt. For one thing, Johnson didn’t test his pricing strategy—perhaps because of his experience at Apple, where market research has always been anathema. In addition, he rolled it out before the stores had been remodelled or filled with new merchandise. This drove old customers away without giving new ones a reason to come in. Offering pain and no gain is no way to remake a company. “Anytime you’re trying to change the way you do things, small wins are important,” Michael Roberto, a management professor at Bryant University, told me. “Small wins help you build support both internally and externally, and they make it easier for people to buy in.”

Given Johnson’s track record, plenty of people are shocked by what’s happened. Yet hiring him was always a huge gamble. As Cohen put it, “He had never been a C.E.O., never mounted or managed a turnaround, had limited fashion-apparel experience, and had no experience in the middle-market space.” Johnson’s champions assumed that, because he had done great work elsewhere, he would do great work at Penney. But the circumstances at Johnson’s previous companies were radically different from those at Penney. Target was a thriving company that had already positioned itself as a trend-aware, fashionable store, so Johnson had plenty of support in the effort to make it cooler. And, while the Apple Store is a brilliant retail concept, its success was surely helped by the fact that it has been home to three of the best-selling consumer products ever.

At Target and at Apple, Johnson was running with the wind, not against it. At Penney, he’s trying to do something very different: remake a company’s DNA. Penney’s board no doubt believed that Johnson’s record guaranteed that he’d succeed. But this perception probably reflects what psychologists call “the fundamental attribution error”—our tendency to ignore context and attribute an individual’s success or failure solely to inherent qualities. (People who watch one basketball player shoot free throws in a poorly lighted gym and another shoot in a well-lighted gym attribute the latter’s greater success to ability rather than to conditions.) Skill is important, but so is context: being great at selling cheap fashion or cool technology products doesn’t mean you’ll be great at turning around a middle-market retailer.

Of course, this cuts both ways. Right now, Johnson looks like a complete fool. But turnarounds are hard to pull off, especially in retail. One study found that efforts at merely getting a money-losing retailer back to profitability succeed only thirty per cent of the time. Radically remaking a major company, as Johnson is trying to do, is even harder. So, if Johnson isn’t as good as he looked
at Apple, he’s probably not as bad as he looks at Penney. Indeed, his biggest mistake may simply have been taking the job in the first place. He’s become a living example of one of Warren Buffett’s keenest observations: “When a manager with a reputation for brilliance tackles a business with a reputation for poor fundamental economics, it is the reputation of the business that remains intact.” ♦

ILLUSTRATION: CHRISTOPH NIEMANN

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At Penney, Need for Stability and New Path

By KAREN TALLEY

Now that Ron Johnson is out of the picture, Myron "Mike" Ullman will have to decide what parts of Mr. Johnson's JCP to keep and how much of his traditional J.C. Penney Co. to revive.

The mini boutiques with which Mr. Johnson planned to pepper Penney are likely out the door, analysts say. And reestablishing relationships with vendors is probably a priority.

Investor concern remains high: In early trading Tuesday, Penney stock was down about 10%.

Mr. Ullman is likely to take a close look at the company's biggest transformation project: its home department. The multi-million dollar project includes bringing in fresh merchandise and new stagings.

Mr. Ullman's stamp isn't likely to be too heavy handed at the start.

"One thing they can't do is swing the pendulum back to the way things were under Mr. Ullman because that wasn't working either," said Kathy Gersch, co-founder of Kotter International, a leadership consulting firm. "As a management team, they have to take a look at who their customer is and what they want and move in that direction. And that can't be Ron Johnson's or Mr. Ullman's."

"Perhaps Mr. Ullman can take the best ideas from Mr. Johnson's regime, such as the specialty shops—but where will..."
return the company to its former glory," said Carol Levenson, director of research at Gimme Credit, a corporate bond research firm.

There are also personnel issues that will have to be dealt with. For instance, there has been no word of the fate of Chief Financial Officer Kenneth Hannah, who Mr. Johnson brought in, or other of his top management hires that remain.

Mr. Ullman "is coming in, but he's not coming back to the same leadership team he had when he left," given Mr. Johnson having brought in his own people, said Ms. Gersch. "Mike Ullman needs to pull that team together because they have a short period to get things back in order."  

Mr. Ullman has to first bring stability to J.C. Penney and then get it moving forward.

The changing of the guard "raises near-term risk as the company has to develop yet another strategy to restore revenue growth and profitability," said Wayne Hood, retail analyst at BMO Capital Markets. "Additionally, the move is likely to create uncertainty among JCP's suppliers as the company's strategy further evolves."

Mr. Hood expects pressure on the stock given no clear picture of sales and earnings, as well as liquidity constraints given Penney has been spending so much money on its transformation. The stock may also be pressured by Bill Ackman's Pershing Square Capital Management and Vornado Realty Trust pulling out, analysts say. The two groups were the champions of bringing in Mr. Johnson just under a year-and-a-half ago. Mr. Johnson replaced Mr. Ullman, who had been chief executive since 2004.

Write to Karen Talley at karen.talley@dowjones.com
To investors who want to retire comfortably.
If you have a $500,000 portfolio, download the guide by Forbes columnist and money manager Ken Fisher’s firm. It’s called “The 15-Minute Retirement Plan.” Even if you have something else in place right now, it still makes sense to request your guide! Click Here to Download Your Guide!

THE WALL STREET JOURNAL

March 18, 2013, 1:05 PM ET

J.C. Penney’s Options: Joe Fresh or Plan B

By Tom Gara

It was a big weekend for J.C. Penney: the launch of mini-stores by fashion brand Joe Fresh in more than 650 of its stores. Joe Fresh is the biggest step yet in J.C. Penney’s store-within-store concept, the central pillar of the company’s attempt at reinventing itself into a new kind of retailer.

What is Joe Fresh all about? Think of it as affordable style, a sort of Canadian version of H&M. Here’s an ad from J.C. Penney for their new Joe Fresh stores, advertising $19 jeans and $16 cardigans – and looking pretty good for that price point:

If Joe Fresh doesn’t work, there are even more reasons to believe the whole reinvention might be destined for failure — the transition from old stores to new was always going to be messy and expensive, and sales have plunged in the interim. It’s hard enough convincing investors to stay on board during the transition, but if the light at the end of the tunnel starts to dim, the company is in even more trouble.

