

Welcome

Workshop 1: The emerging Master Market

(Room: Auditorium 2)



HRK German Rectors' Conference
Projekt nexus
Concepts and good practice in Higher Education



**New perspectives for Master Study Programs in Europe
The opportunities of internationalization
and the case of the MBA**

25, October 2011

BOLOGNA SEMINAR - BERLIN



The presentation and paper that will follow is within the VISION practice on “the universities of the future” available at www.visionwebsite.eu

AGENDA

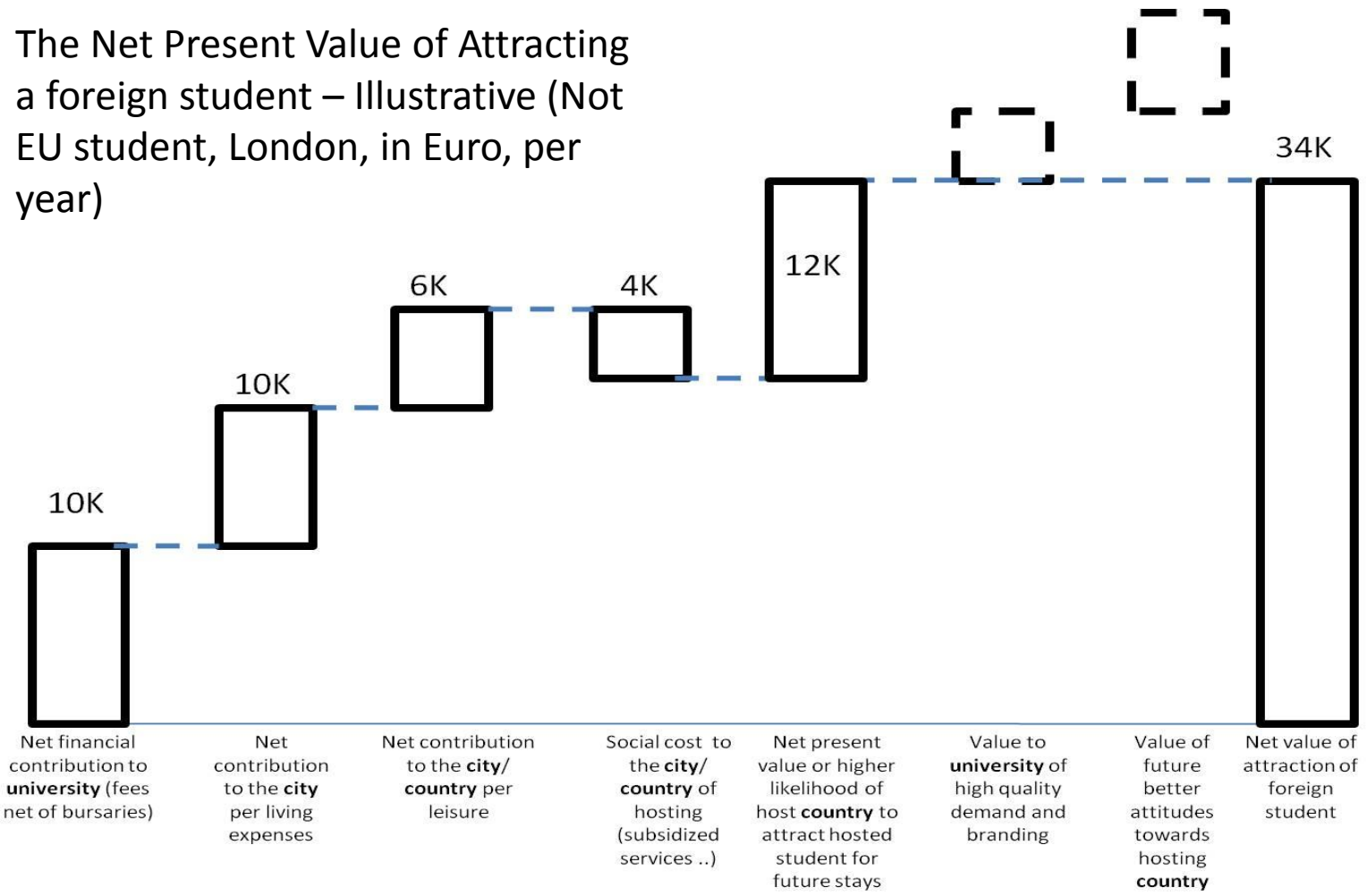


- **The opportunities of internationalisation**
- **Marketing Universities**
- **MBA as the most market oriented master program**
- **Rankings and positioning of European schools**
- **Strategic choices for the future**

