

# BUSINESS EDUCATION - AN EXECUTIVE DECISION?

[www.seriouseducationmarketing.com](http://www.seriouseducationmarketing.com)

© Serious Marketing Communications Ltd.

**SERIOUS**<sup>®</sup>  
education marketing

---

# **BUSINESS EDUCATION - AN EXECUTIVE DECISION?**

**Why read this?**

**Methodology and sources**

**Financial Times - Movement Summary**

**The participant landscape**

**P.E.S.T Analysis**

**Opportunities**

**Market shifting**

**Challenges**

**Conclusion**

# BUSINESS EDUCATION - AN EXECUTIVE DECISION?

---

"...Google is closer to the future of business education than business education is to the future of business education."

Don Sull. London Business School

## Why read this?

Our Winter 2009 Business Education White Paper reflects on a number of key areas this year for business schools operating at an international level of student intake. Using the Financial Times business school rankings as a basis for discussion we set the scene by summarising the movers and shakers in the top 100 this year. We review the participant landscape with an emphasis on gender, Generation X and participant motivators. Using a P.E.S.T analysis we provide an overview of what are likely to effect business schools and draw on our conclusions of what the opportunities and challenges are for 2010/11.

Further white papers and information can be obtained from **SERIOUS Education Marketing** by visiting:

[www.seriouseducationmarketing.com/downloads](http://www.seriouseducationmarketing.com/downloads)

Or by calling 01932 835 850  
[www.seriouseducationmarketing.com](http://www.seriouseducationmarketing.com)

## Methodology and sources

Having worked with London Business School for the past four years we draw on our strategic and marketing expertise. In addition we have used recent surveys, articles and reports published in Europe, North America, Canada and Australasia, between September 2008 – July 2009. Sources include;

- Financial Times – Business and Education
- Times
- Guardian
- The Daily Telegraph
- The Observer
- Management Today
- The Irish Times
- The International Herald Tribune
- Sunday Herald
- The Boston Globe
- Business Week
- The Globe and Mail, Canada
- Third Sector
- South China Morning Post
- The Business Times Singapore.

## Financial Times Business School ranking - movement summary

- The very top of the table remains static
- Insead comes into the top 10 for custom programmes
- Esade (Spanish School) climbs 17 places for custom programme ranking
- Custom programme new entrants include European School of Management and Technology, Incae, Queen's School of Business, University of Notre Dame: Mendoza and the Irish Management Institute
- Open programme new entrants include Fundacao Instituot de Adminisracao, Kaist Business School and Edhec

# BUSINESS EDUCATION - AN EXECUTIVE DECISION?

---

- MIT Sloan School of Management reaches 10th position from 19th in 2008
- China European International Business School (Ceibs) ranks top 10 in the world for the first time
- London Business School moves from 5th in 2007, to 2nd last year and is now ranked joint 1st. Wharton University is now in the top 100 full time Global MBA courses - Jan 2009
- Both China and Indian business schools ranking in the low top 100's in 2003 now see four business schools ranking in the top 25
- USA loses its dominant position for business schools in the top 10 - from eight in 2007 to only four schools in 2009.

## The participant landscape

Overall this is very diverse and hard to distinguish as participants come from a variety of backgrounds and seniority is not uniform.

- 10% come from companies with fewer than 50 people
  - 18% from a workforce of 50,000+
  - 23% from a workforce of 50-499
  - 26% between a workforce of 500 – 4,999
  - 23% between a workforce of 5,000 – 49,999
1. Senior Managers – 28%
  2. Functional managers – 20%
  3. General Managers – 13%
  4. CEO/MD - 13%
  5. Partners – 10%

## Gender differences

- Women are consistently in a minority on MBA programmes, on average composing a quarter of alumni since 2001. After MBA they are on average likely to earn less and are under represented at the highest levels of companies accounting for

14% of those described as chairperson, 15% of CEO or board members, average age 42.

- Interestingly HKU has successfully maintained a gender ratio split with female students reaching 40% in 2009.

## Generation X (typically seen as 20-29 year olds)

Companies are finding it difficult to retain and attract a new generation of participants whose values and expectations are radically different. Demanding a better work life balance, they are prepared to work harder, but within a shorter space of time.

## Top three motivators for an individual participant:

1. Career progression
2. Broader understanding of business
3. Increased earnings

# P.E.S.T. ANALYSIS

## Political

1. UK and US government are moving towards a more compliant finance industry
2. The success of Chinese business schools is largely due to the government becoming more open to the training and development needs of its people. This is the result of:
  - Policy reform
  - Recognition of a wide training gap;
  - The openness of China's educational environment
  - Rapid Chinese economic development
3. India and China are maturing markets, allowing innovation to lead the way in professional training and development

## Economic

1. Figures suggest business in the education market is down 20%. Icedr, The Executive Education Research Club, states that 60% of companies have reduced their training and development budgets\*

\*Geography and programme type show large variations in these figures.

