

TO: Randy Smith, Vice Provost for Academic Programs
Eric Bielefeld, Chair, Council on Academic Affairs
FROM: Shari Speer, Associate Dean for Academic Affairs, Graduate School
DATE: 20 June 2019
RE: Proposal for suspension of Master in Business Logistics Engineering, Business

The Fisher College of Business is proposing to suspend its *Master in Business Logistics Engineering*.

The proposal was received by the Graduate School on October 23rd, 2019. It was reviewed by GS/CAA on October 24th, 2019. No revisions were requested, and the proposal was recommended for approval by the Graduate Council. The proposal was approved by the Graduate Council on November 4th, 2019.



**REQUEST FOR SUSPENSION OF ADMISSIONS TO, OR DISCONTINUATION OF
A GRADUATE PROGRAM**

Institutions must submit this form through their CCGS representative in order to notify the Chancellor of a change in admissions status for an approved graduate program. Please submit one form per program.

Note: Institutions that intend to suspend admissions or discontinue a graduate program that leads to educator preparation licenses or endorsements should contact Matt Exline (mexline@highered.ohio.gov) for direction on completing the Program Dormancy form.

Please check one:

Suspension of Admissions

A university may suspend admissions into a graduate degree program if 1) the institution plans to reactivate admissions into the program within five (5) years of the suspension, or 2) the program has existing students that need to complete their degrees prior to discontinuation of the program.

If, after suspension of admissions into a graduate degree program, the program is not reactivated within the specified period, the program will be declared permanently discontinued. Reinstatement of a discontinued program will require formal approval as a new graduate degree program.

Immediate Discontinuation

An institution may immediately discontinue a program if there are no students currently enrolled in the program, and there is no intent to reactivate the program in the future. Reinstatement of a discontinued program will require formal approval as a new graduate degree program.

Date of Request:

22 October 2019

Implementation Date:

July 20 or as soon after as possible

Name of institution:

Fisher College of Business & College of Engineering; The Ohio State University

Degree Designation: (e.g., MS in Biology, MBA, etc.)

MS in Business Logistics Engineering (MBLE)

Primary institutional contact for this request:

Name	Dr. Ben Tepper
Title	Associate Dean Graduate Programs Fisher College of Business
Phone number	614-688-2129
E-mail	tepper.15@osu.edu

Please respond to the following:

1. Provide a rationale for the suspension of admission or immediate discontinuation of the program.

Applications to MBLE reached a high of 224 in 2012. Since that time, applications have declined by over 50%; 102 individuals applied for the Fall 2019 cohort. We have also experienced steady decline in the number of new enrollees each year. The average new class size between 2011 and 2015 was 40; from 2016 to 2019, the incoming cohorts have averaged 21.5 students. The decline in the number of students may be attributed to several factors, but two trends are primarily responsible for what we are seeing. First, the MBLE is now competing with twice as many similar programs as there were when it was launched in 2005. Second, MBLE has depended on applications from a source – Chinese students (i.e., 91% of the 2019 cohort is Chinese) – that is itself in sharp decline now. The smaller cohort sizes have, in turn, affected the MBLE's economic viability. We estimate the program's losses at \$300,000 for the 2019/2020 academic year. Neither the College of Engineering nor the Fisher College of Business plan on continuing to offer scholarships to future enrollees, which is likely to further reduce interest in the program.

2. Indicate number of students currently enrolled in the program.

The program currently has 42 students who make up two cohorts. Twenty (20) students will complete the program in December 2019. Twenty-two (22) students began the program in August 2019, and will graduate in December 2020.

3. Describe how the suspension of admissions and any plan for discontinuation of program will affect the program and the students currently in the program. Explain plans for notifying current students and assisting them in the completion of their degrees, when applicable.

After the request to suspend admissions to MBLE is granted, The Fisher College and the College of Engineering will remain committed to fully serving the needs of the students who are still making their way through the program. That includes those who were admitted in Fall 2018 and those who were admitted in Fall 2019. The Colleges are also committed to serving the occasional stragglers who do not complete the program requirements in the planned 15 months. All these students will have access to the same level of academic and career advising support that has been afforded MBLEs going back to 2005. The Colleges will also continue to maintain the engagement of the program's hundreds of alumni. The Colleges have worked with their respective communications & marketing teams to develop plans for communicating with current students, faculty and staff who will be affected by a suspension, alumni, and corporate partners.