Economic Value



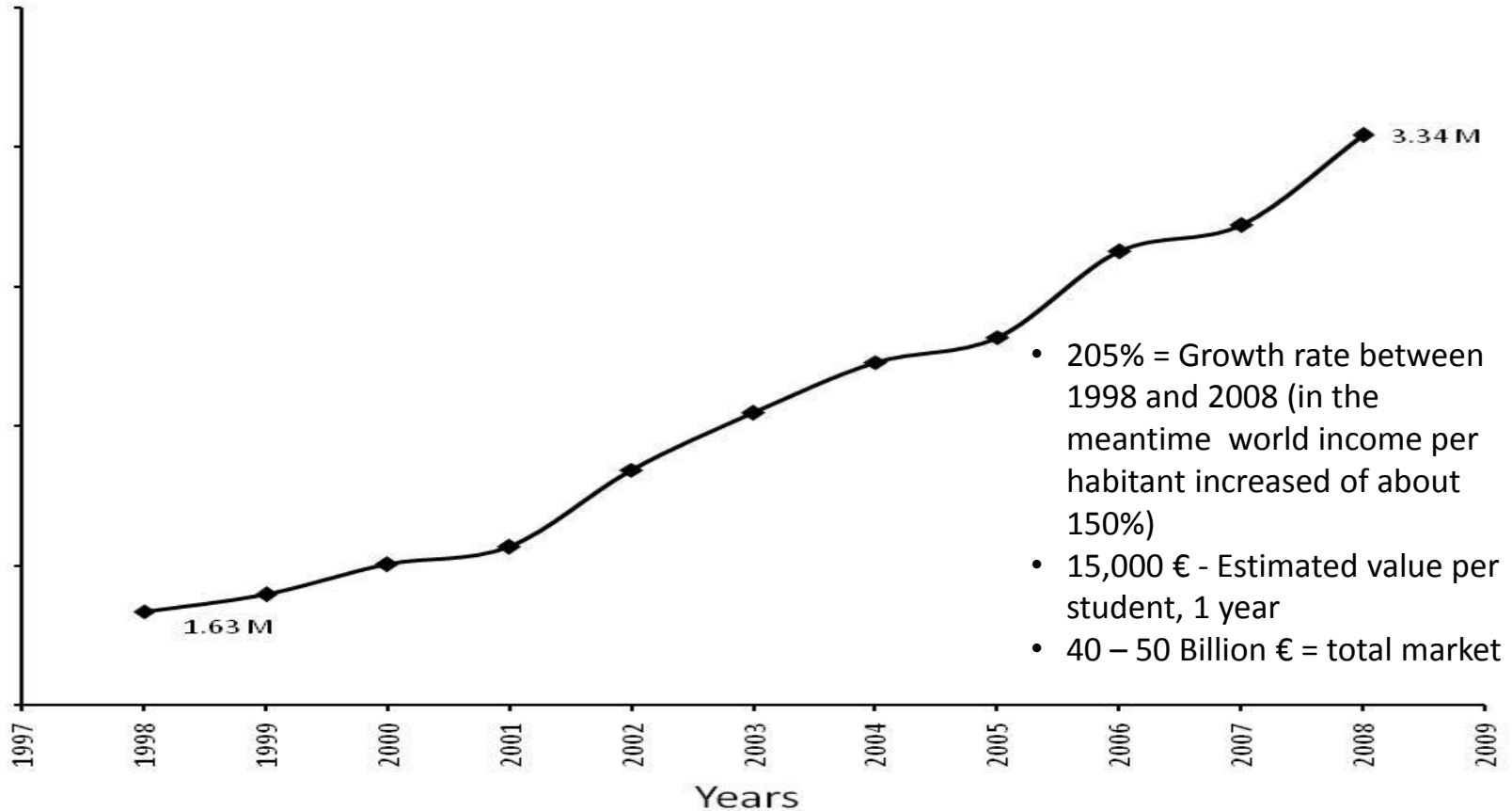
The Net Present Value of Attracting a foreign student – Illustrative (Not EU student, London, in Euro, per year)