In more colorful language: “If Joe Fresh doesn’t work, this could be the worst idea of March since Brutus greeted Caesar on the floor of the Senate.” That’s from Maxim analyst Rick Snyder, speaking to Bloomberg.

So how was Joe Fresh looking on its first weekend in the wild?

Analysts from Oppenheimer visited J.C. Penney stores in New York and New Jersey to get a feel for things. “Overall we were impressed with what we found,” they wrote in a note this morning (PDF). “Shop-in-shops are open and airy and brightly lit. Merchandise looks compelling and well-priced. Traffic is difficult to measure, but customers do seem to be reacting positively to the Joe Fresh launch. Any significant consumer adoption is likely to take time”

Oppenheimer’s analysts say they see the long term potential of the turnaround strategy, but are still worried about the short term: the company is still physically tearing up its stores to remodel them into the new style store-within-store layouts, and it will keep burning cash and losing sales in the meantime. The long term picture only works if the company can make it through a series of unpleasant short term challenges.

What if it can’t make it to the other side? ISI released a research note today outlining a possible “Plan B” for the company (PDF): spin off its 300 best-located stores into a new real estate company that rents them out to commercial tenants, and keep operating the remaining 800 stores as regular J.C. Penney stores. Getting commercial tenants into its stores could mean big dollars, because the company’s huge real estate portfolio means it pays next to nothing for its space, relative to other retail brands, ISI wrote:
Spun into a new company, J.C. Penney's 300 best stores could pull in $1.2 billion a year in rental income, ISI estimates, valuing it at a conservative $10.8 billion – more than three times what the market is currently valuing all of JCP at.

“We think JCP’s most valuable asset is its low-cost real estate, and we believe there are many premium brands that would potentially be interested in subleasing space,” ISI wrote, “as long as the store was no longer called ‘JC Penney’, and the brands could control the inventory, personnel, checkout, merchandising, shopping experience, and fixturing. JCP would effectively collect a risk-free, high margin, steady stream of rental income, while simultaneously eliminating fashion and inventory risk.”

J.C Penney stock is up 8% today.

See also:
J.C. Penney's Real Money Maker: Retail, or Real Estate? – Corporate Intelligence  
J.C. Penney's Rally No Vote of Confidence – MarketBeat  
Board Patience Wears Thin at Penney – WSJ
Sector Update

JCP Time for Plan B?

Given the mounting controversy surrounding JC Penney and the potential ramifications across the sector of whether CEO Ron Johnson's transformational strategies succeed or fail, we are updating our views from our original "JCP Ripple Effect" note published February 7, 2012. While the company seems to be headed toward serious financial and liquidity issues should sales continue to shrink at a 20-30% run rate, and the market is increasingly pricing in just such a scenario, investors may be overlooking an intriguing alternate outcome. In our opinion, the company still has the call option to isolate its top ~300 locations and transform them into a low-risk, highly profitable REIT-like entity, which could drastically change the way the market values JCP. The company's average occupancy cost of $4 per square foot (and profit of <$0 per foot) is far below the average surrounding rents in its top mall locations (we estimate ~$70 per foot). And our 'cocktail napkin' math indicates that JCP's top 300 stores (out of the 1,100 total) could conservatively generate ~$1.2 billion of sublet rental income, resulting in a $10.8 billion enterprise valuation (or ~$40 per share) assuming a conservative cap rate of 10%.

Isolating Top 300 locations for Sublet & Removing JCP Nameplate a Potentially Powerful Scenario. How to unlock the substantial underlying real estate value of top mall anchors is a question that has perplexed investors and industry participants alike for years. In this note, we suggest that JCP may ultimately decide to maximize shareholder value by transforming its top ~300 locations into a premium REIT entity under a new nameplate and converting the layout in order to sublet its space to premium brands and retailers while continuing to operate the remaining 800 locations under JCP's traditional discount-driven department store model. We think JCP's most valuable asset is its low-cost real estate, and we believe there are many premium brands (see slide 4 for a list) that would potentially be interested in subleasing space within the best locations at $40 per square foot (a nice discount vs. the $70-80+ they would normally pay for a standalone store) as long as the store was no longer called 'JC Penney', and the brands could control the inventory, personnel, checkout, merchandising, shopping experience, and fixtures. JCP would effectively collect a risk-free, high margin, steady stream of rental income, while simultaneously eliminating fashion and inventory risk. We estimate that JCP's top 300 locations represent ~30 million square feet of prime retail real estate could generate ~$1.2 billion in annual rental income. Even after backing out 35% operating expenses (reimbursed by the tenant at 110%) and 4% of rental income for property management costs (both REIT industry standards) and another $4 per square foot for the rent JCP pays to its landlords, we estimate JCP could generate ~$1.1 billion in net operating income. Capitalizing this income at a conservative cap rate of 10% (vs. premium REITs that command a ~7-8% cap rate), we think this piece of JCP's business could be valued at over $10.8 billion, or ~$40 per share, even assuming that this new REIT entity absorbs all of JCP's $3 billion in debt.

Continued on next page...
What is the rest of JCP worth? We also suggest that the remaining 800 locations continue to operate under the JC Penney name as a more traditional department store, though updated for many of the brand shops the company has already begun adding, many of which are more befitting of the JC Penney market position. Assuming sales per square foot at these stores can eventually improve to $100 (up from <$100 today, but still down from peak SSF of ~$130 in 2006) and operating margin recovers to 3% (down from negative double-digits today), we estimate that this business could generate nearly $8 billion in sales and $240 million in operating profit. This implies an EPS contribution of ~70c, which when applying an appropriate 8x P/E multiple, represents a value of another $6 per share.

