THE FUTURE OF BUSINESS EDUCATION

Business Schools: *Adapt or Die*

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20–30%

App drops at top-20 programs

[Poets & Quants, 2026]

30-50%

Tuition discounts or reductions

25%

Target clinical revenue function

Overview: A Three Act Short Film

ACT I

The Crisis

- Enrollment collapse & crisis in the middle
- Placement challenges
- Budget compression & structural deficits
- Degree program relevance, value, and trust
- OPT threats, arrests, drop in international demand

ACT II

Why It Happened

- 100 years of B-school evolution
- Vocational school origin: respect and fit?
- Move to rigorous — and irrelevant
- Disconnect of research from relevance and meaningful curriculum
- Online, AI, Geo-politics (wake-up call)

ACT III

What To Do

- Redesign education (AI-driven): Producers $\rightarrow$ Evaluators
- Redesign culture, incentives, priorites
- Redesign business model - Clinical role + applied, grounded, research

Every week another headline declares the MBA dead. Here is what the data shows.

20–30%

App drops at top-20 schools [Poets & Quants, 2026]

30-50%

Tuition reductions

1 Year

MBB consulting start-date delays [Wall Street Journal, 2024]

3+

Major state programs shut since 2020 [Financial Times, 2023]

POETS & QUANTS, 2026

“International enrollment collapses as visa uncertainty pushes students to Europe and Canada.”

WALL STREET JOURNAL, 2024

“MBB firms delay MBA start dates by a year, offering $30K–$40K to defer onboarding.” [Wall Street Journal, 2024]

FINANCIAL TIMES, 2024

“Silicon Valley hiring freeze leaves MBA career services scrambling to diversify pipelines.” [Financial Times, 2024]

Death of the Middle

Elite schools with endowments and external support / massive UG business programs / the rest.

Notable Full-Time MBA Closures

University of Iowa
Pivoted to online & part-time formats

University of Illinois
Redirected resources to iMBA online platform

Wake Forest University
Shifted to specialized master's portfolio

The Enrollment Shift

Full-Time MBA ↓ **Declining**
International demand retreating to Europe & Asia

Online MBA ↑ **Dominant**
Preference doubled in 5 years; now majority of global enrollments

Specialized Master's ↑ **Fragmenting**
MS Analytics, AI Mgmt, Supply Chain — employer-driven demand

WHY IT HAPPENED

Three eras — each shaped by a major external force.

1880s – 1950s

Vocational Era

Schools of Commerce

- Train clerks, accountants, administrators
- Faculty: former executives with "war stories"
- Herbert Simon: *"a wasteland of vocationalism"* [Simon, 1969]

DRIVEN BY: Industrial Capitalism

1959 – 2010s

Rigor Era

Ford & Carnegie Reports [Gordon and Howell, 1959]

- PhD required; publish-or-perish culture
- Research for academics, not managers [Pfeffer and Fong, 2002]
- Faculty who never ran a supply chain [Bennis and O'Toole, 2005]

DRIVEN BY: Cold War Science Culture

2025 → NOW

AI Era

The Third Inflection

- AI automates report writing, analysis, deck prep [McKinsey Global Institute, 2023]
- Traditional MBA tasks are now AI tasks
- The entire value proposition must shift

DRIVEN BY: Artificial Intelligence

The Rigor vs. Relevance Trap

Academic Rigor ✓

PhD required for all faculty.

Hypothesis-driven empirical research.

Prestigious peer-reviewed publications.

Practice Relevance ×

Writing for academics, not managers.

Highly abstract theoretical models.

Faculty lack corporate reality and management experience.