Source: Vision analysis on Vision, The Economist, University of London data



Number of International Students



- 205% = Growth rate between 1998 and 2008 (in the meantime world income per habitant increased of about 150%)
- 15,000 € - Estimated value per student, 1 year
- 40 – 50 Billion € = total market

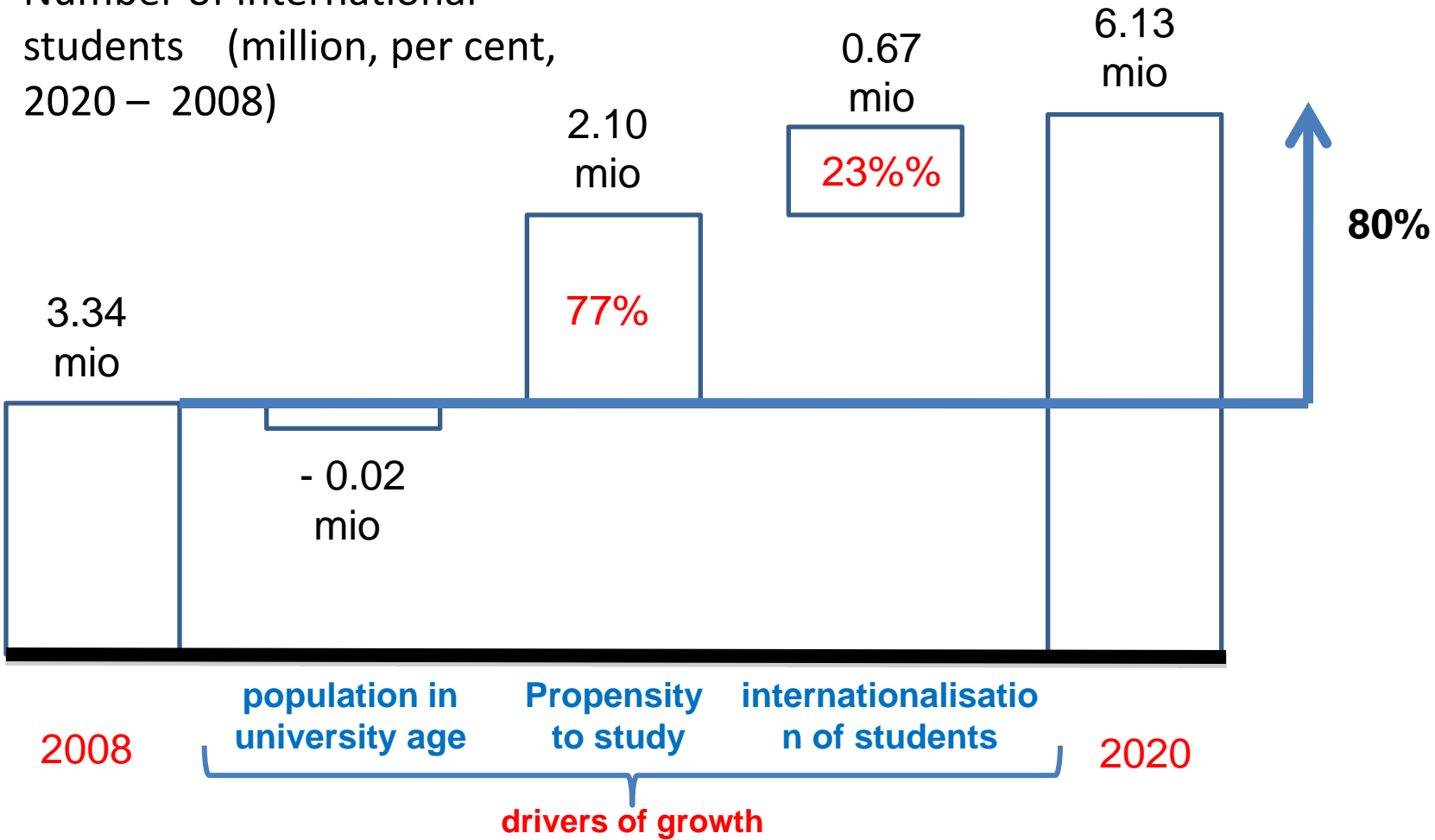
Source: *Vision* processing OECD and UNESCO data