Brands would likely embrace. We think the Asian concession-style self operated shop-in-shop format we are suggesting would appeal to many of the brands we cover, especially those that have only limited full-price own-retail exposure. A completely re-imagined JC Penney under a new name could offer the brands a unique opportunity to completely control the merchandising, inventory management, sales & service environment at below market rents in top-traffic malls (and without having to deal with the often challenging buying organizations of department stores). Many of these traditional wholesale brands’ current own retail exposure is limited to premium outlet malls, which interestingly are also characterized by the high customer traffic but more reasonable rental costs that we think the transformed JCP would offer.
Plenty of Brands to Go After

Brands and retailers we think would be willing to sublet concession space in the company’s top 300 locations (under a different name plate) at an average of ~$40 per square foot.
Company Profiles

Macy’s:

Macy's, Inc., together with its subsidiaries, operates stores and Internet Websites in the United States. It operates Macy's and Bloomingdale's stores and Websites that sell a range of merchandise, including apparel and accessories for men, women, and children; cosmetics; home furnishings; and other consumer goods in 45 states, the District of Columbia, Guam, and Puerto Rico. The company also operates Bloomingdale’s Outlet stores that offer a range of apparel and accessories, including women's ready-to-wear, fashion accessories, jewelry, handbags, and intimate apparel, as well as men's, children's, and women's shoes. As of March 21, 2013, it operated approximately 840 stores under the names of Macy’s and Bloomingdale’s; and 12 Bloomingdale’s Outlet stores, as well as macys.com and bloomingdales.com Websites. The company was formerly known as Federated Department Stores, Inc. and changed its name to Macy’s, Inc. in June 2007. Macy’s, Inc. was founded in 1830 and is headquartered in Cincinnati, Ohio.

J. C. Penney

J. C. Penney Company, Inc., through its subsidiary, J. C. Penney Corporation, Inc., operates department stores. The company sells family apparel and footwear, accessories, fine and fashion jewelry, beauty products, and home furnishings. It also provides various services, such as styling salon, optical, portrait photography, and custom decorating. As of February 2, 2013, it operated 1,104 department stores in 49 states and Puerto Rico. The company also sells its products through its Internet Website, jcp.com. The company was founded in 1902 and is based in Plano, Texas.

Kohl’s

Kohl’s Corporation operates department stores in the United States. Its stores offer private, exclusive, and national branded apparel, footwear, and accessories for women, men, and children; soft home products, such as sheets and pillows; and housewares targeted to middle-income customers. As of February 2, 2013, it operated 1,146 stores in 49 states. The company also provides on-line shopping through its Website Kohls.com. Kohl’s Corporation was founded in 1962 and is headquartered in Menomonee Falls, Wisconsin.

Target

Target Corporation operates general merchandise stores in the United States. The company offers household essentials, including pharmacy, beauty, personal care, baby care, cleaning, and paper products; hardlines comprising music, movies, books, computer software, sporting goods, and toys, as well as electronics that consist of video game hardware and software; apparel and accessories, such as apparel for women, men, boys, girls, toddlers, infants, and newborns, as well as intimate apparel, jewelry, accessories, and shoes. It also provides food and pet supplies, including dry grocery, dairy, frozen food, beverages, candy, snacks, deli, bakery, meat, produce,
and pet supplies; and home furnishings and décor, such as furniture, lighting, kitchenware, small appliances, home décor, bed and bath, home improvement, automotive, and seasonal merchandise comprising patio furniture and holiday décor. In addition, it offers in-store amenities. As of February 2, 2013, it had 1,778 stores in 49 states and the District of Columbia. The company distributes its merchandise through a network of distribution centers, as well as third parties and direct shipping from vendors. Further, it provides general merchandise through its Website, Target.com; and branded proprietary Target Debit Card. Target Corporation was founded in 1902 and is headquartered in Minneapolis, Minnesota.

Sears

Sears Holdings Corporation operates as a specialty retailer in the United States and Canada. The company’s Kmart segment operates stores that sell merchandise under Jaclyn Smith and Joe Boxer labels; and Sears brand products, such as Kenmore, Craftsman, and DieHard. This segment’s stores provide consumer electronics, seasonal merchandise, outdoor living, toys, lawn and garden equipment, food and consumables, and apparel; and operate in-store pharmacies. The company’s Sears Domestic segment operates stores that sell merchandise under the Kenmore, Craftsman, DieHard, Lands’ End, Covington, Apostrophe, and Canyon River Blues brand names. Its stores provide appliances, consumer electronics, tools, sporting goods, outdoor living, lawn and garden equipment, home fashion products, apparel, footwear, jewelry, accessories, health and beauty products, pantry goods, household products, and toys, as well as automotive services and products. This segment also provides soft luggage; appliances and services to commercial customers in single-family residential construction/remodel, property management, multi-family new construction, and government/military sectors; premium appliance and plumbing fixtures to architects, designers, and new construction or remodeling customers; parts and repair services for appliances, lawn and garden equipment, consumer electronics, floor care products, and heating and cooling systems; and home improvement services. Sears Holdings Corporation’s Sears Canada segment engages in the retail of apparel and other softlines. The company operates approximately 2,019 full-line and 54 specialty retail stores in the United States; 475 full-line and specialty retail stores, as well as 1,512 catalog pick-up locations, 9 home services showrooms, and 101 travel offices in Canada; and kmart.com and sears.com Websites. Sears Holdings Corporation was founded in 1899 and is based in Hoffman Estates, Illinois.
# 2012 Key Numbers

<table>
<thead>
<tr>
<th></th>
<th>J. C. Penney Company</th>
<th>Kohl's</th>
<th>Macy's</th>
<th>Target Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Sales</strong></td>
<td>$12.99B</td>
<td>$19.28B</td>
<td>$27.69B</td>
<td>$73.30B</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>159,000</td>
<td>142,000</td>
<td>171,000</td>
<td>365,000</td>
</tr>
<tr>
<td><strong>Market Cap</strong></td>
<td>$4.46B</td>
<td>$10.65B</td>
<td>$15.62B</td>
<td>$39.31B</td>
</tr>
</tbody>
</table>

# 2012 Profitability

<table>
<thead>
<tr>
<th></th>
<th>J. C. Penney Company</th>
<th>Kohl's</th>
<th>Macy's</th>
<th>Target Corporation</th>
<th>Industry Median</th>
<th>Market Median1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Profit Margin</strong></td>
<td>31.31%</td>
<td>36.26%</td>
<td>40.40%</td>
<td>30.38%</td>
<td>33.53%</td>
<td>34.80%</td>
</tr>
<tr>
<td><strong>Pre-Tax Profit Margin</strong></td>
<td>(11.83%)</td>
<td>8.10%</td>
<td>7.45%</td>
<td>6.29%</td>
<td>2.78%</td>
<td>10.10%</td>
</tr>
<tr>
<td><strong>Net Profit Margin</strong></td>
<td>(7.59%)</td>
<td>5.11%</td>
<td>4.76%</td>
<td>4.09%</td>
<td>0.12%</td>
<td>6.58%</td>
</tr>
<tr>
<td><strong>Return on Equity</strong></td>
<td>(27.43%)</td>
<td>15.71%</td>
<td>21.91%</td>
<td>18.52%</td>
<td>0.56%</td>
<td>10.58%</td>
</tr>
<tr>
<td><strong>Return on Assets</strong></td>
<td>(9.29%)</td>
<td>7.04%</td>
<td>5.88%</td>
<td>6.33%</td>
<td>0.17%</td>
<td>1.95%</td>
</tr>
<tr>
<td><strong>Return on Invested Cap</strong></td>
<td>(17.04%)</td>
<td>9.24%</td>
<td>7.29%</td>
<td>7.53%</td>
<td>0.31%</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