The Rigor–Relevance Trap

What We Gained ✓

PhD requirement — rigorous methodological training

Peer-reviewed publication in ASQ, AMJ, & top journals

Intellectual legitimacy within the research university

Management as a serious academic discipline [Khurana, 2007]

What We Lost ✗

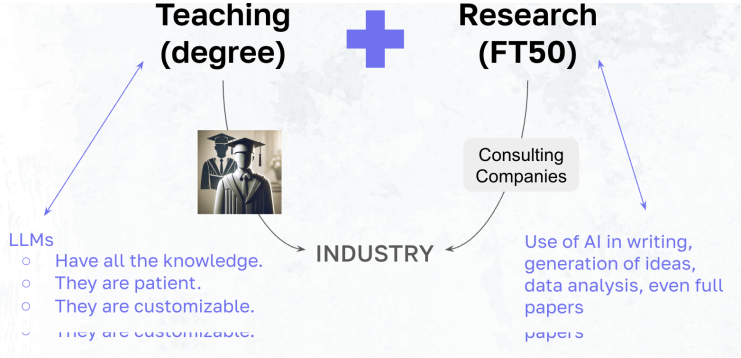
Faculty who had managed a supply chain or a P&L

Research written for practitioners, not journals [Ivory and Miskell, 2015]

Curriculum connected to real business complexity [Ghoshal, 2005]

Industry trust as relevant thought partners

The Business Model Trap



Business Model Under Threat

Teaching Threat: LLMs possess vast knowledge, patience, and personalization capabilities, challenging the traditional instructional value proposition.

Research Threat: AI tools are increasingly adept at conducting research, analyzing data, and writing articles, threatening the research pillar’s cost structure.

The Imperative

ADAPT

or

DIE

AI: The Third Inflection Point

What 1959 was to vocational training, 2025 is to the post-rigor MBA.

AI can already do what we trained MBAs to do:

- Analyze data and build financial models [Brynjolfsson et al., 2023]
- Write reports, memos, and executive summaries
- Prepare presentations and slide decks
- Synthesize research across hundreds of sources
- Draft RFPs, contracts, and business cases [McKinsey Global Institute, 2023]

The central question for us:

If AI does the producing — what exactly are we training our students to do?

The curriculum redesign challenge in business education.

THE OLD MODEL: *Producers*

- **Build the model** — Excel, SQL, Python from scratch
- **Write the memo** — Analytical writing & synthesis
- **Prepare the deck** — Visualization & storytelling
- **Compile the research** — Library synthesis & citation

THE NEW MODEL: *Evaluators*

- **Judge the output** — Correct? Biased? Strategically sound?
- **Refine with taste** — Aesthetic sensibility, quality standards
- **Validate the logic** — Critical thinking, error detection, ethics
- **Direct the process** — Prompt strategy, iteration, human-in-loop

The Evolution of Knowledge Work

Evolution in Humans' Role in Knowledge Work

	Preserver Age	Producer Age	Evaluator Age
Input	**Harvest**	Specialize	Span
Process	Memorize	**Hypothesize & Test**	Synthesize & Prompt
Output	Recite	Exam & Apply	**Evaluate**

Evolution of knowledge work across eras

Historically, human "knowledge specialists" focused on harvesting and preserving information. The Industrial Age shifted focus to knowledge *production*. Today, AI is absorbing production, pushing humans into "operator" and "evaluator" roles.

The Curriculum Shift: From Producers to Master Evaluators

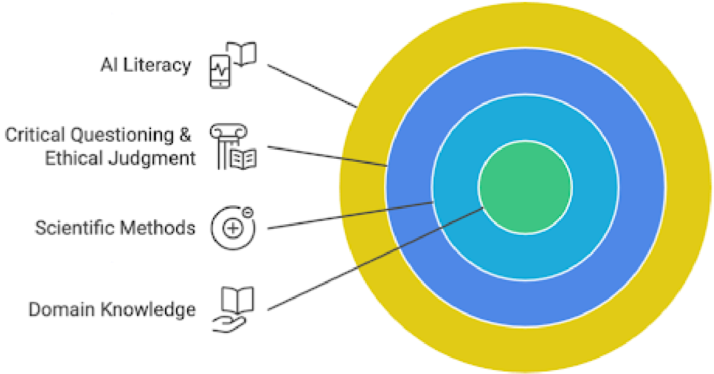
AI is Altering Knowledge Work

The hallmark of the Evaluator Age is a shift from production to discernment—blending domain expertise with AI literacy and ethical judgment.

Producers → Evaluators

- Focus must shift from training "human calculators" to developing "master evaluators."
- Teach judgment, critical validation, iterative refinement, and ethical application—not just data crunching.
- Organizations need a workforce equipped to critically question, synthesize, refine, and re-assess AI-generated outputs.

