

**GRADUATE SCHOOL OF MANAGEMENT,
ST. PETERSBURG STATE UNIVERSITY**

**STRATEGIC PLAN
FOR 2008–2012**

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Abbreviations

BRIC	A group of countries with the highest economic growth potential (Brazil, Russia, India, China)
RABE	Russian Association of Business Education
RMJ	The Russian Management Journal
AACSB	Association to Advance Collegiate Schools of Business
AMBA	Association of MBAs
CEMS	Community of European Management Schools
CEMS MIM	CEMS Master in International Management (a joint program of business schools – full members of CEMS)
Dual EMBA	Dual Degree Executive MBA (international EMBA program of GSOM and HEC Paris)
EFMD	European Foundation for Management Development
EMBA	Executive MBA (Master of Business Administration)
EPAS	European Program Accreditation System
EQUIS	European Quality Improvement System
GMAT	Graduate Management Admission Test
MBA	Master of Business Administration
MIB	Master in International Business
MITIM	Master in International Technology and Innovation Management
PIM	Partnership for International Management (a global association of the leading business schools)
TOEFL	Test of English as Foreign Language

1. INTRODUCTION

The project of establishing Graduate School of Management at St. Petersburg University has started in 2005 as part of the National Priority Project (NPP) in Education. The mission of GSOM project is to create a world-class Russian business school aimed at educating and advancing the national managerial elite able to meet the challenges of gaining Russia's international competitiveness in the 21st century economy. According to the Russian Government directive #576-p from April 25, 2006, GSOM is established on the basis of St. Petersburg University School of Management (SOM) as an organizational unit of the University.

The SOM history started in 1993 when it was established as the first business school at a major national University in Russia with 33 undergraduate students and 4 full-time faculty members. The School has been developing fast due to three key competitive distinctions: (1) a strong dedication to the university in-house business school model and further development of St. Petersburg University's high academic reputation; (2) orientation on the international standards of business education: SOM was established in a strategic partnership with Haas School of Business at University of California at Berkeley – one of the leaders in global business education, and (3) a strong emphasis on relations with the corporate world: the SOM International Advisory Board was established already in 1993 (for the first time in Russian business education history) that for 10 years was chaired by John Pepper, CEO of Procter&Gamble.

During 15 years before launch of the NPP in Education, SOM demonstrated a strong dynamic growth to reach 1300 students and 2500 Alumni Association members 2006. In many aspects, such as teaching content and delivery, internationalization level and development of strong connection with the corporate world, the School had achieved recognition in modernization of the university education in Russia by that time. In 1999 SOM pioneered in Russia with opening the first master in management program in English in ECTS format and has been developing successfully its undergraduate, MBA and doctoral programs. SOM has been publishing two leading research journals (The Russian Management Journal and The Herald of St. Petersburg University. Management Series). A professional Career Center has been in operation since 1994. In 2006 SOM joined The Community of European Management Schools as its only Russian member.

The Graduate School of Management was established in 2007 as a School at St.Petersburg University by merging three units of the University: School of Management, Special School for Personnel Retraining in Management, and Research Institute of Management, previously operated under the umbrella of the Center for Teaching and Research in Management. According to the St.Petersburg University Chapter, the Center was run by its Academic Council, with SOM Dean as a chairman.

This merger was conducted according to the St. Petersburg University Academic Council decision from June 26, 2006, and the St. Petersburg University Rector order N83/1 from January 29, 2007.

On November 29, 2006 a ceremony of laying the foundation stone was held with a participation of the President of Russia Mr. Vladimir Putin on the grounds of a former palace and park ensemble “Mikhailovskaya Dacha”. This site was provided to St. Petersburg University by the Administration of the RF President. The Advisory Board of the GSOM is chaired by Deputy Prime-Minister of Russia Mr. Sergey Ivanov and includes top executives of 20 Russian and international companies.

In this document the Strategic Plan of St.Petersburg University Graduate School of Management for the period of 2008-2012 is presented.

The initial version of the document (entitled “Graduate School of Management at St. Petersburg University: An Establishing and Development Concept”) was developed in 2005 by a SOM faculty team headed by the SOM Dean Valery Katkalo as per request from the Ministry of Education and Science and the Ministry of Economic Development of Russia. The current document also includes details resulted from professional assistance by a major consulting group.

Based on the Concept, in 2006 the faculty team in cooperation with an international consultancy, LECG Consulting Group, developed “Strategy for Developing of the Graduate School of Management at St. Petersburg University until 2015” and “Strategic Plan for the Graduate School of Management at St. Petersburg University for the period 2007-2012”. These documents incorporate the experience of starting and developing of more than 30 leading business schools in the USA, Canada, Western and Eastern Europe, China, India, and Singapore, reviewed by the team during their visits to these schools in 2005-2006 and in the preceding period. The documents also reflect the results of a series of interviews with 12 deans of the Top-10 business schools from the USA and Europe, according to the FT and Business Week rankings, as well as with heads of leading business schools associations (EFMD, CEMS, PIM).

