Aiming high

EMBA credibility – and prices – are soaring. By Della Bradshaw

At first glance, Damian Blazy is not your typical participant on an Executive MBA programme – an MBA for working managers. He works at the Pentagon as an energy security analyst, but not long ago he was on active duty as a fighter pilot.

Yet every third Friday and Saturday he attends classes at the Sloan school at MIT in Boston. The first reason he gives for studying a management degree will resonate with any engineer or accountant on his course. “I need to translate between technical issues and writing policy.”

His second reason is learning to save energy. For Blazy this is a bigger problem than for most: the US military is the world's largest user of petroleum and increasing the use of biofuels has dramatic consequences. “A lack of energy can result in casualties,” he says.

The only active service member in his class of the Sloan EMBA, Blazy says the class is made up of folk who are “quant comfortable [highly numerate] … They want rigour; they want the cutting edge of data analytics.”

“Quant comfort” is undoubtedly one of the strengths of the Sloan school, part of science and engineering university MIT, and, as EMBA programmes continue to flourish, many schools are playing to their strengths. At Georgetown University in Washington DC, famous for teaching law and diplomacy, the McDonough business school has joined forces with the Walsh School of Foreign Service and the Spanish business school Esade to run an EMBA that addresses the socio-political implications of business.

“The programme is not for everyone,” says Paul Almeida, senior associate dean for executive education at McDonough. “But we don’t want everyone.” At $142,000, the 14-month Georgetown-Esade Global EMBA is clearly not for everyone, but it is well within the range of prices charged by other top schools. At Wharton, the fees are $107,160 for its programme in Philadelphia, and $173,940 for the one in San Francisco, while the MIT Sloan programme costs $132,000. At London Business School the London-based programme is a comparative steal at £53,900 ($83,800), while the EMBA-Global Americas and Europe costs £147,723.

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DIPAK JAIN, DEAN OF INSEAD (LEFT)
At Chicago, the US programme costs $288,000, while the London programme weighs in at £200,000 (£107,000). The Darden school at the University of Virginia has launched its global EMBA this year at $189,000.

For top schools there appears to be little price sensitivity, but smaller institutions have had problems. The Grenoble Graduate School of Business, for example, shelved plans for a globe-trotting EMBA in January 2011 because it could not fill seats.

But, as programme directors point out, programmes cost less than a traditional MBA when the opportunity cost is factored in – EMBA students continue to work while studying.

It is increasingly clear that the EMBA, once the Cinderella programme of the western business school world, is becoming a luxury product. This has always been the case in Asia, says Steve DeKrey, senior associate dean at Hong Kong University of Science and Technology, whose joint EMBA programme with the Kellogg school, near Chicago, has ranked number one again this year.

The big development this year, says Prof DeKrey, is that the programme is able to attract students from further afield – Mumbai, Moscow and Turkey.

“Motivation is clearly the rise of Asia and a programme like ours enables you to build a network as well as get a great education.”

Programmes in China are already the largest in the world, with Ceibs in Shanghai enrolling around 700 students a year and Cheung Kong, China’s first privately funded business school, teaching a further 650 – with each Cheung Kong participant paying around $100,000 for an EMBA aimed at what dean Bing Xiang calls “the top of the pyramid” – China’s business elite.

Targeting these high-level managers brings real benefit to business schools, says Dipak Jain, dean of Insead. “A large proportion of the reputation of the school comes from the EMBA because students come from such a high level in the company.”

Prof Jain intends to build up Insead’s programmes in Fontainebleau and Abu Dhabi and launch a stream in Singapore next year. Then he intends to launch an EMBA programme in the US, probably with a partner, though he realises this will be difficult.

Insead has proved the partnership EMBA model through its relationship with Tsinghua – together they run the Tsinghua Insead EMBA in Beijing and Singapore. The potential for influence in the Chinese market is not lost on Prof Jain and he is keen for the two schools to replicate the programme across different cities in China.

Elsewhere in Asia, the Indian School of Business launched what is arguably India’s first true EMBA programme last year and will graduate its first class this month. While many US and European business schools see India as an appropriate destination for an overseas module on their programmes, ISB does not take its students to developed economies, says dean Ajit Rangnekar. “We have one international component in Brazil or Moscow.”