# 2012 Valuation

<table>
<thead>
<tr>
<th></th>
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<th>Target Corporation</th>
<th>Industry Median</th>
<th>Market Median1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price/Sales Ratio</strong></td>
<td>0.26</td>
<td>0.57</td>
<td>0.64</td>
<td>0.62</td>
<td>0.41</td>
<td>1.25</td>
</tr>
<tr>
<td><strong>Price/Earnings Ratio</strong></td>
<td>(3.36)</td>
<td>11.06</td>
<td>12.76</td>
<td>15.15</td>
<td>35.34</td>
<td>27.62</td>
</tr>
<tr>
<td><strong>Price/Book Ratio</strong></td>
<td>1.05</td>
<td>1.69</td>
<td>2.97</td>
<td>2.65</td>
<td>2.25</td>
<td>1.99</td>
</tr>
<tr>
<td><strong>Price/Cash Flow Ratio</strong></td>
<td>(333.33)</td>
<td>8.64</td>
<td>7.32</td>
<td>8.53</td>
<td>9.69</td>
<td>8.70</td>
</tr>
</tbody>
</table>

# 2012 Operations

<table>
<thead>
<tr>
<th></th>
<th>J. C. Penney Company</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Days of Sales Outstanding</strong></td>
<td>--</td>
<td>--</td>
<td>5.25</td>
<td>14.76</td>
<td>18.15</td>
<td>44.47</td>
</tr>
<tr>
<td><strong>Inventory Turnover</strong></td>
<td>3.39</td>
<td>3.54</td>
<td>3.19</td>
<td>6.45</td>
<td>2.74</td>
<td>6.99</td>
</tr>
<tr>
<td><strong>Days Cost of Goods Sold in Inventory</strong></td>
<td>107.57</td>
<td>103.17</td>
<td>114.51</td>
<td>56.58</td>
<td>133.44</td>
<td>52.25</td>
</tr>
<tr>
<td><strong>Asset Turnover</strong></td>
<td>1.22</td>
<td>1.38</td>
<td>1.24</td>
<td>1.55</td>
<td>1.40</td>
<td>0.30</td>
</tr>
<tr>
<td></td>
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<td>--------</td>
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<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Net Receivables Turnover Flow</strong></td>
<td>--</td>
<td>--</td>
<td>69.49</td>
<td>24.73</td>
<td>20.11</td>
<td>8.21</td>
</tr>
<tr>
<td><strong>Effective Tax Rate</strong></td>
<td>--</td>
<td>36.84%</td>
<td>36.18%</td>
<td>34.93%</td>
<td>94.60%</td>
<td>28.52%</td>
</tr>
</tbody>
</table>

### 2012 Financial

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Ratio</strong></td>
<td>1.43</td>
<td>1.86</td>
<td>1.40</td>
<td>1.17</td>
<td>1.40</td>
<td>1.44</td>
</tr>
<tr>
<td><strong>Quick Ratio</strong></td>
<td>0.38</td>
<td>0.21</td>
<td>0.51</td>
<td>0.06</td>
<td>2.00</td>
<td>4.92</td>
</tr>
<tr>
<td><strong>Leverage Ratio</strong></td>
<td>3.08</td>
<td>2.30</td>
<td>3.72</td>
<td>2.91</td>
<td>3.60</td>
<td>5.56</td>
</tr>
<tr>
<td><strong>Total Debt/Equity</strong></td>
<td>0.94</td>
<td>0.75</td>
<td>1.31</td>
<td>1.07</td>
<td>1.00</td>
<td>0.93</td>
</tr>
<tr>
<td><strong>Interest Coverage</strong></td>
<td>(5.80)</td>
<td>--</td>
<td>5.40</td>
<td>7.05</td>
<td>3.04</td>
<td>6.51</td>
</tr>
</tbody>
</table>

### 2012 Per Share Data

<table>
<thead>
<tr>
<th></th>
<th>J. C. Penney Company</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Per Share</strong></td>
<td>$59.24</td>
<td>$81.35</td>
<td>$65.72</td>
<td>$110.51</td>
<td>$21.37</td>
<td>--</td>
</tr>
<tr>
<td><strong>Dividend Per Share</strong></td>
<td>$0.20</td>
<td>$1.28</td>
<td>--</td>
<td>$1.32</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Cash Flow Per Share</strong></td>
<td>($0.05)</td>
<td>$5.34</td>
<td>$5.72</td>
<td>$8.03</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Working Capital Per Share</strong></td>
<td>$5.01</td>
<td>$9.84</td>
<td>$6.36</td>
<td>$3.67</td>
<td>$8.74</td>
<td>$1.94</td>
</tr>
<tr>
<td><strong>Long-Term Debt Per Share</strong></td>
<td>$13.45</td>
<td>$20.04</td>
<td>$16.84</td>
<td>$22.85</td>
<td>$1.40</td>
<td>$0.04</td>
</tr>
<tr>
<td><strong>Book Value Per Share</strong></td>
<td>$14.43</td>
<td>$27.24</td>
<td>$14.07</td>
<td>$25.82</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total Assets Per Share</strong></td>
<td>$44.51</td>
<td>$62.63</td>
<td>$55.90</td>
<td>$75.09</td>
<td>$59.68</td>
<td>$43.38</td>
</tr>
</tbody>
</table>