In 2006-2008 these documents and first outcomes of the Strategic plan went through thorough discussions and were approved at the meetings of Presidium of the Presidential Council for Priority National Projects and Demographic Policy, Academic Council and Senate of St. Petersburg University< Advisory Board and Academic Council of GSOM as well as at the Ministry of Education and Science, the Ministry of Economic Development and Trade and the Russian Education Agency. The current version of the Strategic Plan incorporates a number of ideas and suggestions that emerged during these discussions along with some corrections made based on the experience of gaining first international accreditations at the initial stage of the Project.

2. ST. PETERSBURG UNIVERSITY GSOM PROJECT OVERVIEW

2.1. Project mission

The mission of GSOM project is to create a world-class Russian business school aimed at educating and advancing the national managerial elite able to meet the challenges of gaining Russia's international competitiveness in the knowledge economy of the 21st century.

GSOM aims to be one of the premier business school in Europe and in the world, global in its operations and focused on educating the next generation of leaders in business and society. An important measure of progress in this respect is achieving professional accreditations from major international associations of business schools – EFMD, AACSB, and AMBA. A special attention should be paid to:

- ◆ producing high-quality graduates with strong problem-solving, leadership and team-work skills, able to work efficiently in modern information society;
- ◆ delivering educational programs that are innovative, interdisciplinary and international in scope;
- ◆ creating, publishing and transferring to society research and knowledge that is of value and importance;
- ◆ creating and effective development of strategic alliances with leading business schools of the world as well as with leaders among Russian and international companies.

The major principles of GSOM development are:

- ◆ to build a distinctive positioning (a) as the leading university in-house school of management in Russia and CIS, able to compete at the international business education market; (b) as a global business school by programs content and their delivery, its student body and faculty; (c) as the world leading knowledge center on managing business in the Russian institutional context;
- ◆ innovation in academic and managerial dimensions as a source of GSOM competitive advantage inherited from SOM and developed into an “open organization” culture;
- ◆ to implement top professional and ethical standards in selecting and developing the best students and faculty;
- ◆ developing educational and research competences in strategic management, financial analysis, managing innovations, and business-government relations – crucial areas for business development in Russia and other BRIC countries.

2.2. Business model

The Graduate School of Management is a semi-autonomous unit of St. Petersburg State University, the oldest institution of higher education in the country and one of the most globally renowned Russian universities. To secure its successful development, GSOM follows the model of the University-based school of management, typical nowadays for the majority of leaders in business education. The GSOM approach implies that a particular attention should be paid to development of: (1) world-class intellectual capabilities in teaching and research; (2) diversified portfolio of degree and non-degree programs; (3) globalization of student body and faculty; (4) financial capabilities, adequate for the Project's mission, based on multi-channel financing.

2.3. Strategic goals

The key strategic goal for the School for the period of up to 2012 is development and launching graduate degree programs, typical for an international business school. Achieving this goal requires actions in the following inter-related directions.

1. Faculty development. The most strategically important asset for any business school is its faculty. Our faculty is well known in Russia and beyond for its excellence in teaching and research. However, in order to achieve the GSOM mission of becoming world-class business schools we need to make in the next 5 years a very significant effort on continuous faculty development in several aspects.

First, up to 40 new full-time faculty are to be recruited, both in Russia and from the international job market, in addition to or for partial replacement of existing FT faculty (to have at least 100 full-time faculty by 2012). Also the institute of international visiting professors should be intensively developed further. Second, the faculty body should become much more international with about 30% of courses in degree programs delivered by international faculty by 2012. Third, the School's set of By-laws and policies for faculty hiring, development, and promotion should be revised in order to fully comply with requirements of principle international institutional accreditations.

2. Development of diversified portfolio of graduate programs. The strategic transformation from the SOM to the Graduate School of Management essentially means development of diversified portfolio of high-quality graduate degree programs typical for top international business schools in the USA or Europe (but a true innovation for Russian business schools and universities). We need to focus in the next 5 years on launching and expanding International Executive MBA

and full-time MBA programs, as well as pre-experience Master in Management programs. These should be the fastest growing areas of our activities. By 2012 annual enrollment in all MBA and EMBA programs should reach 300 students, and to Master in Management programs – up to 200. All these new graduate degree programs will be delivered in English and have very international student body. In addition to these programs, by 2012 we should start and develop further relatively small in size but analytically advanced program of Master in Finance, and CEMS Master in International Management program (both also in English). All in all, by 2012 the School will have student population of about 1800.

3. Enhancement of organized research and doctoral program. World-class research capabilities and productivity are crucial for both quality of GSOM faculty and educational programs, as well as for global branding of the School. By 2012 GSOM faculty has to start publishing in the top international peer-reviewed journals of A, B and C categories with the focus on journals from the Financial Times – 40 list used for business school rankings.

To support this ambitious goal we need to make certain innovative changes in organizing and directing research activities at the School, including new hires of world-class professional research fellows, instituting international research advisors and visitors system, additional incentives for research-active faculty, etc. The Ph.D. in Management program of international standing should be launched as well with about 15 students in annual intake.