Skills Required for the "Master Evaluator" Role



Skills needed to perform the Master Evaluator role Graduates need a kernel of deep domain knowledge,

surrounded by broad AI literacy, enhanced by specific skills like iterative refinement, critical questioning, and deployment of scientific validation protocols.

The Opportunity: A Clinical Model

> ***"In five years, 25% of a business school's budget should come from its clinical role."***

[Clinic] Business Clinics

Firms bring real problems. Faculty and doctoral students diagnose, design, and deliver — like a teaching hospital.

Bridges the rigor–relevance gap [Ivory and Miskell, 2015]

[Lab] Applied Research Labs

Industry-funded labs producing frameworks and tools that are immediately deployable — not just publishable.

Restores practice relevance while preserving rigor

[Partner] AI Impl. Partners

B-schools become the trusted advisor for organizations navigating AI transformation — a massive unmet need [Davenport and Mittal, 2023].

New primary revenue stream for the next decade

Enterprise Challenges: AI as an Educational Opportunity

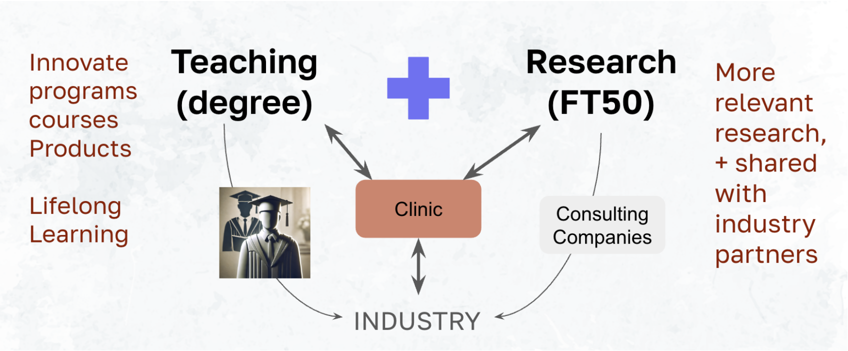
Navigating Uncharted Waters

Digital/AI leaders achieve 2-6x higher returns, but the AI landscape is chaotic, multi-layered, and riddled with fallible products.

Most organizations lack executive competence to leverage AI safely and strategically.

The Opportunity: B-Schools can transform from pure talent exporters to active partners in solving these enterprise AI challenges.

The Clinical Model: The Business Model Opportunity



Be Relevant: Become clinical partners for organizations

Exploit Synergies: bridge rigorous academic thought with relevance and practice

What This Means for IS & Operations Faculty

Unique position: AI disruption is an operational and systems problem!

AI Workflow Redesign

Companies redesigning every knowledge workflow need operations researchers, not just computer scientists.

Evaluator-Curriculum Design

IS faculty are best placed to rebuild courses around human-AI teaming, validation, and quality assurance frameworks.

Supply Chain Intelligence

AI-powered forecasting, autonomous procurement, real-time optimization — firms need faculty who can train and advise.

Research as Consulting

Applied IS/Ops research translates directly into clinical value. Academic rigor is the credibility consultants cannot match.

The Three Asks

1 Redesign one course around evaluation, not production.

Pick your most AI-disrupted course. Rebuild it so students spend 60% of their time evaluating, critiquing, and refining AI outputs — not producing from scratch. Share what you learn.

2 Identify one clinical engagement opportunity.

Find a firm, industry partner, or municipal government struggling with AI or ops redesign. Propose a structured clinic. This is how the 25% revenue model begins — one project at a time.

3 Commit to one piece of applied research per year.

Not *instead of* journal publications — *alongside* them. A white paper, practitioner brief, or policy memo. Something that closes the gap between what we know and what the world can use.

The mandate:

Maintain the rigor.
Restore the relevance.
Become the clinic.

ADAPT

The 1960s mandate was to achieve academic rigor. We succeeded.
The 2025 mandate is to combine that rigor with urgent, practical relevance — before the market makes the decision for us.

Sources: Poets & Quants (2026) · Wall Street Journal · Financial Times · The Economist · McKinsey Global Institute · NBER Working Paper 31161

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