

BUSINESS WEEK'S GUIDE TO

THE BEST BUSINESS SCHOOLS

Ranking America's Top B-Schools
In-Depth Profiles of the Best 40 MBA Programs



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10. Duke University

The Fuqua School of Business
Durham, North Carolina 27706

Recruiter ranking: 10

Enrollment: 740

Women: 25%

Foreign: 11%

Minority: 9%

Part-time: 190

Average age: 25.4

Applicants accepted: 24%

Accepted applicants enrolled: 54%

Graduate ranking: 7

Annual tuition: \$13,500

Room and board: \$7200

Average GMAT score: 620

GMAT range: 390 to 780

Average GPA: 3.3

GPA range: 2.2 to 4.0

Average starting pay: \$48,740

Application deadline: Rolling admissions

It was the first gathering of the board of visitors for Duke University's graduate school of business. Accounting Professor Thomas F. Keller had just been named dean of the four-year-old school and he was there to hear some pretty awful news from the corporate executives on the board in 1974.

"They told us, 'You don't have a business school. You have a management science department. And even that's not very good. And if you want to continue, you have to change.'"

Keller, of course, not only heeded the board's advice, he instigated something of a revolution in lifting Duke's B-school from one of more than a hundred also-rans into the ranks of the Top 10 in the nation. Keller ditched Duke's undergraduate business program, raised loads of money, recruited top faculty in finance and marketing, and built one of the most attractive B-school buildings in the country.

He also proved to be an adept marketer. Keller won widespread recognition for Duke's improvements, even before the school became selective enough to truly qualify for a berth in the top ranks. As early as 1985, for example, Duke was accepting 67% of those who applied for entry into the school—an acceptance rate far higher than any other Top 20 school. About 43% of the students then had no full-time work experience. Today, with full-time enrollment set at about 550, applicants stand a one in four chance of being invited to attend—making the Fuqua School of Business one of the choosiest. And 95% of the class has work experience.

It's hard for a visiting applicant not to be impressed by Duke and the Research Triangle Park area. Duke is one of four major universities in the triangle of Durham, Chapel Hill, and Raleigh. The mild climate, the rural yet progressive environment, and the modern-looking Fuqua school charm. The concrete and glass B-school building on the edge of the west campus of the university boasts an airy mall-like environment with trees, horseshoe-shaped classrooms, and a 500-seat auditorium. A new executive education facility—linked to the school by a bridge across a ravine—opened in May. It's a 10-minute walk to the Gothic-looking Duke Chapel, the heart of the university campus.

Fuquons and Fuquites, as Duke grads call themselves, have an unusual degree of latitude to do their own thing. They run and manage The Kiosk, Fuqua's snack bar and store. They sponsor several major conferences each year on such topics as entrepreneurship, marketing, and international services. And in 1989 they pulled off the

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first of a series of wacky games to benefit the Special Olympics. MBAs from different schools competed in such things as a corporate swimsuit relay and a briefcase throw. "There's a greater opportunity to play a role at the school," says Kurt Baumberger, who turned down Wharton and Harvard to come to Duke. "Everyone recognizes it is a young, growing school and things aren't perfect but you could have a big impact in what is going on here."

The Fuqua program is a simple four-semester curriculum. First-year students are divided into sections of about 65 each and then take all classes in a semester together. From the start, you'll find a heavy emphasis on communication and computer skills. Business Communication, a required course that meets once a week throughout the first year, attempts to enhance verbal and written skills through student feedback, one-on-one teacher critiques, and video tapings. In one assignment, students are given a bundle of raw data that they have to convert into a coherent and convincing executive briefing. The presentation is then videotaped and critiqued by the class.

All first-year students also take Computer Laboratory, a weekly course designed to get you up to speed on using computers as management tools. Every faculty member at Duke has a PC, and there are at least 85 PCs for MBAs to share. All of them are networked together so that a professor can do work on a problem in class and the students can later tap into the network to work on the same problem. Students use computers in 75% of their required courses and are even assigned homework on floppy disks they can check out of the school library. Duke, however, does not have a strong program in management information systems.

In the second year, students have only one required course—The International Environment. Otherwise, you pretty much craft your own program with the ability to take nine electives in your second year. No one is required either to major or to concentrate in a specific area. In addition to the nearly 65 electives offered by the Fuqua School, you also can take up to four graduate courses elsewhere in the university. Many students study a foreign language, government, engineering, or international law. You can increase your elective courses by waiving out of core classes by exam.