### 2012 Growth

<table>
<thead>
<tr>
<th></th>
<th>J. C. Penney Company</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>12-Month Revenue Growth</strong></td>
<td>(24.77%)</td>
<td>2.53%</td>
<td>5.61%</td>
<td>4.92%</td>
<td>(0.84%)</td>
<td>(3.83%)</td>
</tr>
<tr>
<td><strong>12-Month Net Income Growth</strong></td>
<td>--</td>
<td>(15.51%)</td>
<td>48.29%</td>
<td>2.39%</td>
<td>(95.41%)</td>
<td>(11.71%)</td>
</tr>
<tr>
<td><strong>12-Month EPS Growth</strong></td>
<td>--</td>
<td>(3.02%)</td>
<td>47.47%</td>
<td>5.61%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>12-Month Dividend Growth</strong></td>
<td>(75.00%)</td>
<td>28.00%</td>
<td>75.00%</td>
<td>20.00%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>36-Month Revenue Growth</strong></td>
<td>(9.56%)</td>
<td>3.92%</td>
<td>1.99%</td>
<td>3.90%</td>
<td>1.45%</td>
<td>7.10%</td>
</tr>
<tr>
<td></td>
<td>J. C. Penney Company</td>
<td>Kohl's</td>
<td>Macy's</td>
<td>Target Corporation</td>
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<td>-----------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>36-Month Net Income Growth</strong></td>
<td>--</td>
<td>(0.17%)</td>
<td>--</td>
<td>6.42%</td>
<td>1.47%</td>
<td>17.35%</td>
</tr>
<tr>
<td><strong>36-Month EPS Growth</strong></td>
<td>--</td>
<td>8.89%</td>
<td>--</td>
<td>11.06%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>36-Month Dividend Growth</strong></td>
<td>(37.00%)</td>
<td>--</td>
<td>(12.78%)</td>
<td>25.99%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

1 Public companies trading on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ National Market.

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Copyright ©2013 Hoover's, Inc. All Rights Reserved.
To: Harold Kumar, Senior Consultant Officer, Prestige Consulting
From: , Senior Consultant, Prestige Consulting
Date: 04/02/2013
Subject: Recommendation of Chloe Spade

I do not recommend Chloe Spade for the senior consultant position at Prestige Consulting.

The following data provides the basis for my recommendation:

**Strengths**
- Contribution Mean of 2.83 represents very good overall sector performance
- Contribution Range of 2-3 represents OK to good performance in all areas
- Listening Range of 0-3 represents very good performance in at least one area
- Problem-Solving Range of 0-3 represents very good performance in at least one area

**Weaknesses**
- Listening Mean of 1.96 represents performance below an OK level
- Listening Range of 0-3 represents unacceptable performance in at least one area
- Problem-Solving Mean of 2.18 represents performance just above an OK level
- Problem-Solving Range of 0-3 represents unacceptable performance in at least one area

Chloe Spade’s level of work is below the senior consultant level. Ms. Spade’s performances in listening and in facilitating group problem-solving are lower than they should be. As a senior consultant, I know from experience that contribution is less important than listening and facilitating group problem-solving in a senior consultant position therefore Ms. Spade’s high contribution score would suggest that she remain in a junior consultant role. Until Ms. Spade’s ranges in each category improve to acceptable levels of 2-3, I cannot recommend her for a senior consultant position.

If you have any questions or concerns, please contact me at @PC.com or 
Rate the student’s performance on each of the following traits. Mark the cell containing the descriptor that most closely applies to this paper. Granted, not every situation will fit perfectly within a particular rating category and some degree of personal interpretation may be necessary. If you have comments about this paper, please add them at the end of this form.

<table>
<thead>
<tr>
<th>Learning Goal: Definition</th>
<th>Traits</th>
<th>Does not meet expectations</th>
<th>Meets expectations</th>
<th>Exceeds expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems Thinking: Students will think holistically about business issues and recognize interrelations between and among business system components.</td>
<td>Contextualization</td>
<td>Does not address relevant contextual issues (e.g., legal, ethical, personal perspectives). Deals only with a single perspective and fails to recognize other possible perspectives, especially those held by others.</td>
<td>Begins to relate alternative views to qualify analysis. Rough integration of multiple viewpoints and comparison of ideas or perspectives. Ideas are investigated, if in a limited way, and integrated, if unevenly.</td>
<td>Addresses additional diverse perspectives drawn from outside information to qualify analysis. Fully integrated ideas and perspectives from variety of sources. Analogies may be used effectively. Integrates own and others' ideas through a complex process of judgment and justification.</td>
</tr>
<tr>
<td>Problem &amp; Opportunity Recognition: Students will diagnose business problems and recognize business opportunities.</td>
<td>Problem Identification</td>
<td>Does not attempt or fails to identify and summarize the problem accurately.</td>
<td>Summary of problem is mostly accurate but some aspects are incorrect or confused; nuances and critical details are absent or glossed over.</td>
<td>Clearly identifies and summarizes main problem, question or issue. Identifies secondary or implicit issues.</td>
</tr>
<tr>
<td>Logical Reasoning &amp; Analysis: Students will dissect business issues using logic.</td>
<td>Critical Thinking</td>
<td>Repeats information provided without question or dismisses evidence without adequate justification. Does not distinguish among fact, opinion, and value judgments. Selects or uses data inappropriately. No evidence of search, selection or data source evaluation skills.</td>
<td>Selects and uses qualified evidence. Discerns facts from opinion and may recognize bias though attribution is spotty, inappropriate, or exaggerated. Selects adequate information or data for analysis, though little evidence of more than routine exploration. Demonstrates adequate skill in searching, selecting, and evaluating data.</td>
<td>Examines the evidence and source of evidence; questions its accuracy, precision, relevance, completeness. Clearly defines need for information or data in relation to assignment. Evidence of data search, selection, and source evaluation skills; notable identification of uniquely salient resources.</td>
</tr>
<tr>
<td>Qualitative/Quantitative Analysis</td>
<td>Conducts qualitative or quantitative analysis that is inappropriate, inaccurate, and superficial (or nonexistent). Analysis doesn’t help clarify the issues or facilitate decision-making.</td>
<td>Conducts qualitative or quantitative analysis that is appropriate and accurate, but rather superficial. Analysis has limited ability to help clarify the issues and facilitate decision-making.</td>
<td>Conducts quantitative or qualitative analysis that is appropriate, accurate, and thorough. Analysis is used to clarify the issues and facilitate decision-making.</td>
<td></td>
</tr>
<tr>
<td>Learning Goal: Definition</td>
<td>Traits</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Decision Making &amp; Evaluation:</td>
<td>Conclusions</td>
<td>Fails to identify conclusions of the issue or the key relationships between the other elements of the problem. Doesn’t propose solution to problem.</td>
<td>Proposes solution to problem(s) that is somewhat related to previous dimensions noted in rubric.</td>
<td>Identifies and discusses conclusions considering assumptions, data, and evidence. Proposes solution to problem(s) based on previous dimensions noted in rubric.</td>
</tr>
<tr>
<td></td>
<td>Implications/Consequences</td>
<td>Fails to identify implications and consequences of the issue. Mistakes correlations with cause. Considers knowledge as absolute when confirmed by one or another authority.</td>
<td>Confuses correlations with cause. Considers knowledge as relative collection of opinions and perspectives, but makes little attempt to compare or evaluate.</td>
<td>Identifies and discusses implications and consequences. Recognizes limitations of correlations or association and qualifies implications of assertions accordingly. Views knowledge as the best available evidence within the given context, even in the face of uncertainty and ambiguity.</td>
</tr>
<tr>
<td>Written Communication:</td>
<td>Traits</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Verbal Expression</td>
<td>Academic, impersonal (e.g., lots of passive and hedges, long &amp; complex sentences, no names or personal pronouns) or unprofessional (e.g., lots of slang or sloppiness).</td>
<td>Limited passive, hedges, long/complex sentences, etc.</td>
<td>Business, conversational, powerful (e.g., short sentences, Imperatives, active voice, names, personal pronouns, contractions, and hedges only sensitive information).</td>
</tr>
<tr>
<td></td>
<td>Visual Impression</td>
<td>Unattractive, unprofessional. Inadequate layout, white space or font choices for information. Visual aids are unclear or not integrated into document.</td>
<td>Adequate. Some good use of layout, white space, etc. Visual aids are relevant to content.</td>
<td>Attractive, professional. Layout, white space and font choices greatly enhance purpose and content of document. Visual aids integrated into document with labels and captions.</td>
</tr>
<tr>
<td></td>
<td>Mechanics</td>
<td>Run-on sentences, comma splices, subject-verb disagreement, typos/mispellings undermine authority of writer. No page numbers. Doesn’t follow directions.</td>
<td>None of the issues identified at left.</td>
<td></td>
</tr>
</tbody>
</table>