4. Partnerships with other St. Petersburg University schools. Effective collaboration with other units of St. Petersburg University not only reflects the very nature of the School, but also could contribute significantly to achieving strategic goals of both GSOM and University in general.

5. Executive Education Center development. The School must consider intensive growth of its Executive Education operations as one of its strategic goals for several important reasons. These programs (both degree and non-degree, customized and open) are not only potential source of significant additional revenues, but also help to bridge academic and corporate worlds, and to enforce GSOM's relations and partnerships with the major Russian and international companies. While our plans for expansion in this sector depend in the large scale on completion of the state-of-the-art Executive Education Center in the new campus, in the interim period of the next few years it is essential to gain reputation of the credible source of high-quality programs for executives, especially customized programs and programs focused on analytically advanced topics. Most of the latter should be done in cooperation with the leading international business schools.

6. Building strong international brand. The School considers its branding strategy as one of the key factors to success in its global positioning and reputation in the next 5 years. By 2012 GSOM should reach a global awareness of its brand by adequate marketing communications, as well as supporting these efforts with successful reaching our strategic goals in academic programs, faculty development, and corporate connections.

7. Infrastructure development and completion of the new campus. Excellent physical facilities along with library and IT resources are among key factors supporting competitive advantage of any business school. Currently GSOM has an advantage of having the best management library in Russia with numerous electronic resources as well as up-to-date IT technologies that have to be developed further to meet world-class standards. Though the School currently has unique facilities in downtown St. Petersburg, they have limited space in light of strategic intent for the GSOM project. To construct a new GSOM campus, St. Petersburg University was granted by Administration of the President a historical palace and park complex on the grounds of former “Mikhailovskaya Dacha”, which occupies territory of 104 hectares. The plans are to complete the first phase of campus in fall 2010, and to have all works completed by the end of 2012.

8. Achieving sustainable financial strength. In the next 5 years the School has to put in place an innovative and sustainable system of financing its strategic development and expansion. While for the initial phase of the project (2006–2007) GSOM has received significant federal funding (as a part of the NPP in Education), it was reduced in 2008. Later the School should rely mostly on revenues from tuition and endowment fund, but in 2009–2012 a certain level of federal funding is needed to develop new content of GSOM programs. In this period donations from corporate partners will be directed to the GSOM endowment fund. Revenues from tuition are to reach about 1 bn rubles by academic year of 2014/15, whereas endowment fund should accumulate \$150 mln.

2.4. Development stages

The general intent behind the GSOM project is to get into the upper part of the international business schools rankings by 2015. The vision of GSOM strategic development by 2015 assumes three conceptually different development stages, presented in Table 2.1.

Table 2.1. St. Petersburg University GSOM Development Stages

Stage and time period	Stage name	Expected outcomes
Stage 1 2007–2010	<i>Launch</i>	<p>Establishing academic foundations of GSOM, governance system and infrastructure</p> <ul style="list-style-type: none"> ◆ Full portfolio of graduate programs ◆ Some programs are awarded international accreditations ◆ Growth in faculty size and quality ◆ Starting an endowment fund ◆ Completion of the first phase of the new campus
Stage 2 2011–2014	<i>Growth</i>	<p>Reaching institutional compatibility with leading international business schools.</p> <ul style="list-style-type: none"> ◆ Main areas of growth – MBA/EMBA and pre-experience master programs ◆ Intensive development of Executive education Center ◆ Achieving international institutional accreditations ◆ Completion of the new campus
Stage 3 2015→	<i>Maturity</i>	<p>Achieving strong international competitiveness</p> <ul style="list-style-type: none"> ◆ Global recognition of the GSOM brand ◆ Publication of faculty in FT-40 journals. World-class Ph.D. program ◆ Endowment fund of \$150 mln ◆ GSOM is ranked among top business schools of the world

3. ACTION PLAN FOR 2008–2012

In the following section the main areas of the School's strategic development until 2012 are discussed in detail. These areas secure achieving GSOM strategic goals, including international institutional accreditations.

3.1. Strategic organizational transformation

Given the mission and strategic goals for GSOM and the fact that it has been created and is developing on the foundation of the School of Management, the latter has to undergo strategic organizational transformation in line with this mission and goals. The core principles here are the effective balance of tradition and innovation, and compliance with general principles of governance and organizational design for the leading U.S. and European business schools. The main distinctions of the GSOM organization structure are in its Advisory Board and programs-based principle of running the School. Both correspond to GSOM mission and business model.

The International Advisory Board for the School has been reorganized in early 2007 and now includes representatives from the Federal and St. Petersburg Governments, the leaders from the top Russian and international companies, as well as Deans of some of the GSOM's core partner business schools. The Advisory Board provides guidance and assistance on GSOM strategy and its implementation, in building connections with the corporate world, and support for the School's development, also through fundraising. Two permanent commissions of the Board – for Academic Development and for Finance and Audit – play important role in interactions between GSOM and its Board.

GSOM organization structure has been built around 4 Strategic Units thus reflecting its key areas of activities: (1) undergraduate; (2) pre-experience Master (MIB, MITIM, CEMS MIM – from 2009) programs; (3) Executive Education (EMBA, re-training diploma and non-degree programs); (4) Research Institute in Management.

