NEELEY MAKING NEWS

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DALLAS BUSINESS JOURNAL

February 11, 2016
TCU to offer Health Care MBA – *Bill Hethcock*

Texas Christian University will launch a Health Care MBA in the fall semester through a partnership with the University of North Texas Health Science Center.

The new MBA will give health professionals the knowledge and skills they need to weigh market strategies, lead teams, improve performance, and understand financials and operating systems — examining the health care industry from multiple perspectives university officials said,

The **TCU Neeley School of Business** is partnering with the UNT Health Science Center for faculty to teach health care courses and research seminars, and collaborate on events and curriculum.

The degree will delve into challenges in operations, finance, accounting, marketing, information systems and supply chains.

"Everything is changing," said **Bill Cron, senior associate dean of graduate programs at the TCU Neeley School**. "Look at payment systems, for example. Approximately 93 percent of a provider's revenue today comes from fees for services. As health care changes, fees and services will become a minimum part of their revenue. How can they make that transition? It requires an intricate understanding of policy and financing.".

Classes will be held in the evenings on the TCU campus beginning August 2016.

The 48-hour **TCU Health Care MBA** will include 10.5 hours of health care courses taught by Keith Argenbright, director of the Moncrief Cancer Institute, Winjie Miao, system integration officer at Texas Health Resources, and certified faculty members from UNT Health Science Center.

Application, curriculum and tuition information are available at http://www.neeley.tcu.edu/healthcaremba or by calling the TCU MBA Admissions office at 817-257-7531 or 1-800-828-3764, ext. 7531.

FORT WORTH BUSINESS

February 11, 2016
TCU adds Health Care MBA degree – Samantha Calimbahin

Texas Christian University's newest graduate degree aims to educate students on the business side of health care.

TCU's Neeley School of Business announced Thursday that the university will add a **Health Care Master of Business Administration degree**. Classes begin August 2016 and will take place in the evening.

TCU will partner with the faculty at the University of North Texas Health Science Center (UNTHSC) to teach health care courses, as well as host research seminars and other events. Along with faculty from UNTHSC, courses will also be taught by Keith Argenbright, director of the Moncrief Cancer Institute, and Winjie Miao, system integration officer at Texas Health Resources. Students will take a combination of health and business courses.

Information can be found on the **Neeley School**'s website.

DALLAS/FORT WORTH HEALTHCARE *Daily*
THE BUSINESS OF HEALTHCARE IN NORTH TEXAS

February 16, 2016
TCU Joins With UNTHSC To Launch Healthcare MBA Program – by Matt Goodman

Texas Christian University is launching a healthcare-focused masters of business administration program that will use nearby hospital administrators as professors as well as faculty from the UNT Health Science Center.

Classes in the 48-hour program will begin in August. Keith Argenbright, the director of the Moncrief Cancer Institute; Winjie Miao, Texas Health Resources' system integration officer; and faculty from UNTHSC will teach 10.5 of those hours. TCU says the program will teach operations, finance, accounting, marketing, IT, and supply chain management to the administration hopefuls.

The deadline to apply is May 31 and an on-campus information session will be held on February 22. With tuition and fees from the MBA, the school estimates a total baseline of $75,720. That breaks down to $1,415 per semester hour along with $1,425 in MBA fees each semester. That's built as if the student completes six semester hours over eight semesters.

"Why is a health care MBA more vital now than at any time in health care? Everything is changing," read a statement from **Bill Cron, senior associate dean of graduate programs at the TCU Neeley School**. "Look at payment systems, for example. Approximately 93 percent of a provider's revenue today comes from fees for services. As health care changes, fees and services will become a minimum part of their revenue. How can they make that transition? It requires an intricate understanding of policy and financing."

FINDMBA
MBA Programs Worldwide

February 17, 2016

Texas Christian University to Offer Healthcare Focused MBA

Program joins a host of others catering towards professionals who want to learn about changes in the healthcare field.

Texas Christian University's Neeley School of Business announced on Feb. 16 that it will launch a new healthcare-centric MBA program this summer.

TCU's program joins a host of others around the country and world that train students to work in an increasingly complex, ever-changing industry. Since the passage of the Affordable Care Act in 2010, the American healthcare system has undergone a series of changes that require medical professionals to understand business practices.

"Why is a health care MBA more vital now than at any time in health care? Everything is changing," says **Bill Cron, senior associate dean of graduate programs at the TCU Neeley School**, in a press release. "Look at payment systems, for example. Approximately 93 percent of a provider's revenue today comes from fees for services. As health care changes, fees and services will become a minimum part of their revenue. How can they make that transition? It requires an intricate understanding of policy and financing."