4. Will there be a loss of faculty or staff positions? If so, indicate when the faculty or staff members were or will be informed.

The MBLE program consists of engineering and business courses that serve multiple programs and that will continue to be taught after suspension of the MBLE. These courses may now run with slightly fewer numbers, but they will continue to be offered. In addition, removing the MBLE from the graduate program portfolio will allow the two colleges to deploy relevant staff and financial resources to more productive ends. We anticipate no loss of faculty or staff positions.

5. Describe the plan for communicating the suspension of admissions or discontinuation.

As noted above, communication with affected stakeholders has been prepared. See the supplemental material that has been prepared.

The person listed below verifies that this request has received the necessary institutional approvals and that the above information is truthful and accurate.

Signature (Chief Academic Officer or Delegate – e.g., Graduate Dean)

Typed Name & Title

Date of Approval

The College of Engineering and the Fisher College of Business hereby request approval to suspend admissions to the Masters of Business Logistics Engineering (MBLE) program, effective Fall 2020 (or as soon thereafter as possible). Per the language from OAA's Academic Organization, Curriculum, and Assessment Handbook, Section III, herein we spell out the explanation for the request and the impact of a suspension on relevant units within the University.

Background

The MBLE has matriculated a total of 370 students since its launch in 2005. Alums have taken positions in over 100 companies including Apple, Amazon, and Tesla. The employment rate of MBLE graduates is typically at or near 100%.

The MBLE is a three-semester program that begins in September and concludes in December of the next academic year. The curriculum consists of 41 credit hours that are offered by the Colleges of Engineering and Business.

Semester 1

BUSML 7380: Strategic Logistics Management (1.5)
BUSMHR 7261: Organizational Behavior (1.5)
ISE 5200: Linear Optimization (3.0)
BUSML 5381: Transportation Management (3.0)
ACCMIS 5000: Accounting and Cost Analysis (3.0)

Semester 2

BUSML 7386: Logistics Tech & Application (1.5)
BUSML 7381: Logistics Decision Making (1.5)
ISE 7250: Operations Research Models and Methods (3.0)
ISE 5430: Warehouse and Facility Design (3.0)
ISE 6300: Simulation for Systems Analytics & Decision Making (3.0)
ISE 7882: Engineering Seminar (2.0; may be taken in Semester 3)

Semester 3

BUSML 7383: Supply Chain Management (1.5)
BUSML 7382: Logistics Analysis (1.5)
ISE 5815: Integrated Lean Sigma Fundamentals (3.0)
BUSML 7388: Field Problems in Logistics (3.0)
BUSMHR 7261: Leadership (1.5)

4.5 hours of elective work may be taken in any of the three semesters; students may not enroll for more than 18 hours in any one semester

Tuition for non-residents is approximately \$70,000 for three semesters; for residents, the tuition is around \$42,000. In recent years, all students have qualified for and received a scholarship in the amount of \$10,000.

The demographic profile of recent classes is 65% women, 91% international, with an average age of 25 and average work experience of 1 year.

Application and Enrollment Trends

The table below shows application and enrollment numbers going back to 2009. The table shows that, from 2009 to 2012, applications more than doubled from 90 to 224. Since 2012, applications have fallen by over 50%. Between 2011 and 2015 the number of enrollees reached a high of 40 and never fell below 33. Between 2016 and 2019, the incoming MBLE class has averaged 21.5 new students.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Applied	90	118	159	224	208	202	157	164	118	124	102
Admitted	29	37	58	49	46	45	37	32	37	47	51
Enrolled	23	29	40	37	34	39	33	20	26	18	22

The primary reasons why applications to MBLE have dropped in recent years are:

1. Increased competition: When the program was launched, there were 40 comparable programs in the U.S. There are now 80 such programs, and that collection includes offerings from MIT, Georgia Tech, Penn State, Case Western, Michigan, and Washington University, to name a few.
2. Tightening of U.S. visa rules for overseas students: The MBLE has been attractive to Chinese students (i.e., students from China constituted 91% of the most recently accepted class), many of whom would like to remain in the U.S. after graduation. What we have observed with the MBLE is consistent with a general trend across U.S. business programs; applications from Chinese students are declining.

