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Chair of the Assembly of the Academic Senate
Faculty Representative to the Regents
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

August 30, 2018

MICHAEL T. BROWN
PROVOST AND EXECUTIVE VICE PRESIDENT
UNIVERSITY OF CALIFORNIA

Re: Approval of Master of Innovation and Entrepreneurship (MIE) at UC Irvine

Dear Michael:

In accordance with the *Universitywide Review Processes for Academic Programs, Units, and Research Units* (the “Compendium”), and on the recommendation of CCGA, the Academic Council has approved UC Irvine’s proposal to establish a self-supporting graduate program leading to a Master of Innovation and Entrepreneurship (MIE) degree.

Because this is a new degree title, and the Assembly of the Academic Senate is not meeting within 30 days of CCGA’s approval, Council must approve the program per Senate Bylaw 125.B.7.

I am enclosing CCGA’s report on its review of the new program, and respectfully request that your office complete the process of obtaining the President’s approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Shane N. White".

Shane N. White, Chair
Academic Council

Encl

Cc: Academic Council
Senate Director Baxter
Senate Executive Directors



COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)

Karen Duderstadt, Chair
karen.duderstadt@ucsf.edu

ACADEMIC SENATE

University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

August 22, 2018

ACADEMIC SENATE CHAIR SHANE WHITE

Dear Shane,

At its July 19th videoconference meeting, the Coordinating Committee on Graduate Affairs (CCGA) voted unanimously to approve UC Irvine's proposal for a self-supporting Master of Innovation and Entrepreneurship program. This program will be administered by the Paul Merage School of Business. The program will provide students with knowledge and experience on core topics on the process of innovation and entrepreneurship, i.e., identifying new venture opportunities through lean startup methodology, developing a business model, preparing a business plan, assembling a team, raising the necessary financing including venture capital, and launching a new business.

Courses would be tailored to teach core business functions such as leadership, marketing, finance, accounting, business law, and innovation in a digital age. Students will have the opportunity for experiential learning in an entrepreneurial company. The minimum credits required for the degree will be 36 units (28 units in the core and 8 units of electives) with a capstone project. The program anticipates an enrollment of 35 students in the first year with 60 students by the third year. The tuition for the one-year graduate program is set at \$50k with 25% return to aid in the first year and then 17% in subsequent years.

Three qualified faculty reviewers were solicited by the CCGA lead reviewer for the proposal—one internal (UC) reviewer and two external (non-UC) reviewers from University of Texas at Austin and Boston University. The proposal's three reviewers agreed that the program is well-designed, draws on the expertise and reputation of a renowned faculty, covers important academic areas in a rigorous way, and makes effective use of existing resources. The proposed three new FTEs are seen as an important addition to the support needed for the program.

Some concerns were raised by the reviewers, the most explicit being questions about the program's usefulness. The reviewer is concerned that the program will not help many students to attract venture capital, arguing that few entrepreneurial ventures, usually graduates from a select few universities, ever attract meaningful venture capital investment. The reviewer recommends advertising the program accordingly. In fact, all the reviewers recommended broadening the scope and adding flexibility to the program. These concerns were conveyed to the proposers.

UCPB reviewed the proposal and raised questions regarding the projected profit for the program which anticipates generating a surplus revenue of \$70k in year one and predicts generating a surplus of more than \$1 million annually by year three. With the planned reduction in return to aide, UCPB noted there was no analysis in the proposal regarding the use of the predicted \$1 million surplus which represents a profit margin of > 30% against \$2.6 million in projected expenses. UCPB is somewhat uncomfortable

about using SSGPDPs to generate this level of profit, though the committee is also uncertain about what constitutes a reasonable level of profit above program costs. UCPB requests and CCGA concurs that future SSGPDP proposals do more to document the expected use of revenues in the context of the goal of the SSGPDPs to “enhance the quality, accessibility, and affordability of core academic programs and departments.”

The response from the proposers was robust and detailed, and addressed not only the reviewers concerns but the strategic planning to prepare students for the pre-venture capital funding process through the UCI Applied Innovation endeavor, course work, and required internships with companies and businesses in California. CCGA recommends approval of the proposal. I submit the Lead Reviewer’s report, and I have enclosed the proposer’s response.