In September 2007 GSOM completed reorganization of its academic departments' structure in order to have it fully comparable with their typical set at the leading U.S. and European business schools. In this framework, it is also expected that each GSOM academic department will work hard on enforcing or gaining position of the leader in Russia and CIS, and as of recognized European and global center of expertise in respective field. To reach this goal each department should:

- ◆ build world-class capabilities in teaching and research while finding their effective balance;
- ◆ internationalize its faculty by hiring (for different time periods and in various contractual formats) professors and recent Ph.D. graduates from leading international business schools (with a particular attention paid to those having Russian citizenship).

To fulfill its mission and strategic goals GSOM has to develop further the whole set of business processes in line with the best practices of top international business schools. The business processes in question are in the areas of:

- ◆ attracting, selecting and developing the best faculty and students;
- ◆ organization and coordination of teaching and research activities;
- ◆ bridging research and teaching;
- ◆ internationalization of teaching and GSOM activities in general;
- ◆ interaction with corporate partners and alumni;
- ◆ internal and external marketing communications;
- ◆ providing the School programs with top quality library whereas using up-to-date IT resources in all School's operations;
- ◆ development of efficient and effective maintenance and housekeeping services, including outsourcing.

Taking into account growing scale and scope of educational and research programs, the headcount of non-teaching staff should be raised from 140 in 2007/08 to 280 in 2011/12. This forecast is based on the estimation of staff needed to maintain the new GSOM campus after completing first two phases of construction, assuming outsourcing of some key maintenance functions (dormitories and hotel, canteen, sport facilities).

3.2. Developing innovative educational programs' portfolio

GSOM new world-class programs development is based on the idea of portfolio – a common feature of top international business schools that develop simultaneously at least three programs.

This Plan emphasizes the following distinctive features of top schools program portfolios and principles of teaching:

- ◆ priority of graduate programs;
- ◆ strict criteria for student selection, financial independence from tuition revenues in order to attract the brightest students;
- ◆ interdisciplinary approach to teaching management, facilitated by interaction with other schools of St. Petersburg University;
- ◆ development and implementation of new educational technologies and teaching tools;
- ◆ systemic internationalization of educational process.

Development of the GSOM “product” portfolio should be completed by 2012. It will include the following programs:

- ◆ Executive MBA for top-managers and owners (18–22 months, modular format, in Russian and in English);
- ◆ MBA (15–16 months, full-time, in English);

- ♦ Pre-experience master programs (2 years, full-time, in English);
- ♦ Undergraduate programs (4 years, full-time, taught mostly in Russian);
- ♦ Master in Finance (1 year, full-time, in English)
- ♦ Ph.D. (at least 4 years, full-time, both in Russian and in English);
- ♦ Retraining programs (9 months, modular format, in Russian);
- ♦ Executive education.

As it is shown in Table 3.1, these programs differ from one another in many ways (by target audiences, duration, etc.). These differences require an individual approach to each program's development using a divisional-matrix organizational structure, but allow for simultaneous successful positioning in different business education market segments and gaining certain synergy effects.

Table 3.1. Expected Comparative Characteristics of GSOM programs

Characteristics	Dual degree EMBA	EMBA	Full-time MBA	Pre-Experience Master	Undergraduate
Program launch	January 2009	November 2000	October 2010	September 1999 September 2007	September 1993
Degree status	Dual degree MBA	MBA	MBA	Master degree	Bachelor degree
Length	18 months	22 months	16 months	2 years	4 years
Delivery mode	modular	modular	full-time	full-time	full-time
Language of instruction	English	Russian	English	English	Russian and English
Studying abroad	6 modules	at least 1 module	1 semester	1 semester	1 semester
Target audience	Top-managers and owners	Top-managers and owners	Managers and entrepreneurs	Graduates of bachelor or specialist programs	High school graduates
Average age	35	35–40	26–27	22–23	18–21
Minimal work experience, years	8	8	2	Not required	Not required
Foreign students	20%	5%	25%	50%	10%
Foreign faculty	60%	5%	60%	50%	5%
Entry requirements	GSOM test TOEFL Interview	GSOM test Interview	GMAT TOEFL Interview	GMAT TOEFL Interview	Unified State Exam ≥ 50 + SPbSU exam
Tuition, €, as of 2009	38 000	26 000	35 000	8 800	8 000

Planned admission is represented in Table 3.2 which also provides general overview of GSOM programs portfolio change from 2007/08 to 2011/12 academic years.