Add to it, the Fisher College and the College of Engineering have decided to end the scholarship program that has been offered to the last three cohorts of MBLE students. Absent the ability to offer these scholarships, we anticipate that admissions to the MBLE will drop even further.

Financial Impact of Continuing to Admit Students

The table below shows estimates of the revenue, direct costs, and indirect costs associated with the most recently admitted class. As these estimates show, the estimated loss comes to over \$300,000 in 2019. Assigning overhead can be difficult and, for that reason, it is worth pointing out that the program's net is negative even when the analysis does not account for indirect costs. This tells us that the program is not now economically viable and, with the expected continuing downward trend in applications and enrollments (see above), it is difficult to be sanguine about the near future.

Revenue (tuition, fees)	\$517,396
Direct Costs (instruction, scholarships)	\$696,040
Indirect Costs (?)	\$123,534
Net	(\$302,179)

Impact of Suspending MBLE on the University

We have carefully reviewed how a suspension of MBLE would impact the units that are primarily responsible for offering the program's coursework. The following Table breaks down the core offerings of both the Fisher College and of the College of Engineering.

Unit	Courses in MBLE Core	Core Credit Hours
Fisher COB	10	19.5
COE	6	17

The Fisher College offers ten core courses or 19.5 credit hours of the MBLE core. All these courses are electives or core requirements of other Masters Programs. Consequently, they will be offered even after MBLE suspends admissions. The same is true of the courses offered by the College of Engineering. When the MBLE was first created, the curriculum drew from six engineering courses that were part of an existing program: the Masters of Integrated Systems Engineering. These courses will continue to be offered and the loss of MBLE will simply mean that the number of students in some sections will be lower than would be otherwise. Finally, the MBLE students choose electives from offerings that are available to students from other Masters programs. With the suspension of MBLE, these courses will continue to be offered, albeit with fewer students. In addition, removing the MBLE from the graduate program portfolio will allow the two colleges to deploy relevant staff and financial resources to more productive end

Two academic units, Marketing and Logistics (M&L) and Integrated Systems Engineering (ISE) have been the key players in the operation and delivery of the MBLE. The Chairs of those departments offered input on the decision to suspend MBLE. Appendix I to this

document contains an email message from Dr. Joe Goodman, Chair of M&L, to Ben Tepper, the Fisher College's Associate Dean for Graduate Programs; Appendix II contains an email from Dr. Farhang Pourboghra, Chair of ISE.

The matter was also brought before the Fisher College's Executive Committee. After discussion, the committee voted unanimously to request that admissions to MBLE be suspended. Appendix III shows the relevant portion of the minutes from that meeting.

Commitment to Current MBLE Students and Program Alumnae

Assuming that the request to suspend the MBLE is granted, both Colleges are committed to fully serving the needs of the students who have already been admitted and who are making their way through the program. That includes the small number of students who sometimes do not complete the program in three semesters. The courses that these students need will be offered and they will have access to the same level of support (in terms of academic and career advising) that we have provided every previous MBLE cohort. In addition, the Colleges will remain committed to the hundreds of global MBLE alumni and intend to keep them engaged moving forward. Appendix IV contains communication to current MBLE students that illustrates how the Colleges will work with its stakeholders.

Appendix I

Email from Dr. Joe Goodman, Associate Professor and Chair of the Department of
Marketing and Logistics

Ben,

I am writing in support of the suspension of the MBLE program. I have spoken with faculty within the Marketing and Logistics department, including those that teach in the program. While it is a special program to many of them, they all agreed that it is no longer financially viable in its current state and that it is not attracting the number and quality of students needed to create viable and diverse program. Thus, they agree we need to suspend the program.