As you know, CCGA’s approval is the last stop of the Academic Senate side of the Systemwide review and approval process except when the new degree title must be approved by the President, under delegated authority from The Board of Regents. Please do not hesitate to contact me if you have further questions regarding the proposal.

Respectfully submitted,



Karen G. Duderstadt PhD, RN, CPNP, PCNS, FAAN
Chair CCGA 2017-2018

cc: Robert May, Academic Council Vice Chair
CCGA Members
Hilary Baxter, Academic Senate Executive Director
Jocelyn Banaria, Academic Senate Assistant Director
Michael LaBriola, Academic Senate Analyst
Chris Procello, Academic Planning and Research Analyst
Frances Leslie, UCI Vice Provost and Dean for Graduate Education
Natalie Schoenfeld, UCI Academic Senate Executive Director
Thao Nguyen, UCI Academic Senate Analyst

Enclosures (1)



COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)
Karen Duderstadt, Chair

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Professor Imran Currim
Director, Beall Center for Innovation and Entrepreneurship
Paul Merage School of Business

See the CCGA summary of the proponent's reply at the end of this document.

Dear Professor Cumrin

The proposed UC Irvine Proposal for a Master's in Innovation and Entrepreneurship has now been reviewed by CCGA and the three reviewers. The reports are enclosed. CCGA is requesting your response to the important criticisms raised in the reports and the suggestions of the reviewers prior to final decision on approval of the proposal.

Two UC-internal and two external reports were solicited; two external and one internal were received. All reviewers are eminently qualified. Reviewer 1 is the Chair of the Department of Management at the McCombs School of Business at UT Austin and directs several science commercialization and entrepreneurship programs there. Reviewer 2 was responsible for designing a new innovation and entrepreneurship curriculum at Boston University. Reviewer 3 is a full professor at a UC school of business or management and was promised anonymity. The reports include strong praise but also suggestions for improvement, as well as criticism that was voiced mostly by reviewer 3.

The reviewers agree that the program is well-designed, draws on the expertise and reputation of a renowned faculty, covers important academic areas in a rigorous way, and makes effective use of existing resources, such as the Paul Merage School of Business at UC Irvine. The proposed three new hires are seen as providing a good amount of support to run the program. The proposed budget is seen as sound. The reviewers foresee demand for the course, potentially even exceeding expectations.

In particular, reviewers 1 and 2 agree that the program is well thought out. It is unique to the UC system (reviewer 2) and well-balanced (reviewer 1). Reviewer 1 commends the qualities of the program in detail, noting the "deep bench" of the "top-notch" faculty and the good criteria for selecting students. Referee 2 sees excellent placement prospects for students and applauds the significant amount of support not only from faculty within the Paul Merage School of Business, but also from campus-entities such as the UC Irvine Medical Center, the School of Physical Sciences, the Francisco J. Ayala School of Biological Sciences, and the Henry Samueli School of Engineering. Referee 2 notes that the program allows students to develop their ideas in advance of student participation in the New Venture Competition.

The most explicit criticism was raised by reviewer 3, who questions the program's usefulness, asking whether "employers will be eager to recruit students from a one-year graduate program." The reviewer is concerned that the program will not help many students to attract venture capital, arguing that few entre-

preneurial ventures attract meaningful venture capital investment, except for perhaps graduates from a select few universities. The reviewer recommends advertising the program accordingly.

While this criticism is openly worded, it can be read as a suggestion for broadening the program, a suggestion shared by all three reviewers. In particular, reviewer 3 recommends training students to be entrepreneurial managers at early stage companies instead of building a program around the idea of attracting venture capital. Reviewers 1 and 2 also give suggestions for broadening the scope and adding flexibility to the program: Reviewer 1 suggests to precede the Venture Capital course with a Managerial Finance course. Referee 2 suggests replacing the many required courses curriculum with more offerings of electives and suggests to specifically target intrapreneurship or corporate entrepreneurship, as well as entrepreneurship in the life sciences.