Fuqua administrators maintain they work hard to ensure that electives are available to all students. "If you are a second-year student and there is an oversubscribed elective you want to take, we'll create a new section instead of closing you out," says Michael Hostetler, director of admissions. "At other institutions, you can get crowded out." The average class size in the second year is about 33 students.

The strong points of the program are clearly finance and marketing. The largest single group of the 55 tenure-track faculty is in finance (12), closely followed by marketing with 10 teachers. Fuqua boasts one of the better groups of marketing faculty in the nation, having lured key people from UCLA, Carnegie-Mellon, and other top schools. A Marketing Workbench Laboratory takes scanned data from supermarkets and helps brand managers in consumer product companies better manage inventories. The research from the laboratory immediately filters into the classroom in such courses as Information Systems.

An annual student-run Marketing Symposium brings many corporate marketing executives to campus each year. R. Gordon McGovern, chairman of Campbell Soup, was the keynote speaker in 1989. A project course in marketing allows students to study a current problem faced by a corporation and formally propose solutions to management. Each year, the school features four to six "live case studies" as Dean Keller calls them. MBAs gather for a brown bag lunch during which brand managers

from companies such as Mars, General Foods, Kraft, and Procter & Gamble describe challenges they are currently facing. The students break into groups of six or eight and, after lunch, they make their own presentations on what the company should do.

Like most other B-schools, Duke also draws heavily upon its own area—the Research Triangle—for guest speakers and lecturers. The 1988–1989 distinguished speakers series also attracted Edgar M. Bronfman, chairman of The Seagram Co. Ltd., and Koji Kobayashi, former chairman of NEC Corp. In 1989, Duke also boasted three full-time executives in residence for the entire year: William A. Sax, a former vice president of Unocal Corp., Richard B. Palmer, a former president of a Texaco subsidiary, and Nathaniel Lande, a former senior vice president from advertising agency BBDO. Whether it's dispensing career advice or telling old war stories, these former executives are helpful for their real-world perspective on business issues.

Student evaluations of teachers are not made public here. But grads highly recommend Valerie Zeithaml, a Fuqua Teacher of the Year winner, who has done pioneering research in consumer behavior. Campbell Harvey, who teaches finance courses, and William Boulding also gather rave reviews from students. First-year students can gain exposure to Boulding in their Marketing Management core course, while second-year students will find him teaching Marketing Strategy.

Fuquons read *Over the Counter*, the school's monthly newspaper, to keep track of campus happenings. Between classes, they also scurry to the Lakewood Shopping Plaza, a five-minute drive from campus, for drinks at Satisfaction or T. J. Hoops, the ultimate sports bar. At Hoops, grads gather to watch the university's basketball team on large-screen TVs and play pool on one of 15 tables. When the Duke Blue Devils are on the road, an alternate cheerleader often comes down to lead the crowd. Every Friday at 5 p.m., MBAs also get together in the atrium of the B-school or in the student lounge for beer and snacks.

Ever since the popular movie "Bull Durham," Fuquons have been trekking downtown to hoot and holler for the Durham Bulls, the professional baseball team upon which the movie was based. Like just about everything else in Durham, it's no more than a 15-minute drive away. Most MBAs live off-campus in privately owned apartments just a walk or bike ride away. If you have to drive to school, you'll be familiar with 751, the nickname for the Fuqua parking lot about a three-minute walk from the school. The lot is so named because it's just off Route 751. About 15% of Fuqua students live in university-owned housing.

Duke's recent emergence as a B-school powerhouse has its disadvantages. The faculty is younger than most, so Fuqua tends to lack nationally recognized stars in their fields. "Teaching quality may suffer because they don't have a wealth of experience," says Richard Staelin, associate dean for faculty affairs. "The good point is that we have enthusiastic young people who care about their message and want to have an impact on the students."

As a relatively young program, the school also lacks a large and older alumni network of contacts. (The first class of 12 students graduated in 1972.) Duke University grads, however, show lots of loyalty to the school. Each of the last three graduating classes have donated \$100,000 or more to the school by commencement day. Alumni have even put together an electronic bulletin board listing addresses of all Fuqua grads that can be accessed by a computer and modem 24 hours a day.

Fuqua's placement office has done well attracting top-flight corporate recruiters to campus. In 1989, more than 150 companies, including American Airlines, Coca-

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Cola, Goldman Sachs, and McKinsey, came to interview students. Duke's placement operation is aggressive (some students complain that it is too aggressive). It even advises students on proper table manners because business luncheons are often part of a follow-up interview. In 1988, Unisys got the largest group of Fuqua grads, recruiting 10. Other top recruiters were Price Waterhouse, which took 6 graduates, Arthur Andersen and General Mills, which hired 5 each, and Coca-Cola, which took 4 graduates.