**Table 3.2. Admission plan for degree programs,
2007/08 – 2011/12 academic years (students / cohorts)**

Program (language of instruction)	2007/08	2008/09	2009/10	2010/11	2011/12	Trend
<i>EMBA (modular) and MBA (full-time) programs</i>						
EMBA (Russian)	105 / 3	130 / 3	160 / 4	160 / 4	180 / 4	↑↑
Dual EMBA (English)	0	35	50	90 / 2	90 / 2	↑↑
MBA (English)	0	0	0	50	60	↑
<i>Total, MBA/EMBA</i>	<i>105</i>	<i>165</i>	<i>210</i>	<i>300</i>	<i>330</i>	<i>↑↑</i>
<i>Pre-Experience Master programs (full-time)</i>						
MIB and MITIM (English)	60 / 2	80 / 2	80 / 2	100 / 3	150 / 3	↑↑
CEMS MIM (English)	0	0	20	20	40	↑
<i>Total, Master programs</i>	<i>60</i>	<i>80</i>	<i>100</i>	<i>120</i>	<i>190</i>	<i>↑↑</i>
<i>Bachelor program (full-time, 4 concentrations)</i>						
Bachelor (Russian & English)	210 / 4	210 / 4	210 / 4	210 / 4	210 / 4	↔
<i>Advanced research and analytical programs (full-time)</i>						
Doctoral (Russian)	15	15	15	0	0	↓
Ph.D. (English)	0	0	0	10	15	↑
Master in Finance (English)	0	0	0	30	35	↑
<i>Professional retraining and executive education programs (modular)</i>						
Presidential program (Russian)	35	40	50	50	50	↔
Customized and open enrollment executive education programs	45 / 2	70 / 2	105 / 3	105 / 3	120 / 3	↑
<i>Total, Professional retraining and executive education programs</i>	<i>80</i>	<i>110</i>	<i>155</i>	<i>155</i>	<i>170</i>	<i>↑</i>
Total	470	580	690	825	950	↑↑

Further enhancement of students selection and admission processes requires a systemic approach based on the following principles:

- ♦ up-to-date approach (actively using Internet resources) to selecting students according to program criteria;
- ♦ establishing and expanding student scholarships to remove barriers for the brightest students, in particular students from outside St. Petersburg;
- ♦ adopting similar entry tests and requirements as in top international business schools.

It should be stressed that the concept of quality of student body is not limited to their intellectual abilities and achievements. Another important dimension of quality is diversity of student body that should reflect realities of doing business in the global economy where graduate of the School will operate. GSOM should pay close attention to this aspect of student body quality.

Table 3.3. Entry requirements at GSOM programs
(* as planned)

Program	GMAT	TOEFL	Essay	Recommendations	Interview
EMBA (in Russian)	No/ GSOM test	No	Yes	Yes	Yes
Dual EMBA	No	Yes	Yes	Yes	Yes
Full-time MBA	Yes	Yes	Yes	Yes	Yes
MIB	Yes*	Yes	Yes/Thesis	No	Yes
MITIM	Yes*	Yes	Yes/Thesis	No	Yes
Bachelor	USE – 2 ≥50 points	USE ≥50 + Exam	No	No	Yes*
Ph.D.	Yes*	Yes*	Yes/Thesis	Yes	Yes
Master in Finance	Yes	Yes	Yes	Yes	Yes
Retraining programs	GSOM test	No	No	Yes	Yes

Prior to 2012 GSOM will take a number of actions to further development of innovative education programs, teaching materials and technologies. The main focus will be on development of unique educational environment at GSOM in compliance with the mission and strategic goals. Three directions of such development are: (1) building an innovative system for program delivery; (2) development and implementation of up-to-date teaching methods and technologies with a focus on using case method and project-based learning; (3) improving extra-curricular activities related to personal development of students.

Key elements of the innovative system of program delivery for all GSOM degree programs are as follows:

- ◆ consistency in following a principle of the program-based management, with a focus of program directors' activity on maintaining international accreditation standards for their programs;
- ◆ moving to a credit-based system based on the ECTS regulations with an increasing share of independent learning by students;
- ◆ increasing number and scope of available electives in order to cover the forefront of management theory and corporate best practices both in Russia and in the world. This move will also facilitate credit transfer when studying abroad;
- ◆ using cumulative assessment and written intermediate and final tests in all courses;
- ◆ internationalization of educational environment through introducing a study abroad period (semester or modules) as well as increasing number of foreign students coming to GSOM for exchange or taking GSOM degree program;
- ◆ using student feedback surveys to evaluate the quality of teaching for making reelection and promotion decisions for faculty members;
- ◆ competitive selection of faculty (within the University, in Russia, and globally) for all programs and courses;
- ◆ establishing a system of curriculum and teaching commissions for all programs, with a participation of corporate partners representatives. Developing other formats for the corporate world involvement in improving curricula and individual courses;
- ◆ world-class information support for all courses and for the learning process in general, based on using latest textbooks and Internet resources.

Prior to 2012, special attention should be paid to development of the following four innovative methods and technologies:

- ◆ in-company projects;
- ◆ case method;
- ◆ business games and simulations;
- ◆ trainings.

These methods aim at developing creative, leadership and analytical skills of students and, to a certain extent, they define a unique GSOM approach to teaching and learning already in 2007/08 academic year.

Extra-curricular activities become more important nowadays in top schools as tools for personal development of students and improving the quality of learning. Prior to 2012, GSOM will specifically support the following formats of extra-curricular activities:

- ◆ professional competitions – business plan competitions, business games;
- ◆ student self-governance;
- ◆ student events;
- ◆ social networking;
- ◆ student involvement in research;
- ◆ sport teams, events, and competitions.

