

Report to the  
Faculty, Administration, Trustees, Students

of

**American University in Bulgaria  
Blagoevgrad, Bulgaria**

by

An evaluator representing the  
Commission on Institutions of Higher Education  
of the  
New England Association of Schools and Colleges

Prepared after study of the institution's  
implementation report and a visit to review the  
joint Executive Master's in Finance, Banking & Real Estate  
offered through a contractual arrangement with SDA Bocconi School of Management

July 19-20, 2018

Submitted by:

Aaron J. Nurick, Ph.D.  
Professor of Management and Psychology  
Bentley University  
Waltham, MA

---

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

The following observations are based on the evaluator's thorough review of the substantive change proposal submitted by the American University in Bulgaria (AUBG) and approved by the Commission in April 2018 for an Executive Master's degree program in Finance, Banking and Real Estate (EMFBRE), the Program Update dated June 2018, and on-site meetings, class observation, and discussions in Sofia with AUBG's top administrators, faculty, staff, and students.

The EMFBRE program is a collaborative effort between the American University in Bulgaria and SDA Bocconi School of Management in Milan, Italy. It is the second master's level executive program offered by AUBG, along with its Executive Master of Business Administration (EMBA) begun in 2004. Both degree programs culminate in an AUBG diploma.

The EMFBRE substantive change proposal was presented in the context of the CIHE-NEASC standards for accreditation, including full documentation of each major area of focus. This evaluation occurred during the program's first academic year that began in October 2017 and will conclude in December 2018. The Program Update was focused on two main areas of emphasis as specified by the Commission in its letter dated December 6, 2017: 1) meeting enrollment goals; and 2) program-wide evaluation of the quality of instruction and assessment of student achievement.

### **Main observations**

The EMFBRE program draws on two pillars of strength: AUBG's long-standing EMBA program now in its 16<sup>th</sup> cohort which served as the program's model, and the University's contractual partnership with SDA Bocconi, recognized for its international academic reputation and faculty expertise in the content areas of finance, banking and real estate. According to the proposal, AUBG and SDA Bocconi nominate co-directors to oversee admissions, review and evaluation of the program, and all administrative policies and procedures. Currently, the AUBG Provost serves as Program and Academic Director along with an Academic Director and a Program Director from SDA Bocconi. There is also a Project Manager from Bocconi and a Program Manager from AUBG to handle the operational issues. The co-directorship of the program represents effective collaboration in the joint enterprise.

The Eileff Center provides an ideal facility for the program with ample classroom, faculty, administrative, and meeting space for students. The IT infrastructure provides high quality and safe support for faculty and students in the program.

AUBG's EMFBRE program attracts higher level and more experienced students, many from the so called "C-suite" management population (i.e., "chief" officers of business organizations such as Chief Financial Officer or Chief Operating Officer), and therefore provides a different market for students. Because of this market niche, the new program does not compete or in any way detract from AUBG's existing EMBA, and in many ways complements its MBA program.

The sixteen-module academic program provides both breadth and depth of learning in the major content areas and the topics are presented in a logical sequence. The syllabi presented in the proposal each specify clear learning objectives and appropriate documentation of assignments.

The faculty curriculum vitae and biographies presented in the proposal indicate relevant academic teaching and research expertise combined with wide professional experience appropriate to an executive population.

The areas of focus, evaluation, assurance of learning and enrollment goals were thoroughly addressed by the institution in its update report. Faculty evaluation is accomplished by multiple mechanisms, including a well-documented review process for the visiting Bocconi faculty based on administrative, faculty peer, and student review. Given that Bocconi faculty teach 11 of the 16 modules, not only does SDA Bocconi maintain very high standards for performance and grading, but its faculty are subject to a very rigorous review of their international teaching activities. AUBG faculty are also subject to a stringent review process according to the update report and confirmed by the Provost. Each AUBG faculty member teaching in the program receives peer assessments by a Faculty Evaluation Team that considers teaching, scholarship and service. The evaluation team considers self-assessments, syllabi, student evaluations, graded work samples, publications, and other data.

AUBG has a plan in place to evaluate visiting faculty in a manner similar to that practiced in the EMBA program, so that the evaluations are coordinated by the two institutions, both of which take faculty evaluation very seriously. Currently, the visiting Bocconi faculty are evaluated by a Departmental Evaluation Team similar to the process described for AUBG faculty. Since this procedure has the potential of overburdening faculty in the relevant business departments, there are plans to streamline the process of evaluating visiting instructors by creating an evaluation team of a department member, the Dean of Faculty, and the Director of the EMFBRE program to evaluate visiting faculty. Although both AUBG and SDA Bocconi have rigorous processes in place for faculty evaluation, the plan described in the proposal to better coordinate these efforts for the EMFBRE program by including outcomes of Bocconi faculty evaluations managed by its International Programs Director is still an important and laudable goal. The process will help to insure consistency and quality of instruction as more AUBG faculty participate in the program in accordance with the terms of the contractual agreement.