Driver of internationalization growth (2)

A forecast to 2020

Number of international students (million, per cent, 2020 – 2008)

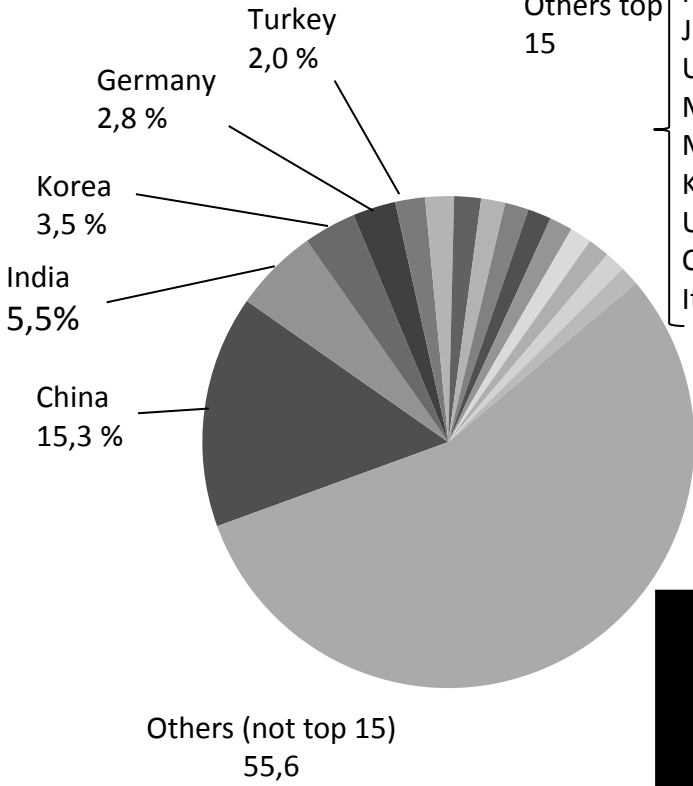


Source: Vision analysis on UNESCO, OECD, World Bank data



Market fragmentation

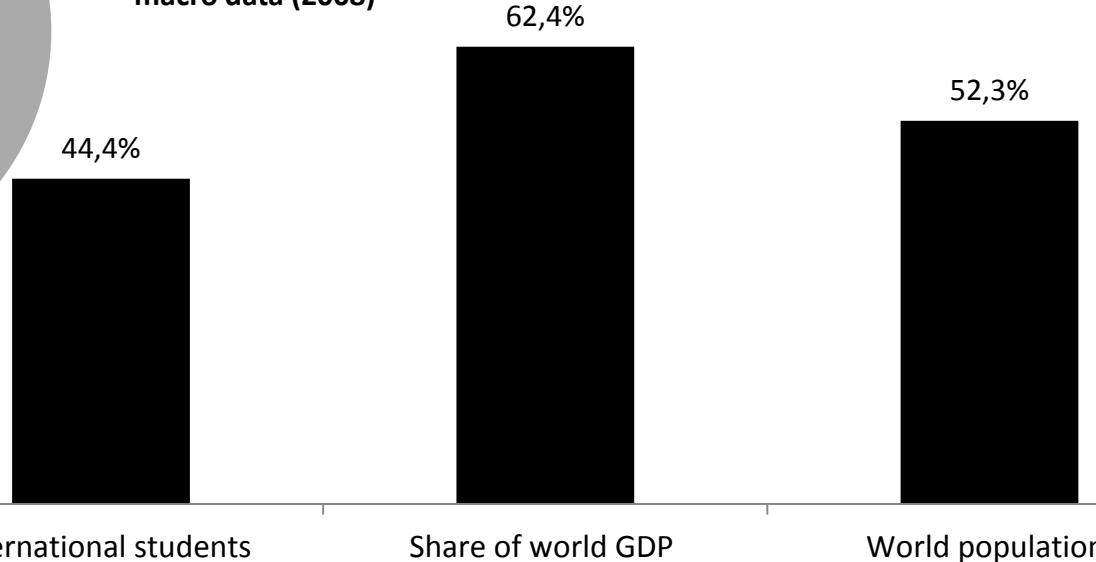
Break down international students per origin (2008)