Completion of the new campus at Mikhailovskaya Dacha will certainly create new opportunities for intensive personal development of students as future leaders.

3.3. Faculty development and building world-class research capabilities

Faculty development program for the next 5 years reflects GSOM expansion plans both in size and spectrum of its degree programs, as well as the academic needs of its professional groups. Also, faculty development is discussed here having in mind the requirements of international institutional accreditations and the key role of high caliber faculty for competitive advantages of the School in the Russian and global marketplace.

To support successful implementation of the plans for GSOM degree programs development in the next 5 years the School needs about 100 full-time (normally teaching 3-4 courses each year) and up to 80 adjunct and visiting professors (from other schools of St. Petersburg University or professors and practitioners invited from the outside of the University, each teaching 1-2 courses a year). Accounting for replacement for various reasons some of the current full-time professors, the School needs to recruit 35-40 new full-time faculty members.

Recruiting plans must also strongly reflect the GSOM strategic priorities of high international positioning. This means that all new hires for full-time faculty positions should be well experienced and/or have excellent potential in three areas:

- ◆ teaching at graduate programs (Master, MBA/EMBA and Ph.D.);
- ◆ doing research and/or writing cases of the international quality;
- ◆ proficiency in English language – both spoken and written.

Building world-class research capabilities is of utmost importance for the GSOM development as a business school with global recognition. A certain benchmark here is GSOM faculty potential ability by 2012 to publish annually at least 20 papers in A, B, and C international research journals. In this respect, publications in the Financial Times–40 list are of especially high value for the GSOM global recognition. In order to achieve this level, GSOM has to: 1) build a structure to support organized research, compatible with the strategic goals of the School; 2) provide conditions for high productivity in doing research projects; 3) strictly follow international criteria for research output assessment.

GSOM shall support research projects that:

- ◆ have a strong international and comparative focus;
- ◆ demonstrate clearly interdisciplinary emphasis;
- ◆ follow the principles of “open organization” and “open innovation” by creating partnerships with experts outside the School;
- ◆ prioritize empirical studies of Russian markets and companies.

GSOM research budget, including financing of conferences and publications, should be at least 150 mln rubles a year (on average, up to 2012) to make it comparable at minimal level with top international business schools. The budget should be growing thereafter. An inflow of at least 100 mln rubles should come from the GSOM Research Fund, financed by the GSOM endowment fund and/or direct donations of corporate partners.

Publications in international peer-reviewed journals shall be at the core of reformulating GSOM’s policy for research output assessment. It is worth emphasizing that The Financial Times–40 List publications are crucial for gaining GSOM a global recognition, achieving international institutional accreditations, and high positioning in the international rankings of the best business schools. Another effect of internationalization and improvement in the quality of the research is strengthening the quality of teaching, especially at graduate programs.

GSOM will continue to allocate funds to support faculty development in the formats that have a direct effect on transforming the School to a world-class institution status:

- ◆ participation in faculty development programs and workshops as well as executive education programs, at the European and world leading business schools;
- ◆ studying at doctoral, master or EMBA programs at the top international schools;
- ◆ participation in case writing or case-based teaching workshops at the top international schools and case clearing houses;
- ◆ membership in the international and Russian professional and academic associations and societies;
- ◆ further improvement professional communication skills in English (for those at the upper intermediate level or higher);
- ◆ other faculty and professional development programs / events at the top European and world business schools.

3.4. Developing cooperation with other schools of St. Petersburg University

Further development of cooperation with other schools of St. Petersburg University is an important factor in improvement of both GSOM's and other schools' potential as well as the potential of the University as a whole.

Prior to 2012, GSOM shall develop cooperation with the other schools (joint educational and research projects were run with 7 schools in 2007/08 academic year), prioritizing the following forms of cooperation:

- ◆ development and launch of joint educational programs;
- ◆ joint research projects;
- ◆ participation in teaching at degree programs on the long-term mutual basis;
- ◆ cross-membership in degree programs committees and academic councils of research centers;
- ◆ sharing experience of managing educational and research activities in the leading Russian university.

Strategic partnerships with other school of St. Petersburg University provide a basis for interdisciplinary approach needed for insuring high quality of teaching and research in management. Collaboration with the schools – leaders in their respective fields both in Russia and internationally (Schools of Philology and Arts, Applied Mathematics, Law, and others) supports the GSOM ambition of becoming a world-class school.

3.5. Systemic internationalization

Raising the quality of its educational programs will require GSOM, prior to 2012, to advance in its initial intent, inherited from the SOM, of building an international business school inside a major Russian university. This will be achieved through three complementary efforts: 1) developing international learning environment for the whole School; 2) forging alliances with European and U.S. schools to jointly create and deliver dual-degree programs; 3) creating a global network of partner schools to support the GSOM development as “a global business school”.

