The Sloan school hopes an addition to its EMBA will help to redefine the business school junket, writes Rebecca Knight

MIT's Sloan School of Management is launching a capstone course for its Executive MBA programme that involves on-site, experiential learning at an overseas company, a class that school officials say is an attempt to redefine the standard “business school junket”.

The course is being introduced at a time when schools that offer EMBAs – masters programmes for working executives – find themselves in an “arms race” for students as companies cut funding for employees to enrol in such programmes.

“Any EMBA worth its salt has an international trip, but often they come in the form of business school tourism,” says Jonathan Lehrich, director of Sloan’s EMBA, which was launched last year. Such trips involve groups of executives travelling overseas and having a series of meetings with leading corporate executives.

“We don’t do it like that. Our students are doing actual work with actual companies.”

Sloan’s semester-long course, which is known as Global Organisation Lab or Go-Lab, begins in February. Ten teams of six EMBA students will work with senior managers at companies around the world, helping to solve specific integration problems.

“We’re working with large cross-border organisations who are doing things well locally but have international challenges,” says Mr Lehrich.

“Take a healthcare company that does its product research in New Jersey, its stage-two testing in India, its manufacturing in China, and plans to do its drug launch in Germany. Our students will come up with solutions to make this a seamless launch.”

For the first two months students will communicate with management teams via email and videoconference. They will spend about 10 days at the companies’ headquarters.

Although participating companies are not charged a fee for engaging a student team, they must reimburse airfare and pay for accommodation.

“There needs to be investment on both sides,” says Mr Lehrich.

EMBA programmes have been hit by the economic downturn. Schools charge a premium for these highly profitable programmes. (Sloan’s EMBA costs about $120,000, in the middle of the price range of programmes at other top-tier schools.) But in recent years companies have cut funding for employee sponsorship, according to the Executive MBA Council.

Only 32 per cent of EMBA students were fully sponsored by their companies in 2009, down 5 per cent from 2005, and business schools now find themselves in intense competition for students.

There is increased pressure on schools to “provide a high quality programme” – one with speciality courses and opportunities for international learning experiences, says Jason Price, director of EMBA World, a New York-based consulting company specialising in business education. “To reclaim market share, we are going to see more of these highly innovative, attention-getting classes.”

Full-time MBA programmes are also increasing their emphasis on hands-on, field-based learning. Harvard Business School has introduced a required course, the Field Immersion Experiences for Leadership Development for its 900 first-year students. The centrepiece of the course, a unit on global intelligence, includes a week-long trip to an emerging market country where student teams are embedded at a company.
Mr Price says that employers are demanding business graduates with more real world experience. "A lot of this is driven by industry – employers are saying they don’t want to train graduates on their dime," he says.

EMBA students, however, tend to be more experienced and most are already employed. Members of Sloan’s EMBA class have an average of 17 years of work experience.

In Sloan’s Go-Lab programme, the students will act not as consultants but as fellow managers working with colleagues from other companies. The issues they will tackle – how to operate in a decentralised, virtual team, how to manage several international markets simultaneously – are problems faced by many global companies.

"Companies are more in need of skilled general managers than they are business strategists," says José Santos, senior lecturer of global economics at Sloan.

"A 27- or 28-year-old MBA student can’t really be trained as a general manager, because it’s too early for that. But students who … already have 15 or 20 years of work experience can be trained. It’s up to us to bring the training of a general manager to a much higher level than we have in the past.”