Student achievement and learning outcomes are also measured by AUBG through multiple methods, including performance on assignments, tracking grade trends, and by more indirect methods such as mid-year and planned exit surveys. Based on a small-scale survey in April, 2018 with data received from 8 faculty instructors and 8 students, it was noted that faculty discovered that the two-way communication and thoughtful student questions in the classes inform their research. Professors gain knowledge about current concerns in the field and a better understanding of the local context, thus connecting the classroom experience with their future scholarship by raising new research questions.

Particularly noteworthy from an outcome assessment perspective is the required thesis as a culminating learning experience. These individual or small-team projects are supervised by AUBG faculty, and are thoroughly assessed according to rubrics that focus on practical application of learning and innovative approaches to business problems, and they are assessed in the context of developing the region in the relevant content areas. The written component of the

thesis project emphasizes depth of analysis in concise written form appropriate to the executive student population.

EMFBRE students reported a high level of satisfaction with the program, noting especially the expertise and “real world” focus of the faculty. Many faculty are also consultants and they bring this current perspective to their classroom. Students appreciate the opportunity to directly participate in open discussions about real cases from the faculty members’ experiences. They are impressed by the thoughtful design of the curriculum and--despite a few concerns about the high demands--the challenging application assignments that focus on their roles as executives.

The EMFBRE faculty likewise enjoy working with this more experienced executive cohort. They are challenged to stay up to date in their content areas, develop engaging assignments, and learn from the give and take in the classroom. Such open and spirited discussion was clearly evident during the class visit.

From an enrollment and financial perspective, the first year of the EMFBRE program was deemed a success by all relevant constituencies. The 20 students in this first cohort represent a diversity of business experience, and the enrollment exceeds the breakeven number of 18. According to AUBG’s proposal report, the program is financially sustainable with a \$30,000 surplus. The anticipated breakeven enrollment number for the second year has been lowered to 16 with a budgeted surplus of \$100,000. It is noteworthy that AUBG makes sure that students are able to complete the program even when enrollments fall below the targeted breakeven level, as has been the practice in the EMBA program. Although it is common for students to wait until close to the deadline to enroll, all indicators point to a successful recruiting effort for the second year.

AUBG has a very sophisticated recruiting program that includes local and international presence in conferences, fairs, as well as digital and other business media. There is a sufficient budget for these recruiting efforts that has helped the program get off to a strong start. The Bocconi international reputation combined with the American signature influences at AUBG are particular recruiting strengths, along with strong word of mouth dissemination, so important in this region.

Maintaining and enlarging enrollment to desired levels is the key challenge to the new EMFBRE program. Although there is no immediate or direct competition in this particular market, there are other schools such as Sheffield and Edinburgh from the UK that have established MBA programs in the area, and there are opportunities for similar programs to follow. Although the second year looks promising, only time will tell how deep and sustainable the market niche in finance, banking and real estate is for the longer term.

As the EMFBRE program represents a longer-term strategy of expanding AUBG’s offerings at the master’s level, including possible areas of IT, big data, or analytics, it will become increasingly important to establish an appropriate administrative support structure to manage multiple programs to maintain the high quality already established, including this new executive program in Finance, Banking and Real Estate.

## **Summary of Strengths and Concerns:**

### Strengths

- The EMFBRE program builds on the successful foundation of the EMBA program that has been in operation since 2004. Many of the structures and operations such as recruiting and faculty evaluation have been in place for a long time.
- The partnership with SDA Bocconi provides faculty expertise and benefits from Bocconi's international reputation.
- The curriculum is thoughtfully designed, and clear and consistent syllabi are available.
- The thesis provides a thorough culminating project for the students and challenges them to write and present in a manner most effective for executives.
- There is a high level of faculty and student satisfaction with the EMFBRE as it moves through its first year.
- The physical facilities, IT infrastructure, and library resources facilitate a positive learning environment.
- The EMFBRE program is financially successful in its first year. Recruiting is on track for a lower breakeven enrollment number with an anticipated greater surplus in the second year.
- Because the program attracts students from high level executive positions, it does not compete with the EMBA program.

### Concerns

- Although enrollments are strong and there is no immediate competition in the local market, questions remain as to the depth of the market niche for the program in the longer term.
- It will be important to develop appropriate administrative structures currently under consideration to collaboratively manage the faculty and operations of anticipated multiple master's degree programs.