Others top 15

France	1,9%
Russian Fed.	1,8%
Japan	1,6%
United States	1,6%
Malaysia	1,5%
Morocco	1,5%
Kazakhstan	1,4%
Uzbekistan	1,4%
Canada	1,4%
Italy	1,3%

Weight of top fifteen IS origin countries on selected worldwide macro data (2008)

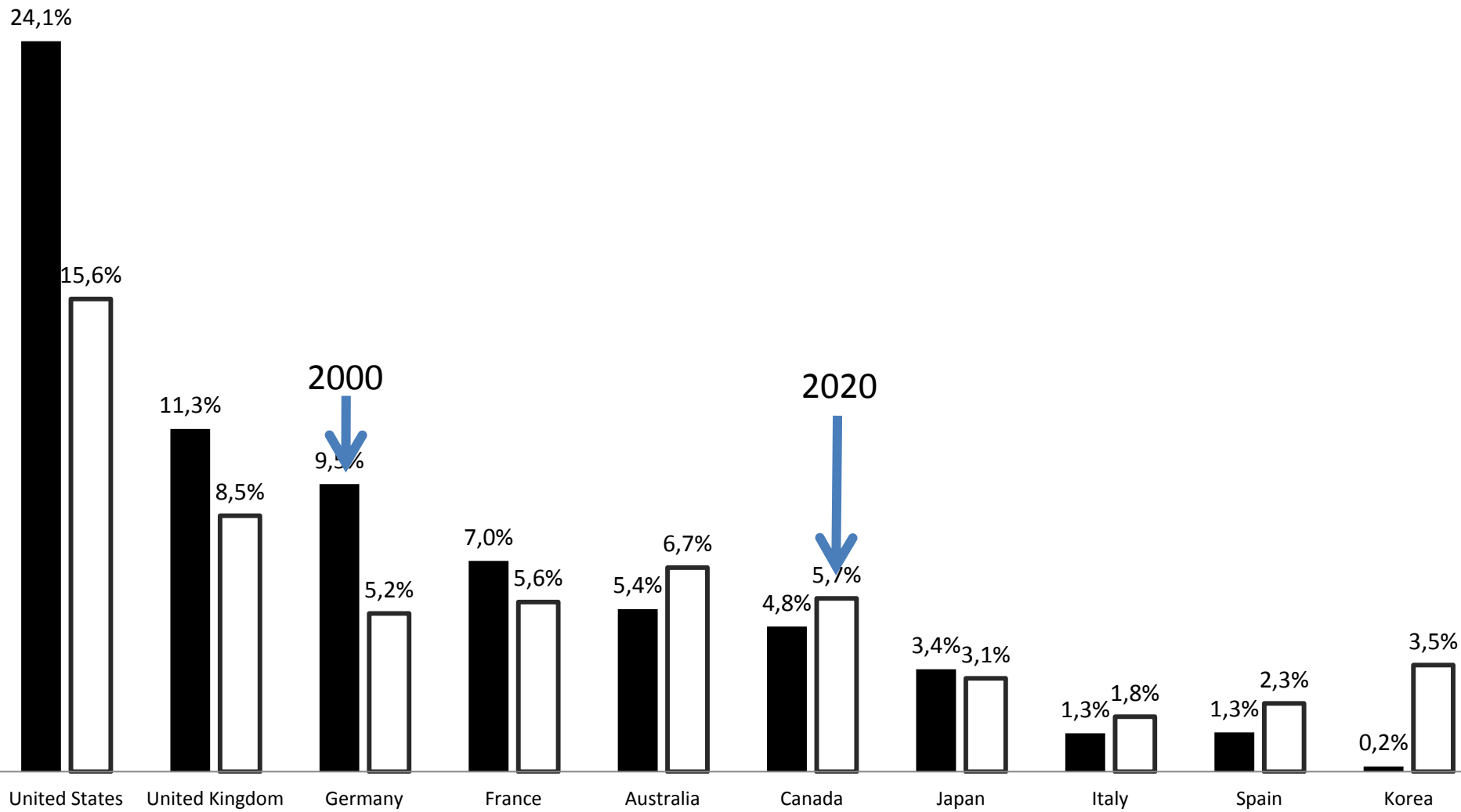


Source: Vision analysis on UNESCO, OECD, World Bank data

