A New Hope: the Executive Assessment for PMBA

Marjorie DeGraca, Executive Director, Admissions
UC Berkeley, Haas School of Business

Dylan Stafford, Assistant Dean
UCLA, Anderson School of Management

Manish Dharia, Director, Product Development
Graduate Management Admission Council

Agenda

• The Executive Assessment - Manish
• The EA Experience at UC Berkeley EMBA - Marjorie
• The EA for Part-Time Programs – Key Considerations – Dylan
• Breakouts: Is the EA right for our program? Pros and Cons – All
• Plenary/Q&A - All
The Executive Assessment

Manish Dharia, Director, Product Development
Graduate Management Admission Council

Agenda

• Why GMAC Developed the Executive Assessment
• Design and Results
• School and Candidate Reception
• State of the PT MBA Market
EMBA Faces Highly Competitive Market Environment

More Schools Offering Executive MBA Programs

EMBA is a critical source of revenue for Business Schools

Growth of Substitutes: Exec Ed Hybrid Specializations Certifications/Credentialing

Flat Demand for EMBA

More EMBA students are self or partially funded

Intense Competition for Candidates

GMAC Research Highlights School and Candidate Needs

School Feedback:

- Reduce Barrier
  - Avoid impacting demand while reducing anxiety

- Readiness
  - Ensure candidates are ready for the classroom

- Quality
  - Test has to be highly valid and reliable

- Relevance
  - Designed specifically for EMBA classroom

Candidate Feedback:

- Convenience
  - Need shorter test and reduced prep time

- Flexibility
  - Test should be easy to schedule and reschedule

- Difficulty
  - Content should be appropriate difficulty

- Relevance
  - Content should be work and classroom relevant

"The Executive Assessment should be designed to feel less like a hurdle and more as an opportunity to confirm READINESS"
Section Adaptive Design Addresses School and Candidate Needs

EA Results are Highly Correlated to EMBA Classroom Performance

“The quality of the class continues to get better year after year. They are intellectually curious, bright, and I continue to love teaching these talented students. I see no evidence of a different admissions standard.”

- Nelson Fraiman, Faculty, Columbia 2017

*EA analysis is based on a composite dataset representing five EA using EMBA programs (n=257)
**GMAT analysis is based on a composite dataset representing 25 studies (n=2,725)
EA Today: 40 Schools Representing 58 EMBA, 6 PTMBA, 7 Ex MS, & 2 Online MBA Programs

EA launched in March 2016 with 6 pilot schools. Wider expansion began in March 2017 following release of positive validity study results.

EA Option Factors Into Program Selection Decision for Over 75% of EA Testers

Q: The option to take the Executive Assessment was a factor in deciding where to apply

N=213 – Candidate survey went to 2018 EA Test Takers
EA Accelerates Candidates Through the Application Process...

Reduced prep time key to accelerating application timeline

...and, over 80% would have delayed their application if the EA option didn’t exist

How Do Candidates Prepare for EA?

Over one-third of Candidates spent less than 20 hours preparing for the EA

EA Official Prep is delivered online and available via gmac.com/ea:

- 300 practice questions across all section types with answer explanations
- 50 additional IR questions with answer explanations
- Two timed assessments that simulate the real EA including the delivery of Total and Section Results

Nearly 90% of respondents used EA Official Prep Materials

N=213 – Candidate survey went to 2018 EA Test Takers
Early Outcomes at EA Accepting Schools

- Higher application volumes
- Higher conversion rate from test to application
- Higher class yield rates
- Fewer last minute declines or deferrals
- Easier candidate conversion from waiver expectation to EA

Overall, application data suggests demand for US part-time MBA programs is waning

It’s been nearly a decade since the majority of US part-time MBA programs reported year-on-year application volume increases.

Berkeley-Haas EMBA and Executive Assessment

Marjorie DeGraca, Executive Director, Admissions
UC Berkeley, Haas School of Business

Agenda

• Review 5-year application volume trend
• Applications by test
• Demographics by test
  • Age, Gender, URM
• How did we market the EA?
• Path to launching EA and measuring results
GMAT Requirement: A High Barrier for EMBAs

- Application numbers have been flat for past 5 years
- Historically, GMAT or GRE required for all applicants; began accepting the EA in Fall, 2017
- EMBA population reluctant to invest prep time for lengthy exams
- Still need to assess quantitative and verbal capabilities to maintain cohort quality

EMBA Applications Increase with EA

![Graph showing 7% uptick in applications after a fairly flat 5 year trend]
Nearly 40% of Applicants Take the EA in Year 1

2017 All Applicants by Test
- GMAT: 75%
- GRE: 21%
- GMAT & GRE: 4%

2018 All Applicants by Test
- EA: 35%
- GMAT: 49%
- GRE: 7%
- GMAT & EA: 4%
- GRE & EA: 3%
- GMAT & GRE: 1%

EA Draws Older Applicants

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2018 MBA Conferences
Women More Likely to Take the EA and GRE

- Women are more likely to take the EA and GRE compared to men.