Please record any comments related to this student’s performance.
To: Harold Kumar  
From: [Redacted]  
Date: 04/2/2013  
Re: Recommending Chloe Spade to become a senior consultant

Chloe Spade's performance review indicates for a promotion to senior consultant, given her quality of work.

Skill sets

Listening
- Clarifies other people ideas
- Keeps meeting on topic
- Allows people to express their views

Contributing
- Offers good insight
- In attendance to all meetings
- Work is done on time

Facilitating group problem solving
- Organizes discussion through question
- Encourages suggestions, to find the best solution

This overall look of Chloe Spade's performance, was gathered from three different assessments, done by some of her teammates. The scaling was done from 0-3, 0 being poor performance, and 3 doing the best possible. The overall mean given, was a 2.42, and the mode was a 2.

The best way to know about an employee's quality of work is not to ask that persons superior, but to ask the co-workers. As a consulting firm we must work well with different types of personality's, given her scoring, she does this job well.

Please feel free to reach me with any concerns: (123)-445-6643, or [Redacted]@gmail.com, [Redacted], Prestige Consulting
Rate the student’s performance on each of the following traits. Mark the cell containing the descriptor that most closely applies to this paper. Granted, not every situation will fit perfectly within a particular rating category and some degree of personal interpretation may be necessary. If you have comments about this paper, please add them at the end of this form.

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Mr. Ullman,

I would like to thank you for this opportunity to share some strategic options and make some recommendations to your Board of Directors. With my analysis of J.C. Penny, I plan to fulfill your need.

In the following report I have used knowledge from the University of Alabama to analyze the internal and external environment, assess opportunities, threats, strengths and weaknesses and seek out logical recommendations.

I am available for any questions or concerns at any given time.

Thank you.
Recommendations

Tools
- Industry Analysis
  - Dominant Economic Features
  - 5 Forces Model
  - Drivers of Change
  - Strategic Group Map
- Competitor/Company Analysis
  - Key Success Factors
  - Competitive Strength Index
  - SWOT Analysis
  - Financials
- Analysis of Strategic
- Analysis of Strategic Environment
  Red Ocean vs Blue Ocean
Recommendations

1. Establish a real estate company with the 300 best located stores.

The opportunity to utilize this strength is very important. An approx. $1.2 billion a year rental income would increase the value of this company tremendously. With the low rent cost this is not a very large risk you you to take. JC Penny will not have the risk of the stores inventory or success.

As you can see, the value of this valuable space, there will most likely be many contenders. High end stores such as Burberry, Gucci and swatch are options. The sections of the store should be granted to the highest bidder. Make sure to include some type of beverage and snack company.

Under a new nameplate the recent negative talk will not be linked and the companies should succeed and continue to rent.
2. Start the repair of the JC Penny Board appeal by clearing up uncertainty, adding a new target market, and getting the management team back on board.

Reestablishing relationships with vendors and investors is a priority for success. With stock down, we know that the investors are in year. Manage the uncertainty by keeping all plans and goals open to all. Admitting that times are hard doesn't mean that you lose. Losing will be when we give up.

THE NEW TARGET MARKET!! Appealing to the young people is crucial. With the economy struggling, young people out of college or looking for low-paying jobs need somewhere to shop. They feel they are getting the best deal. They are the kings and queens of social media and all 13,000 of their Twitter followers will know when they are shopping at Penneys. It doesn't take much to appeal to them. Celebrity endorsements, sales and a new appearance will have them win them in the name.
Mr. Wurman will also have to work to get the management team back on board. They will all have to look at why they were once successful, who the customer is and what they want.

3. Rewards/Point System established in remaining 800 stores.

Markdowns was a huge success for JC Penny before. Marking prices low at the start will still have customers waiting for the "sale". A rewards system is meant to increase customer loyalty and satisfaction by allowing them unique opportunities. Young people love this and it will bring in the long time customer back.

The key will be offering the reward for a certain period of time. If it's not used it will be wasted. This has worked very well for stores such as Victoria's Secret,
Saks, and Gap. This will get customers back in the door quickly and increase revenue.

The extra funds that recommendation one will bring will only help to put two and three into place.
Industry Analysis

Dominant Economic Features

1. Number of Rivals

There are 4-5 department store industry rivalries. JCPenney, Macy's, Kohl's, Dillard's and Sears all cater to the same customer and social class.

2. Number of Buyers

The customer and buyer holds the key to success in the competitive market. Their are a large amount of customers and many options for them to choose from.