Sincerely,

Joe

Joseph K. Goodman | Associate Professor of Marketing

Chair, Dept of Marketing & Logistics

The Ohio State University | Fisher College of Business

500C Fisher Hall, 2100 Neil Ave. | Columbus, OH 43210

www.josephkgoodman.com | goodman.425@osu.edu

Appendix II

Email from Dr. Farhang Pourboghraat, Professor and Chair of the Department of Integrated Systems Engineering

Hi Ben,

I also support the suspension of the MBLE program. I have shared the news about the suspension of the MBLE program with both Prof. Marc Posner and the ISE Graduate Coordinator, Amy Shaw. Marc was one of the two original developers of the MBLE program, therefore, he felt bad that the program had to be terminated due to financial reasons. However, both Marc and Amy agree that the program could not be sustained in its current format.

Best,

Farhang

Farhang Pourboghraat, Professor and Chair, Department of Integrated Systems Engineering

Professor, Department of Mechanical and Aerospace Engineering

The Ohio State University

210 Baker Systems, 1971 Neil Avenue

Columbus, OH 43210

Tel: [\(614\) 292-3124](tel:(614)292-3124)

E-mail: pourboghraat.2@osu.edu

Appendix III

Pertinent Text from the October 8 Fisher Executive Committee Meeting Minutes

MBLE Discussion & Update

Due to challenges in demand, the college recently initiated a review of the MBLE Program. Representatives provided the committee with enrollment reports of the MBLE Program since inception. After careful deliberation and study of alternatives, it was recommended that the program be suspended. A vote was taken and the recommendation was unanimously approved. Fisher leadership will work in partnership with the Office of Academic Affairs at the university to ensure the correct process is followed in its entirety. All communication to current MBLE students and alumni is being provided. More discussion on this matter, and graduate education broadly, will occur in the subsequent faculty and staff meeting.

Appendix IV
Communication (concerning request to suspend admissions to MBLE) to
Current Students

Dear MBLE Students,

In response to changes in demand, educational technology and scholarship support, Fisher College of Business and the College of Engineering have petitioned the Ohio Department of Higher Education to suspend student admissions to the Master of Business Logistics Engineering (MBLE) program.

Please note that as students already enrolled in the program, this will not affect you. The cohort that joined the MBLE program in Fall 2018 will graduate in a few months, and the students who joined in Fall 2019 will graduate as originally scheduled in December 2020. Your cohorts will receive the same level of support that we have provided every previous MBLE cohort. Likewise, we remain committed to our hundreds of global alumni, and intend to keep them engaged moving forward.

The MBLE program was built on — and continues — Ohio State’s strong reputation as a recognized destination for supply chain leaders. Skills learned, experiences gained and networks established as part of this program are lasting and will always be respected and valued within the marketplace.

If you have any questions about this decision, we encourage you to reach out to us.

Sincerely,

[Anil Makhija](#)

Dean and John W. Berry, Sr. Chair in Business

[Steve DeNunzio](#)

Director, MBLE

[Walter Zinn](#)

Professor, Marketing and Logistics

[Ben Tepper](#)

Associate Dean for Graduate Students and Programs



October 21, 2019

Dr. Bennet Givens
University Senate Secretary
115 Independence Hall
1923 Neil Avenue
Columbus, OH 43210

Dear Ben,

I am writing in support of the suspension of the MBL program. I have spoken with faculty within the College of Engineering including those that teach in the program. We all agree that this particular program is no longer financially viable in its current state and does not support the strategic vision for the College of Engineering. Please accept this message as my support for suspension of the program.

Sincerely,

David B. Williams, Ph.D., Sc.D.
Monte Ahuja Endowed Dean's Chair
Dean of the College of Engineering



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TO: Shari Speer, Associate Dean for Academic Affairs

FROM: Anil Makhija, Dean of the Fisher College of Business *Anil K. Makhija*

DATE: 23 October 2019

RE: Suspension of Admissions to the Masters of Business Logistics Engineering

I have had several heartfelt conversations about the future of the Masters of Business Logistics Engineering (MBLE) with the Dean of the College of Engineering, David Williams. Our thinking about what to do next has been informed by our own careful study of application, enrollment, and financial information.

Based on my analysis of recent trends and best estimates of what the immediate future portends, I believe that it would be prudent to suspend admissions to the MBLE. In arriving at that decision, I also took into consideration the impact a suspension would have on our respective Colleges. I believe that suspending the MBLE will remove a financial burden on the Fisher College while freeing up faculty and staff resources for more profitable pursuits.