Students at TCU will learn skills such as finance, accounting, information technology, operations and marketing. Some classes will be taught by University of North Texas Health Science Center teachers.

Other similar programs at schools around the US include Boston University's Questrom School of Business's Health Sector MBA, the University of Minnesota's Carlson School of Management's Medical Industry specialization, Rutgers Business School's Pharmaceutical Management MBA, and Vanderbilt University's Owen Graduate School of Management's Healthcare MBA. Business degrees for healthcare professionals in Europe are also popular; schools such as Copenhagen Business School and the University of St. Gallen in Switzerland report that approximately 15 to 20 percent of their graduates go into the healthcare and pharmaceutical fields.

TCU's program starts in August; the application deadline is May 31. Visit the TCU website for more information.

Star-Telegram Bloomberg Business

February 23, 2016

Deeper oil industry cuts could make rebound harder, experts say– ***by Max B. Baker***

With the oil industry set to cut spending even more this year, industry observers warn that the longer the downturn continues, the tougher it will be for explorers to ramp back up once commodity prices improve.

An International Energy Agency report released Monday stated that explorers cut their drilling investment by 24 percent in 2015 and are expected to slash it by 17 percent this year. As a result, oil-field service companies that provide the drilling rigs and crews are cutting employees. And the longer they are without a job, the harder it will be to get them to return to those demanding jobs, said Ken Kirby, senior vice president of development for XTO Energy.

“The service companies are going to be the most damaged, and we’re going to have a lot of trouble coming out of this just because our service companies are so badly damaged,” said Kirby, who appeared at a **TCU Energy MBA Board Forum at the Fort Worth Club on Tuesday**.

“If prices go back up to $60 or $70 [a barrel] and we raise our hand and say, ‘Let’s pick up rigs,’ we’re not going to find the rigs,” he said. “The damage is going to be huge.”

In recent weeks, several companies have announced drastic cutbacks in drilling. Pioneer Natural Resources said it’s cutting its drilling activity in half — from 24 rigs to 12. Devon Energy is trimming its drilling by 75 percent and laying off 1,000 employees.

Fort Worth-based XTO, a subsidiary of Exxon Mobil, had about 15 rigs working in the Bakken in North Dakota a year and a half ago and is pulling back to two, Kirby said.

Plummeting oil prices may result in 20,000 oil-field-related job losses in Texas by the middle of 2016, meaning that the oil and gas field will have lost 80,000 jobs since January 2015, according to the Texas Alliance of Energy Producers.

The lower prices go, the tougher the rebuilding process will be, Patrick DeHann, a senior petroleum analyst for Gas Buddy, said last month.

Bloomberg Business

February 26, 2016

Heresy! Stop Paying CEOs Performance Bonuses, says Harvard Business Review– ***by Peter Coy***

For *Harvard Business Review* to advise companies to stop paying executives based on performance is like your local church telling parishioners to stop dropping money in the collection basket. Yet there it is, in an article published on the magazine’s website Feb. 23: “Performance-based pay can actually have dangerous outcomes for companies that implement it.”

Lest there be any mistake, the article goes on to say, “We argue in favor of abolishing pay-for-performance for top managers altogether. We propose that, instead, most firms should pay their top executives a fixed salary.”

I spoke on Feb. 25 with Freek Vermeulen, who co-wrote the article with Dan Cable. Both are professors at London Business School. The argument has “hit some sort of a nerve,” he said. Many other authors have recommended changes in performance-based pay, such as making more of it contingent on a company’s long-term performance. But by rejecting the whole idea of performance-based pay, “some say that we’re throwing out the baby with the bathwater,” Vermeulen said. He remains unmoved, he said: “I haven’t been convinced by any arguments we’ve heard.”

Cable and Vermeulen cite five problems with performance-based pay:

- "Contingent pay only works for routine tasks."
- "Fixating on performance can weaken it."
- "Extrinsic motivation crowds out intrinsic motivation."
- "Contingent pay too often results in fraud."
- "Measuring performance is notoriously fraught."

Cable and Vermeulen are swimming against the tide, **according to Swaminathan Kalpathy, a finance professor at Texas Christian University's Neeley School of Business.** According to a 2015 working paper by Kalpathy and three other authors, in 1989 some 21 percent of companies they studied gave performance-based awards to executives. By 2012, the last year for which data were available, the ratio had jumped to 68 percent.

Kalpathy said he agrees with several of Cable and Vermeulen's points, but is nevertheless in the baby/bathwater camp: **To say performance-based pay is irretrievably bad "seems like a pretty blanket statement." The idea that executives respond to incentives, he said, "is kind of the cornerstone of agency theory."**