2. A poll aimed at decision makers within business schools showed 29% predicting a positive spend on business education from the commercial sector; 43% saying it will stay the same; and 28% believing it will decrease.
3. The weaker pound is having a positive effect on international student in the UK
4. For custom programmes, the FT Survey this year reports a better performance than open enrolment programmes. In Europe, Insead, Duke and London Business School report they have been hit harder with Duke declaring a 15% decrease in business.
5. For open enrolment programmes many schools in the US and Europe report business down by a third. Australasia reported losses. Travel was cited as a main issue.
6. More people are turning to education during a recession. MBA programme applicants have gone up according to the Dean of CASS – Richard Gillingwater
7. Brand impact - has business school practice become synonymous with preaching deregulation, stock market supremacy and aggressive leveraging? Is there too little emphasis on risk or individual thinking; and too much on the pursuit of wealth to the detriment of everything else.
8. Investment banking industry is still the biggest employer of MBA graduates. For example 46% of London Business School MBA graduates followed a career into the financial sector in 2007.

# P.E.S.T. ANALYSIS

---

## Social

1. Changing fortunes of individuals through redundancy has created a pool of interested/latent participants
2. Ethics, corporate social responsibility, balancing course with law and economics and risk management are on the rise
3. There is a bigger emphasis on charity fundraising aspects of Schools, such as legacy funding programmes as secondary source of income
4. Diversity of participants becomes ever more important. E.g. London Business School increasing its diverse population from 20 nationalities in 2006/7 to 35 on its recent EMBA programme
5. Schools should give greater considerations to gender and generation types.

## Technology

1. Advances in technology provide business schools with the opportunity to consider programme delivery online and with remote access. This is still in its infancy but creates opportunities for the future.
2. The technology landscape will create new economies and new breeds of individuals. This will transform lifestyles, working practices and attitudes to training and development.

# BUSINESS EDUCATION - AN EXECUTIVE DECISION?

---

## Recent collaborations

- Insead and Tsinghua University in China now offer the TEMBA programme
- Collaboration between Kellogg/Hong Kong UST
- HEC School of Management in Paris, LSE and Political Science and New York University's Stern School of Business
- Fuque School of Business at Duke University

## Opportunities

1. Value of face-to-face contact of professors and participants
2. Asian superpowers rank higher for innovation
3. Chinese corporates put more emphasis on developing executives than function-specific training, particularly through custom programmes
4. Popularity of the Masters in Finance programmes, despite the downturn with particular interest from Europe and emerging financial markets such as China, South Korea and India
5. Indian companies are becoming international leaders in software development, information technology and other highly technical fields – e.g. Infosys Technologies Ltd
6. Entrepreneurship is the second most popular course. 27% of MBA applicants would like to run their own businesses after graduating.

## Examples of market shifting

1. Business Schools are rethinking how they deliver programmes. Many organisations report that electronic in-house delivery is being employed to eliminate the expense of hotels, travel and venues. e.g. Ashridge School – business is increasing in its Virtual Learning Resource Centre

2. In the UK people are using the financial crisis as a reason to change the way they deliver education according to Duke CE. One UK business school reports less emphasis on graduates going into financial services, but more toward healthcare, life sciences and consultancy.

## Challenges

- Fewer jobs available as a result of the credit crunch have created interest in MBAs over Open Programmes
- What effect will Swine Flu have this Winter?
- Travel expenses and corporate budgetary cuts
- CSR policies and their affect on carbon footprint, especially air travel
- How do schools capitalises on emerging markets
- Using innovation and creativity
- Changing global landscape from competitors entrants
- Understanding what future generations want from business education
- Creating short – long term communication goals
- Seizing the economic opportunities and barriers faced
- Looking at future industry growth and mapping objectives to reach audiences

# CONCLUSION

---

## Some thoughts:

- What would happen if Google announced its Business School?
- What would happen if Google collaborated with Apple and LinkedIn to launch a business school?
- What would happen if all Indian and Chinese business schools got together to deliver international executive programmes?
- Will the words 'Business School' mean anything in 10 years?
- [What can business schools do now to market themselves effectively to seize the challenges and capitalise on the opportunities presented by the current business climate?](#)

Further white papers and more information can be obtained from **SERIOUS Education Marketing** by visiting:

[www.seriouseducationmarketing.com/downloads](http://www.seriouseducationmarketing.com/downloads)

Or by calling 01932 835 850

[www.seriouseducationmarketing.com](http://www.seriouseducationmarketing.com)