3. Degree of Product Differentiation

Not a lot of difference in products among industry. The industry caters to the same needs but with different brands (suppliers)

* high mark-ups and then run gimmick mark-down sales.

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<table>
<thead>
<tr>
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<th>Kohls</th>
<th>Macy's</th>
<th>Target</th>
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<tr>
<td>Annual Sales 2013</td>
<td>$13.</td>
<td>$20.</td>
<td>$27.</td>
<td>$73.</td>
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TAKEAWAY

The department store industry is large and very complex, it can be successful with the right strategic plan.
1. Competition among rivals: HIGH

Competition is very high in this industry. All competitors are selling the same products with little differentiation. The shopping/buying experience is the same at each place in this industry. If one doesn't serve the need of the buyer, there are plenty of other options. Target is killing the other rivals with its "hip" look and convenience of some stores offering grocery, pharmacy, and electronics.

2. Bargaining power of suppliers: MODERATE

This industry is supplied by mostly brands that do not have their own retailer. With that being said, suppliers do need the department stores. But this
is a moderate amount of power because they do have many companies to bargain with. They want a department store that is succeeding, offering them good advertisement and the best pricing.

2. Bargaining power of buyers: HIGH

Buyers/customers have many opportunities to fill their need of this product. They do not have to shop at one particular store. With the rivalry being high, the customer has more opportunity to borrow.

4. Threat of substitutes: MODERATE

Substitution of the product line is possible but usually not sought out for other reasons. Outlet malls would offer the product line and maybe even cheaper prices however they are less frequently located and usually outside individuals stores that are more inconvenient. High end department stores are not much of a threat to substitute for this target market. They are catering to only the upper class. Online shopping could be a threat to the industry because of so many supplier options at the customers right hand. Places such as Zappos.com and Pipeline.com offer a variety of apparel, shoes and accessories for discount prices.
5. **Barriers to Entry: HIGH**

Entering into the major department store industry could have many obstacles. With the economy being unstable there is a risk you suffer. Even if you can receive the funds to begin, starting up a relationship with suppliers would take time and money. Customer loyalty is also concerning. Many customers get a feel for “their store” and don’t want to stray.

**Take Away:**

Too challenging to enter a market with already high competition, but if already in the market you can succeed by pleasing the supplier and buyer.

**Drivers of Change**

1. **Technology**
   - Increase in technology can cause customers to seek more online shopping and hurt retail stores.

2. **Economic Conditions**
   - With a middle class target market, the condition of the economy greatly affects sales.

3. **Store Location**
   - Location is very important. Store should be located where the target market (middle class) can shop conveniently.

4. **Product Differentiation**
   - With little differentiation in the industry, a new product can put one company on top.

5. **Customer Appeal**
   - Knowing the customer & what they want
Economic conditions and customer appeal are huge drivers of change for the department store industry.

4. Strategic Group Map

Price/Sales Ratio

- JCP: 0.26
- Macy's: 0.57
- Off-Price: 0.92
Competitor/Company Analysis

Key Success Factors

1. Customer Loyalty/Customer Appeal
   - Get the loyal customers back with catering to their liking. New looks should increase curiosity.

2. Pricing Methods
   - BIG SALES. We know what the customer wants and that is how to get them back and bring in new.

3. Quality brands/Relationship with Suppliers
   - Maintain good relationships with suppliers so they are not lost to a rivalry. Quality brands will keep image high.

4. Marketing/Advertising
   - Celebrity Endorsements & social media are key to hitting the young adult market who are in the price point.

5. Store Location
   - Location needs to be convenient to target market.
   - Middle class areas, smaller college towns.

6. Business Start-up
   - This success factor is you the company as a whole. The opportunity you the increased funds is crucial to JC Penny succeeding.

TAKES MONEY

The key to success for JC Penney is to increase funds with real estate start up and increase marketing and advertising to get their target.
<table>
<thead>
<tr>
<th>Customer Loyalty/Appeal</th>
<th>Competitive Strength Index</th>
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\begin{align*}
\text{Total} & = 1.0 \\
\text{Macy's} & = 0.7 \\
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\text{JC Penney} & = 0.45 \\
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From this chart, you can see that when referring to the key success factors in the industry, JC Penney is far behind the competition. Each company has the opportunity for a 1.0; their strength score was determined by their ranking in each factor based on its importance.

**Take Away:** JC Penney is not putting enough strength into the success factors that are most important and they are getting left behind.
Swot Analysis

Strengths
- Low rental costs
- Until recent, positive history & reputation
- Positive relationship with suppliers

The low rental costs are unique and keeping JC Penney at a place where they have options. At an average rent cost at $4, they are saving a ton of money compared to other retailers paying $50-130. JC Penney is a well-known company with loyal customers and until recently a "bargaining"/"sale-savvy" location. Suppliers have continued to stay loyal to JC Penney and that relationship is very beneficial.

Weaknesses
- Company leadership
- Stock price decline
- Recent uncertainty by investors

Seeing a new CEO come in and knowing he has a big job on his hands can put the company managers in fear. Fear of the company failing and even losing an agreement.
to all get on the same page and support each other. Stock price was down 10% in early April. With the remain high uncertainty feel from investors stock is dropping. This is not only scaring the investors, board and employees but it is also seen by the customer.

**Opportunities**

- Rental Company
- "Young Adult" Appeal

The incredible opportunity for a real estate business of the top 300 store locations is incredibly appealing. With an approximate $1.3 billion a year in rental income values this business at a $10.8 billion market. A "young adult" appeal will only increase sales. JC Penney does not have to change its product but simply advertise to their eye by using celebrities and social media.
Threats:
- The Rivalries
- Target's "the get it all in one stop shop"

Rivalry is high in this market because of little product differentiation. Stores such as Target are greatly succeeding because of their "extra" offers. Some Target locations offer Ruey Kuei grocery. These are appealing to the middle class mom because everything can be done in one stop.

With the strengths and opportunities J.C. Penney has they can succeed and ever rule the threats and weaknesses.

FINANCIALS

Gross Profit Margin $31.31$
Operating Profit Margin $\frac{Rev - OpEx}{Rev}$ $11.83$
Return on Equity $(27.43)$
Debt to Equity $(31.05)$ $0.94$
Stockholders Equity $13.45$
Analysis of Strategic Environment
Best Corporate Price

Analysis of Strategic Environment
Red vs. Blue Ocean
Rate the student's performance on each of the following traits. Mark the cell containing the descriptor that most closely applies to this paper. Granted, not every situation will fit perfectly within a particular rating category and some degree of personal interpretation may be necessary. If you have comments about this paper, please add them at the end of this form.