Reviewer 2 offers some organizational suggestions, such as to give advanced undergraduates a head start to seed interest from Irvine students in the sciences and to hire a full-time “relationship manager” overseeing partnerships with outside companies to secure opportunities for experiential learning.

Seen as a whole, the three reports suggest a broadening of the scope of the program, but are (in the words of reviewer 3) “impressed” with the course offerings in entrepreneurship and a program that integrates across an array of supporting institutions, experiential learning components, and electives that satisfy students.

In addition, the CCGA members were concerned that a program involving just 3 quarters/ 28 units was short for a Master’s degree. Also, there was a concern that the program was perhaps too focused on extracting profit, e.g., by offering only a small number of electives might be a consequence. The program should incorporate more choices of electives (in the student’s best interest). The proposal should detail the educational process and the academic rigor from a point of view of educational value to the students.

Yours Sincerely



On behalf of CCGA:

Holger Mueller
Associate Professor of Physics
Berkeley, CA 94720 USA
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CCGA summary of the proponent's reply to the above comments:

Concerns expressed by the reviewers whether there will be demand for a one-year graduate program are met by letters of support from a variety of companies indicating such interest, as well as having top executives of the companies at the Paul Merage School of Business. Moreover, the School points to its experience with similar programs, which have all exceeded their enrollment projections. The reply includes placement statistics for some of these programs. Existing career planning programs will assist students and monitor opportunities and students' needs.

Another concern was that the program may not help many students to attract venture capital. The proponents agree and will advertise the program accordingly. The program will discuss other sources of funding such as rounds with friends and family, a seed round, angel investors, and small business loans and grants. Regarding venture capital, they are in the process of discussing and developing two trips to venture capital centers in California. The proponents describe in detail how students will be given the opportunity to observe the funding process at the UCI Applied Innovation (Cove) Fund, and are in early stage discussions with Ken Beall of the Beall Center for Innovation and Entrepreneurship to develop an investment fund for MIE students.

One recommendation of CCGA was to broaden the program to reduce the emphasis on venture capital. The proponents point out that all courses will focus primarily on training students to be entrepreneurial managers at early stage companies (not attracting venture capital), e.g., on staffing and managing teams, creating new and redefining existing markets through design of new products, on the time value of money, capital budgeting, and cash flow creation, on financial statements and transaction analysis, on formation and structure, governance and employment, contracts, intellectual property, and taxation. Students will also have the opportunity for experiential learning at an early stage company.

For adding flexibility to the program, the proponents highlight their 5-week, 2-unit course on Managerial Finance for Entrepreneurs and another 5-week, 2-unit course on Financial Accounting for Entrepreneurs. They will attempt to schedule them before the Venture Capital course. On the other hand, they point out that they cannot simply replace any required courses in the curriculum with more electives, arguing that the program has been designed by a faculty committee and voted on by the ladder faculty. What they can do instead is to open up the elective offering by allowing MIE students to take a subset of the very large number of electives offered by other programs at the UCI Paul Merage School of Business and at the Beall Center for Innovation and Entrepreneurship.

CCGA reviewers also made some organizational suggestions, including to hire someone to manage external relations. The proponents agree and have, in fact, already hired a Director of External Relations to develop partnerships with companies, many of which are specifically mentioned and the envisioned collaborations are detailed. Regarding seeding interest with current undergraduate thinking, they detail how this is currently achieved by a New Venture Competition run by the Beall Center of Innovation and Entrepreneurship.

In addition, the CCGA members were concerned that the curriculum plan as presented in the proposal had a maximum 28 units for the one year graduate program, and that the program was perhaps too focused on extracting profit, e.g., by offering only a small number of electives might be a consequence. The proponents respond that the program curriculum is 36 units (not 28) and in addition involves 7 workshops and other programs, which brings the total effective units

to around 44. The proponents assert that the "entire curriculum was designed without a single consideration or mention of profit." They support that assertion with the interest of the faculty, balancing depth and breadth in the program, and that it should not be difficult to increase the number of electives MIE students can choose from in order to complete their two electives. They elaborate on the educational value to the students in starting a business and the academic rigor. Finally, regarding the entire educational focus, they are working on the co-curricular aspects of the program which will be addressed in smaller chunks by entrepreneurs, executives and other constituents.