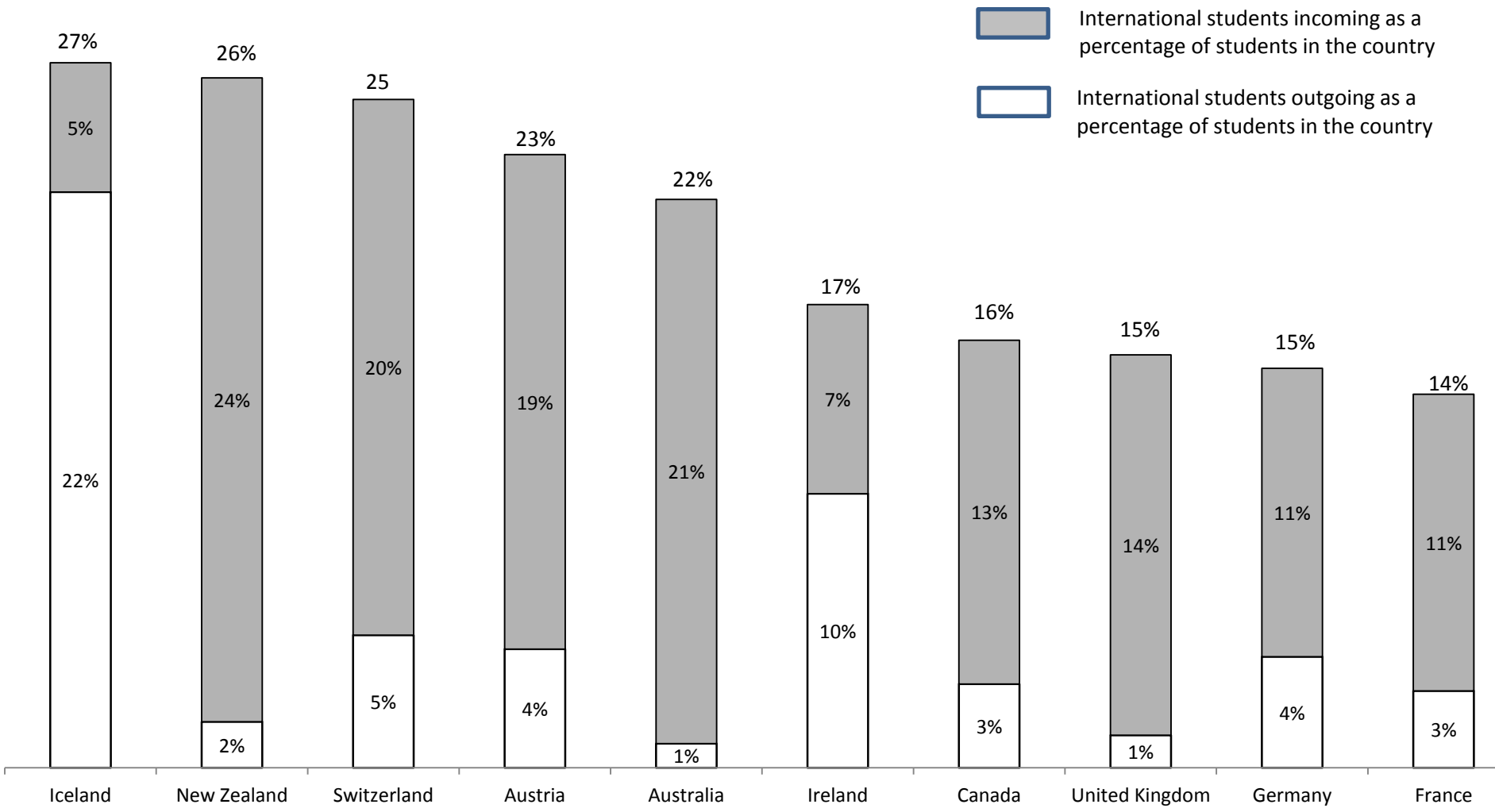
Market share forecast



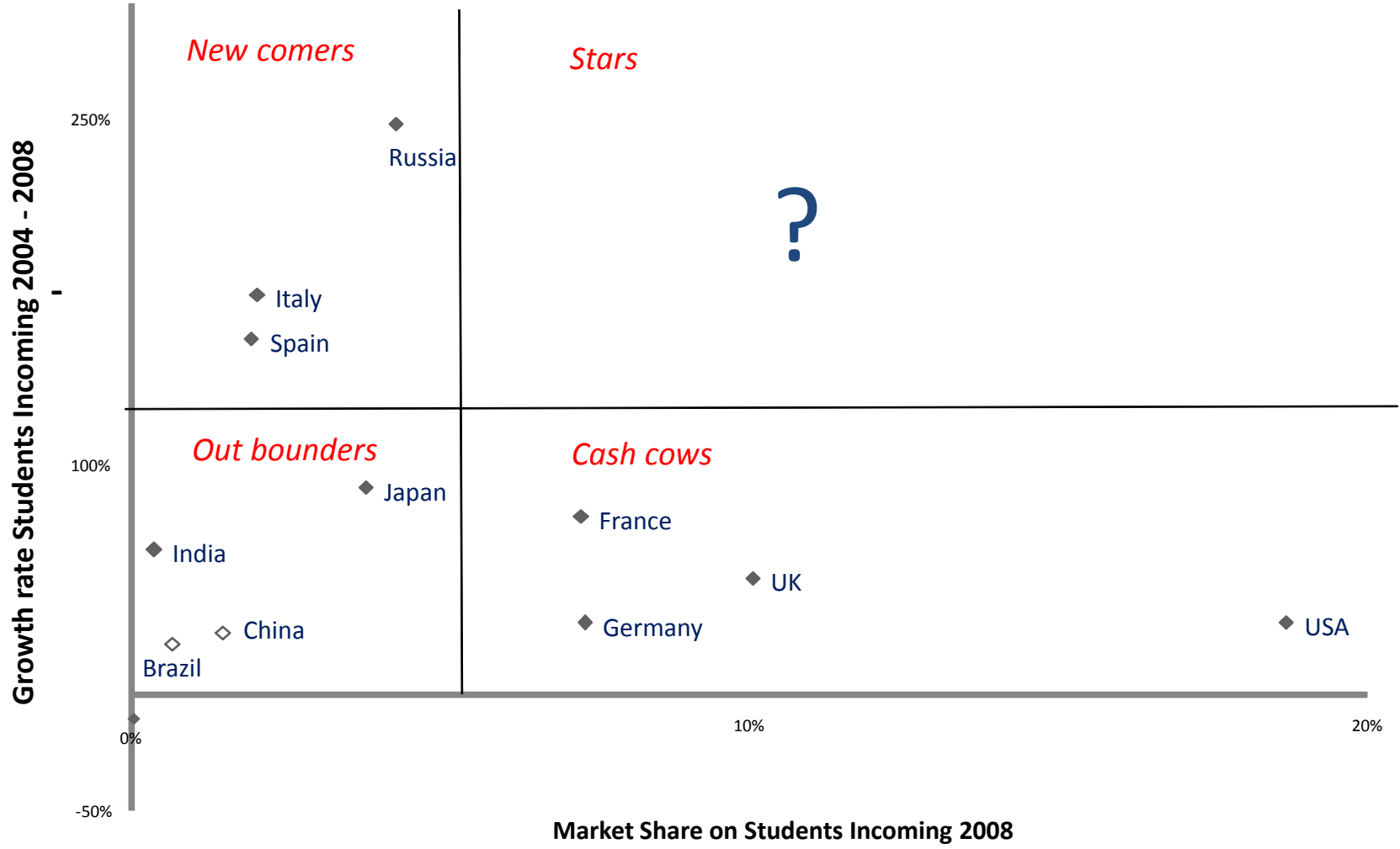
Market share, Incoming international students, 2000, 2020 (forecast)