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Dear Mr. Ullman,

I first would like to thank you for the opportunity and I truly enjoyed reviewing the documentation I received concerning the ins and outs of JC Penny and the challenges and opportunities that the company faces. The retail industry today is having to constantly change to keep up with the new trends as well as the internet retail experience where consumers can get anything they want delivered to their homes instead of the traditional shopping experience. Although there are very serious challenges that lay ahead of JC Penny there is not one that cannot be overcome. If JC Penny’s management team designs and implements the correct strategy they can gain market share and once again be a leader in the retail industry. The strategy is going to require some drastic moves but I truly believe in the end it will be a winner for both JC Penny and its shareholders.

JC Penny faces fierce competition and this has to be one of the main focuses on how to regain market share. The competitive forces that face JC Penny’s comes from every angle buyers have the opportunity to pick from several retailers that offer similar if not the exact products, since the economy is in a recession several competing companies are slashing prices and running great specials, and the internet gives the consumer a great price without even leaving their home. These forces are directly impacting JC Penny’s bottom line and the management team has to develop strategies to counter the competition.

JC Penny does have some strengths that will work to their advantage and I think the most important is it is a household name. Consumers are very familiar with JC Penny and they know what they can get and the price range from shopping at a JC Penny store. This can be a two edged sword because even though they are a household name and consumers are familiar there
brand has lost recognition over the past decade. This diminishing brand name does cause concern but can be turned around with the correct planning and implementation of a new strategy. More strengths that benefit JC Penny is due to its long existence it has secured great locations for very cheap rental rates. JC Penny pays as much as 80-90 percent less in rent rates per square foot than its competitors and this is a huge advantage.

The management team does have to overcome several weaknesses that plague JC Penny and the main concern is the rapid drop in market share and the reduction in sales revenue. The brand name of JC Penny does not have the punch it use to, it’s not the hip place for the younger generation to buy their clothes like it was in the 80’s and early 90’s. In the past mainly early 90’s and earlier consumers didn’t have the options that they do today so it was very common for families to go to JC Penny’s and great clothes, shoes, cologne, perfume, etc for a great price and experience. Beginning in the mid 90’s you had companies like Old Navy and other competitors coming into the market that were hip and it was affordable to larger consumer base then JC Penny was focusing on and they took off by storm leaving companies like JC Penny in the dust. Another major weakness that faces JC Penny is its lack of leadership, changing of the CEO within his first two years, laying off of over 21,000 employees, this is leaving a bad impression with the remaining associates and it is also leading to a reduction in sales revenue. Without leadership and the constant laying off current employees are thinking “am I next” or “is the company fixing to go under”, this gives them no incentive to work hard and giving the consumer a great shopping experience and great customer service. The lack of providing the consumers these experiences stops the consumers from shopping at JC Penny and it is a trickledown effect from there. In fact this type of performance brings with it customer complaints and bad publicity and this all negatively affects the bottom line for JC Penny.
The good news is that there are plenty of opportunities that JC Penny can take advantage of that will turn the company around. The first being the new CEO that is eager and wanting to save the company and is willing to take drastic measures to do so. Also the board is willing to take drastic measures as well to save the company. JC Penny due to its long existence can spin off its 300 top locations and bring in additional revenue via subleasing the space. This additional revenue could finance the remaining company locations remodel and makeover. Another opportunity is the addition of new hip lines of products that could carry in their stores to attract a new crown and a new image/type of consumer while at the same time offering its traditional brands and lines to satisfy its traditional client base.

The main threat facing JC Penny is time and money. Does JC Penny have the time left in the company’s coffers to survive the time it takes to revamp the company? Has JC Penny waited too long to develop a new strategy to safe itself? Are consumers going to buy in to the new JC Penny? These are all very serious questions that must be answered and truly is the biggest threat that faces JC Penny. I am not saying that the competitors are not a serious threat because they are but if JC Penny can’t survive until its remake is finalized then they are out of business, if they run out of money to finance the remodel they are out of business and I believe this is the most serious threat that faces the company.

JC Penny needs to develop a new competitive strategy that is going to save the company and I think they should do it by taking a few of the competitive strategies and molding them together. JC Penny should be a niche supplier of low cost/high quality hip products. Due to the recession and lowering wage of the middle class price will always be important. If JC Penny can develop a strategy to give a great product and a low price they can develop a niche to supply the middle class and gain market share.
After reviewing all of the information I have developed some recommendations that I feel will help JC Penny overcome the obstacles they face and become a thriving retailer once again. The first recommendation is also suggested by many analyst and finance experts. This recommendation is of course to lease out to third parties the top 300 locations that JC Penny is currently operating. The revenue generated from the lease revenue, which will be $40 - $50 net per square foot will generate enough cash to keep JC Penny a float and finance the remodel. I do think JC Penny needs to revamp its image and begin a new branding campaign; JC Penny has to have a new image to the younger consumer to drive sales for that market. I would also recommend in the remaining 800 stores third party sub lease some of the retail space to generate even more revenue. JC Penny locations are so large JC Penny could still operate its location but the sub lease to other non-competing high line retailers will bring extra revenue but at the same time bring foot traffic and consumers into JC Penny that otherwise would not be entering the store. All of this would be a positive upside for JC Penny. JC Penny also has to bring a new hip line to the forefront and the Joe Fresh line could be the answer but JC Penny is going to have to market the line properly and run several promotions. The new line could literally live or die because of the marketing campaign and it is going to be very critical to find the right avenue to take. I recommend hiring an outside high profile advertising agency to develop and create the marketing and advertising campaign for the Joe Fresh line. The Joe Fresh line is very critical to JC Penny and does not need to solely lie within the internal marketing department.

I hope these thoughts and recommendations have been found useful and I look forward to working directly with your team on implementing these new ideas and strategies and revamping the image and bringing back the sales and market share to JC Penny.
It has been an honor and a privilege to have the opportunity to work on this program and have someone of your caliber look at my ideas and recommendations.

Respectfully,
Rate the student’s performance on each of the following traits. Mark the cell containing the descriptor that most closely applies to this paper. Granted, not every situation will fit perfectly within a particular rating category and some degree of personal interpretation may be necessary. If you have comments about this paper, please add them at the end of this form.

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