

PRESIDENTIAL REPORT

11 January 2018

Dear Honorable Members of AIT Board of Trustees

I would like to begin by stating that I have been President for three and half years now, plus one year as an Interim President. I have earlier declared that I shall not seek another term of office, and as this might be my last Board Meeting as AIT President, I feel obliged to write this personal note to all respected Trustees.

I believe today AIT has fully recovered from its worst crisis and is sufficiently healthy for the new President to bring fresh ideas for AIT to move to a new height. In my remaining 6 months, I intend to focus my efforts to reinforce AIT's atmosphere of transparency and accountability, with decentralized financial responsibility at school/center level. With this conducive environment, I believe all members of our international community shall be inspired to commit to integrity, ethical values, and fairness under the same rule of law.

Looking back to the past when I took my office, AIT was besieged with so many burning issues while we had limited resources and the run-down trust from our stakeholders in general. With our tumbled financial reserve and so many pressing needs, even a small mistake could have pushed AIT towards a path to collapse. Under this survival mode, as President, I had to take full control of almost all operations in order to ensure that our strategic plan to rescue AIT can be executed to a perfection.

Please allow me to summarize the following key steps toward the current status:

- (1) Keeping employees' morale high is one of the best things in time of crisis to instill loyalty and maintain AIT a productive workplace. It is not enough to shower them with flowery words of optimism, a good leader must "walk the talk" and be honest. Thus, we have worked out an urgent plan to normalize the strained relationship with our host country. With a lot of hard work, helping hands and luck, we succeeded in regaining Royal Thai Government's trust and in securing the return of our annual budget.
- (2) Another pressing issue was how to regain public confidence in our academic standing. As a postgraduate-only institute, AIT was not eligible to participate in the 3 major world university rankings. This led to a wild speculation that AIT's world ranking might be off the lower end of the chart. Some critical alumni individuals even were fast to speculate that AIT was now academically inferior to local universities in Thailand.

As President, I took this particular issue very seriously as a 'no-action' would continue to cast doubt on our potential students and affect our needed revenue. We directly explored with the major ranking organizations. We found that even though AIT was not eligible for world university rankings as an Institute, AIT could participate in the *QS world university ranking by subject*. It turned out that for three years in a row (2014-16), all the

traditional subject areas of AIT have been world-ranked, in par with many well-known universities in the west.

For Thailand University Ranking, it's a pity that Thailand Research Fund (TRF) decided not to invite our participation this year. Previously, in our first official participation, AIT received the Grand Prize for securing 5 perfect scores, and 7 top ranks out of the 10 participating disciplines.

Then in the ranking by EU's U-Multirank, AIT was able to regain its "top international university of the world" position again in 2017, jointly with other 7 universities in the world.

- (3) Another important task was to take care of our campus facilities and its environment. Our campus was damaged by the floods to a point where many thought it could not be saved. A lot of thinking and planning went into this exercise. While we were short of cash flow, the repair and rejuvenation of the campus had to be carried out in phases, to ensure minimum disturbance to our ongoing academic activities. Last year with additional financial resources from annual surplus in 2016, the campus renovation went in full stream under our full control. We aim to complete all renovation before the official visit of HRH Princess Maha Chakri Sirindhorn on the 27th of April this year. Today, the campus environment appears to have no distressed sign of flood damage. Many frequent visitors commented that our campus looks even better than it was before the flood.

Talking about the campus renovation, I have to thank our corporate friends, alumni, and partners, for their generous donation to our Library Modernization Campaign. It came as a surprise that we were able to raise 80 million baht for our library modernization. This generous donation not only allowed AIT to afford a modern library that meets the needs of the digital age, but also saved the needed fund for renovating our age-old infrastructure, and several new facelifts. Aside from the alumni-donated clock tower, AIT will also have a new signature gate, a new entrance sign board, new footpath from the highway to AIT Conference Center, new Reception Hall in the Administration Building, and a Flood Memorial Garden.

- (4) It is much overdue for AIT to reorganize its outdated academic structure. When I joined AIT as faculty in 1980, AIT had only 9 fields of study, each under its own administration called Division. More and more fields have been added with time. Until 2015, AIT has 34 fields of study with faculty population of around 80. That means — each field has only 2-3 faculty members on the average. It is what commonly known as a silo structure. It took my bold determination and lots of convincing effort to finally remove the silo structure. The new structure integrates closely related fields into Department, which will be the smallest academic administrative units at AIT. While some Departments need time for faculty to gel, we have already seen more collaborations of faculty members across the fields.

(5) Although the "Responsibility Centers Management (RCM)¹", a standard university accounting system used widely in the US, has been established at AIT since 2007, the implementation was only half-baked and cosmetic. In 2015, I took another bold step to propose to the Board of Trustees to approve an incentive system by which 50% of the annual institute surplus is shared with Schools and Outreach Centers in proportion to their positive contributions. These shares will be accumulated in their respective individual Capital Accounts for future capital investment, including future acquisition of modern laboratory equipment.

Today, as AIT is already in the state of normalcy, this has afforded me to dedicate more responsibilities to my three Vice Presidents. We also decentralize responsibilities and authorities to Responsibility Centers (RCs), which include the three Schools and 12 Outreach and Research Centers. Thus, each RC runs its own internal affairs under the management of its dean or director. The AIT Management Team (AMT), which used to be an elite committee of President, VPs and Deans, has also been expanded to include Directors of all 12 Outreach/Research Centers as well as 12 Service Centers. So, all administrative matters are discussed transparently and inclusively in the AMT weekly meeting. No administrative decision is made behind the closed door. In fact, there is no closed door in AIT today.

With the mandate of the Board, we have also launched the transformation of the School of Management (SOM), by which SOM is allowed to have its own way of operations. Under his leadership, Dean Prof. Lawrence Stephen Abeln has brought his vast experiences from MIT, Cambridge and Adelaide to AIT, and aims to make AIT a reputed international business school in the global arena.

Finally, I must say that I always feel blessed and therefore grateful to the collective wisdom of the Board of Trustees for the guidance on policies and direction, and for trusting my Administration to freely navigate the operations of the Institute. Thus, I take this opportunity to express my sincere thanks to all individual Trustees, especially the Board Chair and the ExCom Chair, for the kind advices, supports and encouragement which I have received.

Professor Worsak Kanok-Nukulchai

President, Asian Institute of Technology

"Sometimes, I forget to thank people who make my life so happy in so many ways. Sometime I forget to tell them how much I do really appreciate for being important part of my life. So, thank you, all of you, just for being here, for me."

¹ RCM is a transparent, decentralized, approach to budgeting that promotes sharper focus on revenue growth in schools and centers. Its fundamental basis is to shift decisions, revenues and expense allocations to Responsibility Centers (Schools and Centers). RCM had its beginnings in the early 1970's at the University of Pennsylvania, and was adopted in most universities in the US and Canada.