By 2012 GSOM is to become the school with totally bi-lingual learning environment which will result in absolutely new quality of learning experience for Universities and business schools in Russia. High proportion of both international students (at least 25-30%) and faculty is required for creating international learning environment with high international (global) mobility of students, faculty and staff. To achieve these goals, GSOM shall:

- ◆ substantially increase number and proportion of core courses and electives taught in English (at GSOM in general, and at undergraduate programs in particular);

- ♦ increase student exchanges (for at least one semester with 30 credits) from 200 (100 incoming and 100 outgoing students) in 2007/08 to 350 (175 each way) in 2011/12;
- ♦ introduce (following master programs) a mandatory semester abroad in the bachelor programs curricula and a mandatory module abroad in the EMBA and professional retraining curricula.
- ♦ internationalize faculty (by inviting visiting professors, among other measures) at all GSOM departments (at least 30% of all courses at each department should be taught by international faculty);
- ♦ make regular retraining at the top international business schools (every two years) mandatory for all full-time faculty and staff;
- ♦ expand the scale and scope of the International Office activities, with a possible raise in status of its Head in the School's management team.

Dual degree programs are an important tool in the GSOM internationalization. GSOM shall develop these programs according to the information in Table 3.4.

Table 3.4. International Dual Degree Programs at GSOM

Program	Partner school	Launch	Length	Students
<i>EMBA Programs</i>				
Dual EMBA	HEC-Paris	January 2009	18 months	Russian and international
<i>Master Programs</i>				
MITIM	LTU (Finland)	September 2007	2 years	Russian and international
CEMS MIM	CEMS members	September 2009	1 year	Russian and international
<i>Bachelor Programs</i>				
International Management concentration	EBS (Germany)	September 2009	3 + 1 (4 years)	Russian and international
Other concentration	CEMS members	September 2010	3 + 1 (4 years)	Russian and international

3.6. Developing systemic relations with corporate partners and alumni

Systemic relations with corporate partners and alumni are considered nowadays by top international business schools as a critical factor in raising the quality of teaching and other activities. By 2012 GSOM shall make the next leap in developing its already strong ties with the business world. The following directions of collaboration shall be prioritized:

- ◆ expansion and more intensive participation of the corporate world in enhancement of the GSOM programs. In particular, GSOM shall develop different formats of getting employers' and alumni' feedback about the quality of programs;
- ◆ setting up institutional mechanisms of interaction with employers and alumni (Advisory Board's permanent commissions, Alumni Association, regular interaction with business associations, program committees, etc.);
- ◆ involving employers and alumni in all aspects of the GSOM functioning and development, including fundraising.

3.7. Building an infrastructure of a world-class business school

In 2007/08 academic year GSOM is located in two buildings (Volkhovsky pereulok, 1/3 and Dekebristov pereulok, 16), with 11,000 sq. meters. Available area limits the GSOM programs expansion, but these buildings are well equipped and can be used for launching some of the new programs. Absence of GSOM dormitories and very limited availability of St. Petersburg University dormitories located in the city center make it difficult to launch new full-time programs (in particular, MBA). In 2007-2010 a new GSOM campus outside the city is to be designed and constructed. All GSOM degree programs will move there after its completion.

The School will also retain its excellent facilities in downtown St. Petersburg (complex at Volkhovskiy pereulok, 1-3) to house some of its Executive Education (degree and non-degree) programs and research activities.

Besides the new campus construction, significant investments in library and IT resources are needed for the successful development of the School over the next five years.

3.8. GSOM financial model

GSOM financial model relies on three sources of funding: 1) revenues from tuition; 2) fundraising, including endowment fund; 3) federal government funding.

The following assumptions were made when developing the GSOM financial model until 2012:

- ◆ sustainable growth in tuition revenues based on the stable economic development in Russia that creates demand for business education.

- ◆ substantial growth in faculty (both Russian and foreign) compensations as well as in a number of chaired positions, with a goal of achieving comparability with the international job market;

- ◆ federal government funding for current expenditure will be kept at the level of 200 mln rubles over the period of 2009-2012. Starting from 2010 additional funds will be provided to maintain historical and cultural heritage monuments at “Mikhailovskaya Dacha” (200 mln rubles from year 2011);

- ◆ keeping the University overheads rate at the current level of 17%;

- ◆ the new campus completion on schedule and in the same order of phases as planned.

GSOM project can develop sustainably and become financially secure only under condition of accumulating \$150 mln in its endowment fund by annual contributions, and annual return on its assets of at least 10%.

Top priorities for use of the endowment fund income are as follows:

- ◆ chaired positions for Russian and international faculty;

- ◆ individual grants for the best GSOM students, covering their tuition and providing monthly scholarship, as well as individual scholarships and grants for studying abroad;

- ◆ financing the GSOM research fund activities, research centers and academic journals publishing.

It is expected that by 2012 tuition revenues will rise substantially both in absolute and relative numbers along with income from commercial activities (e.g. from publishing) and receipts from the endowment fund. As a result, GSOM will be able to develop successfully under a decline in federal funding on current expenditure (but having it to maintain the historical and cultural heritage at “Mikhailovskaya Dacha”).