URM Applicants Favor the EA

- URM applicants favor the EA more than GMAT or GRE.

These statistics are based on data from 2017 and 2018 MBA conferences.
Promoting the Executive Assessment

**Website/Blog Post**
We were fully committed to the EA and gave all applicants the full endorsement. Our website clearly stated we accept the EA, GMAT or GRE with no preference for any particular test.

**Workshops**
We held a workshop co-hosted with GMAC on campus as a way to introduce the exam to applicants.

**Webinars**
We hosted webinars on “How to Choose” the right exam.

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Our Path to Launching EA and Measuring Results

1. Ensured key Stakeholders Understood EA’s strengths and weaknesses
2. Planned strategic communication & Marketing to prospects
3. Worked with GMAC on percentile tables based on performance
4. Now gathering data on classroom performance and conducting validity studies
5. Report back to faculty and Dean
UCLA Fully Employed MBA and Executive Assessment

Dylan Stafford, Assistant Dean
UCLA, Anderson School of Management

The Next Slides represent some Problems facing Part-Time MBA Programs:

- Shrinking Market
- Part-Time Competition
- Full-Time and Executive MBA Competition

Could Executive Assessment help?
A brutal nine years: **U.S. PTMBA market 70% smaller**

US Overall: GMAT Takers Sending Score Reports to PTMBA

53149

15860

Source: GMAC GMAT Takers Sending Score Reports to PTMBA programs

A brutal nine years: **CA PTMBA market 69 & 70% smaller**

California Overall

6951

2162

Los Angeles Metro

3017

895

Source: GMAC GMAT Takers Sending Score Reports to PTMBA programs
Pulling Rabbits from a 70% smaller Hat:
Part-Time    USC, Berkeley & UCLA: # entering / year
2008, 798 from 6951 CA GMATs    vs. 2017, 758 from 2162 CA GMATs

As if USC and Berkeley are not enough competition...
Now our own UCLA Executive MBA has doubled in size...

Source: School Websites, Phone Calls, Emails
The Points So Far:

Brutal Part-Time Market Overall, 9 years in a row

And now, our EMBA Program Doubled

But is there overlap, you ask, between Part-Time and Executive students?
Mostly, Part-Time applicants consider Part-Time vs Full Time.

But, there is also overlap with the Executive MBA program.

How much overlap is there between Part-Time and Executive MBA students?

17 EMBAs between 28 and 31
30 EMBAs between 28 and 32
43 EMBAs between 28 and 33
How much overlap is there between Part-Time and Full Time MBA students?

Look at the overlap!
New students with ages between 24 and 29

Overlap between FT and PT, and between EX and PT, becomes a problem...

What distinguishes a Part-Time MBA student?
Can the Executive Assessment be part of a Solution?

Key Considerations, Part-Time use of EA

Keep playing field “level” between Executive and Part-Time MBA applicants
  Admissions criteria not a factor in selecting between EX and PT
Rather, focus candidates on program differences:
  Choose PT or EX on duration, cost, class profile (not admissions criteria)
How to communicate to applicants: “Which test should I take?”
  GMAT vs. Executive Assessment
  (History: GMAT and GRE)
Perception & Communication to Market
  “Why would a Part-Time program also accept the Executive Assessment?”
Execution
  Accept Scores, Compare Scores
## EA Timeline

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<th>for Fall 2017</th>
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<tr>
<td>EMBA pilots EA</td>
<td>EMBA EA Yr 2</td>
<td>EMBA EA Yr 3</td>
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<td>PT considered EA, Decided “no”</td>
<td>PT will Pilot EA Going Live in Round One</td>
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**For the Rest of our Session:**

- Break into Small Group Discussions
- Reconvene for a Plenary Discussion
In Groups:

Are you using/considering using EA?
Pros?
Cons?
Considerations?

Discuss and come back ready to share in plenary.

Thank You.

Marjorie DeGraca  
Executive Director, Admissions  
UC Berkeley  
Haas School of Business

Dylan Stafford  
Assistant Dean  
UCLA  
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For further information regarding the EA, or to setup a more detailed overview meeting, contact:

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