Dean Keller, meanwhile, shows no sign that he's complacent with Duke firmly established as a Top 10 school. In 1989 alone he opened the doors to the R. David Thomas Center for Executive Education, added a new research center in manufacturing and technology management, and launched an innovative program to bring Soviet managers to Duke to educate them about the business practices of market economies. No one could tell him he doesn't have a business school now.

Contact: Michael J. Hostetter, director of admissions, 919-684-5874

Prominent alumni: Benjamin W. Hill, president of Broyhill Furniture, Inc.; J. F. Harrison, vice chairman of Coca-Cola Bottling Co.; John D. Kearney, president of Robinson-Humphrey Co.; John A. Allison, president of Branch Banking & Trust; Kevin M. Twomey, senior vice president of Mcorp.; Thomas B. Roller, vice president of Carrier Corp.

Fuqua MBAs sound off

Perhaps the greatest strength of the Fuqua School is also its most visible weakness: it's a very young program. Being young gave students the ability to impact the system immediately. At the same time, our youth hurts us in that there is a dearth of top-level alumni presently in the business community.—Finance project manager

Duke is striving to be a finance school—so marketing majors beware! You will be forced to learn esoteric bond swap theory just so the big banks will keep coming to career day. My lasting regret is that I spent \$40,000 to learn useless tools from academics who'd never worked in a real business. Business school learning is too removed from the real world. The best teaching tools Duke had were the CEOs who regularly visited. They knew what was going on outside, and they reminded us that we'd eventually learn to deal with it, too.—Marketing account associate

The Fuqua School of Business is the best investment I've ever made, from both a personal and professional point of view. The program improved my communication and analytical skills. The school also allowed me the opportunity to manage several organizations, which enhanced my leadership skills. MBA graduates have been portrayed recently as ultra-competitive and money hungry. But the people I met at Duke had more character and integrity than any other group I've worked with in the past.—Finance associate

The best aspect of Fuqua's program is its student body. They are exceptionally bright. Cooperation and teamwork are carried throughout the whole program from the first day. The broad range of management training I received during my two years of full-time business school was well

worth the time, earnings, and lifestyle I gave up to pursue a graduate education.—*Consultant*

Duke has a very underrated business school. It is an outstanding institution led by an enthusiastic faculty and administration. I don't think other schools have the vision the Fuqua school has, much as a result of the speed with which it has become nationally prominent. Once Fuqua has the alumni base of the other schools, there will be no stopping its rise into the top 5.—*Assistant brand manager*

I entered the program with no business background or knowledge, and two years later I walked out in the top 5% of my class. Fuqua taught me everything I needed to know and more!—*Consultant*

As an international student, the facilities extended to me and other foreign students were not up to par with those offered the Americans—only regards to placement and financial assistance. The placement office at Fuqua was, at best, apathetic toward international students. This is kind of unfair, given that these students form 25% of the student population. Summing it up, I'd say that Fuqua was worth only \$25,000–\$27,000 of the \$40,000 that I spent.—*Finance executive*

The placement office was more interested in having students accept any job offer so that the school placement statistics would look good. No real attempt was made to help students find jobs that complemented their career interests. As a matter of fact, there was at least one incident where the placement director got wind that a student received an offer by a well-known investment firm, and proceeded to block his attempts to get on other interview lists. He was, in effect, trying to force this student to accept the offer, so that other students would "have a chance" at getting job offers, too. The school tried very hard to instill cooperative, team spirit values through extensive group projects. It really didn't work, though, as most students were only looking out for #1.—*Corporate marketing associate*

Academically, it was a great experience; socially, however, it was not. This is because I am a New Yorker, accustomed to big city life, while Fuqua lies in an isolated setting in North Carolina. I thought it to be socially stifling. Culture shock was indeed experienced. The lesson I learned is that I should stay in the big city in the future.—*Career path unknown*

I am amazed at how my expectations of school and career changed while I was at B-school. I came there bound for Wall Street and left determined to work for a small entrepreneurial company, with a goal of running my own firm in five years. Business school ruined me for the corporate world. Seeing the excitement of small team cooperation and grappling with issues at all levels made me certain that being a junior executive again and climbing the corporate ladder would suffocate me. We had all the biggies—Procter & Gamble, Salomon Brothers, etc., but I had no interest in them. I was talking to clam farmers and software developers.—*Marketing entrepreneur*