4. CRITERIA OF PROJECT'S SUCCESS

The primary measure of the GSOM project success is developing the new educational programs of high quality to train international level managers that will be recruited by the leading companies, first of all in Russia. This measure is closely related to achieving international accreditations and becoming a school with a top ranking. These measures reflect international comparability and competitiveness of the School programs and its brand. At the same time, interim reports by the GSOM management play an important role in informing the School's major stakeholders (Advisory Board, representing the interests of the business community, the Federal Government, Academic Councils of GSOM and St. Petersburg University, School's alumni) about the progress of the project. Among the most important measures of success are those reflecting the quality of programs, launching new programs or

expanding the existing ones, development and implementation of the new educational technologies.

International accreditations (program-based and institutional), memberships in associations of the top international schools, and achieving international rankings are essential measures of progress towards creating a world-class business school in Russia, particularly in the first decades of the GSOM international brand development.

For the 2007–2012 period the agenda of activities in this direction has three priorities: 1) to confirm program accreditations obtained earlier; 2) to become full and active members in CEMS and PIM that will allow to expand global student exchanges and dual degree programs; and 3) to apply and start a process of becoming institutionally accredited by AACSB and EQUIS. These two accreditations constitute, together with AMBA, the so call “Triple Crown Accreditation” – the most prestigious status in the business education world. These priorities and general action plan to achieve them are represented in Table 4.1.

Table 4.1. International Accreditations and Key Institutional Memberships

Accreditation body/Association	GSOM program / institutional	Application	Peer review visit	Accreditation / Membership granted
Accreditations				
EPAS (EFMD)	Bachelor program	2007	November 2007	April 2008
AMBA	EMBA program	2007	December 2007	March 2008
EQUIS (EFMD)	GSOM	2009	2010 and 2013	2014/15 (est.)
AACSB	GSOM	2009	2010 and 2013	2014/15 (est.)
Institutional memberships				
CEMS	Associate Member	2006	September 2006	December 2006
	MIM Program Participation	2007	March 2008	October 2008
	Full Membership	2008	2008	November 2008
PIM	Candidate Status	2007	July 2007	October 2007
	Membership	2008	July 2008	October 2008

For the period until 2015 the key target for GSOM will be the FT global rating of the best schools in pre-experience Master in Management programs. As for existing and future Executive MBA and full-time MBA programs, there are similar actions to be taken in order to be in rankings by 2020. Target indicators for the GSOM development for the period until 2012 are presented in Table 4.2.

Table 4.2. Target Indicators for the GSOM Project up to 2012

№	Indicator	Actual value in 2006	Target value for 2008	Target value for 2012
1	Enrollment at degree programs	1300	1400	1800
2	Enrollment at graduate programs, % to total	24%	38%	66%
3	Graduate programs (MBA/EMBA, pre-experience master, Ph.D., professional retraining)	4	6	10
4	Degree programs taught in fully or partly English	2	4	8
5	Dual degree programs with the top international schools	0	2	5
6	Internationally accredited degree programs (bachelor, pre-experience master, EMBA)	1	3	4
7	Memberships in international business schools associations	3	5	6
8	Foreign students, % of total	5%	10%	25%
9	GSOM students on exchanges abroad	60	120	300
10	Partner schools for student exchanges (ranked by the FT only)	12	20	30
11	Executive education participants	200	400	1500
12	Full-time faculty	65	70	100
13	Part-time, adjunct and visiting faculty	50	60	80
14	Foreign faculty, % of total	5%	10%	25%
15	Faculty with Ph.D., MA or MBA degree from abroad	7%	15%	45%
16	Publications of faculty in international peer-reviewed journals	12	20	60
17	Cases developed by GSOM faculty and registered by ECCH	15	70	250
18	Average compensation for a full-time professor, thousands of rubles (in 2008 prices)	900	1 500	3 000
19	Annual budget for research activities, conferences and publications, thousands of rubles	40 000	100 000	150 000
20	Tuition revenue and revenues from commercial activities, thousands of rubles	120 000	250 000	700 000
21	Endowment fund, thousands of rubles	0	150 000	3 200 000
22	Schools of St. Petersburg University having joint projects with GSOM	6	8	9

Another importance measure of social and economic efficiency of the GSOM project is its contribution to the growth in competitiveness of Russia in the 21st century. From this perspective, success can be assessed as an ability of the School to become the role model for development of the national network of world-class university business schools. A successful implementation of the Strategic Plan assumes the following pilot functions performed by GSOM:

- ◆ Implementation and development of the university business school model in Russia. Most leaders in the global business education follow this model by developing a portfolio of multi-level educational programs, using up-to-date program delivery methods, creating a system of faculty development, and by applying modern financial and economic mechanisms in managing their institutions.
- ◆ Development and implementation of the new higher education standards for bachelor and master programs in management according to the requirement of the 21st century economy.
- ◆ Organization of basic and applied research in management aimed at producing publications for top international academic journals as well as establishing a world-class Ph.D. program to train future faculty for Russian business schools.
- ◆ Obtaining and confirming major international program and institutional accreditations. Transfer of this experience to other business schools in Russia.