Countries ranking

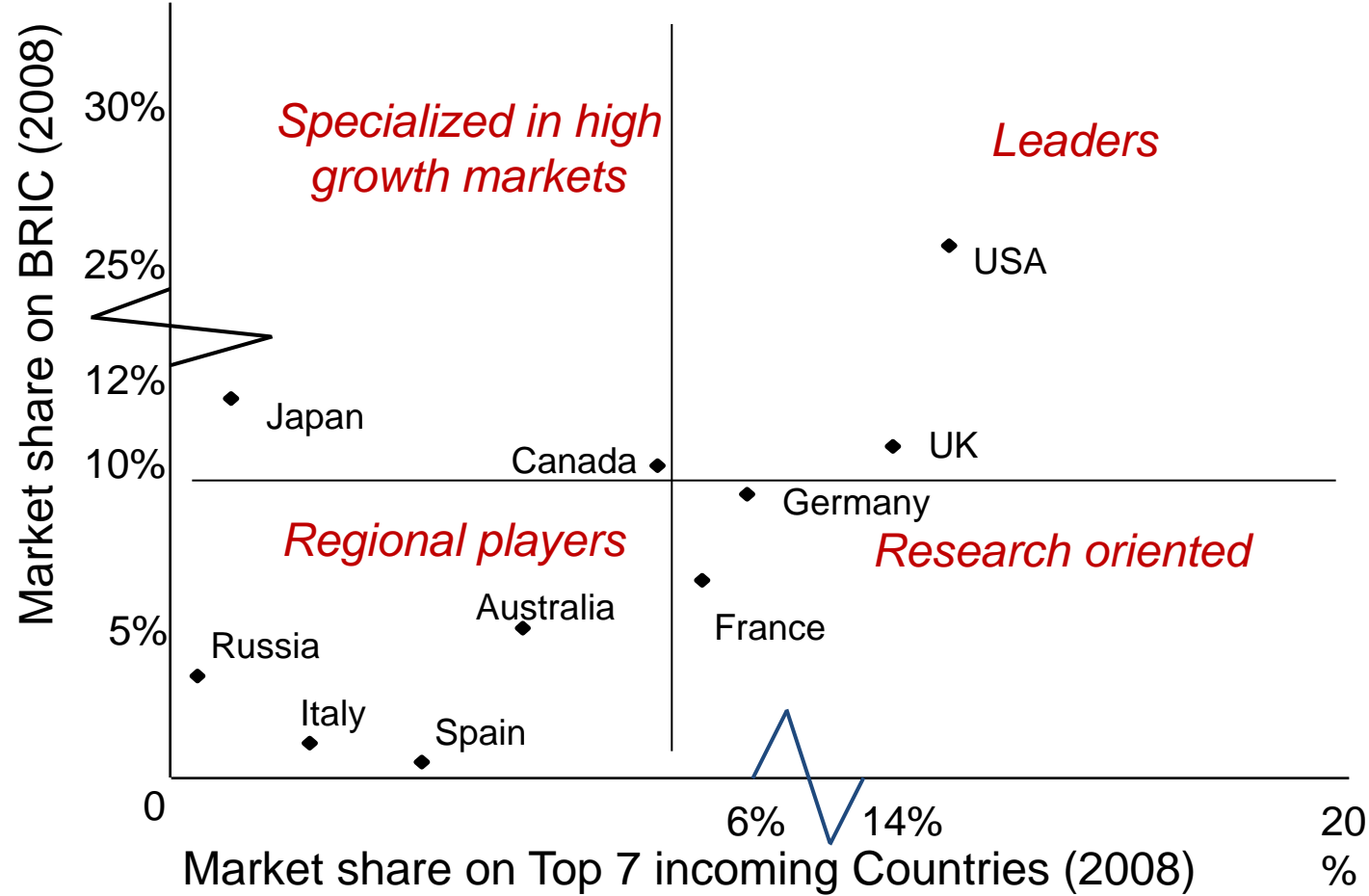


Competitive analysis (1)



Source: *Vision* analysis on UNESCO, OECD, World Bank data

Competitive analysis (2)

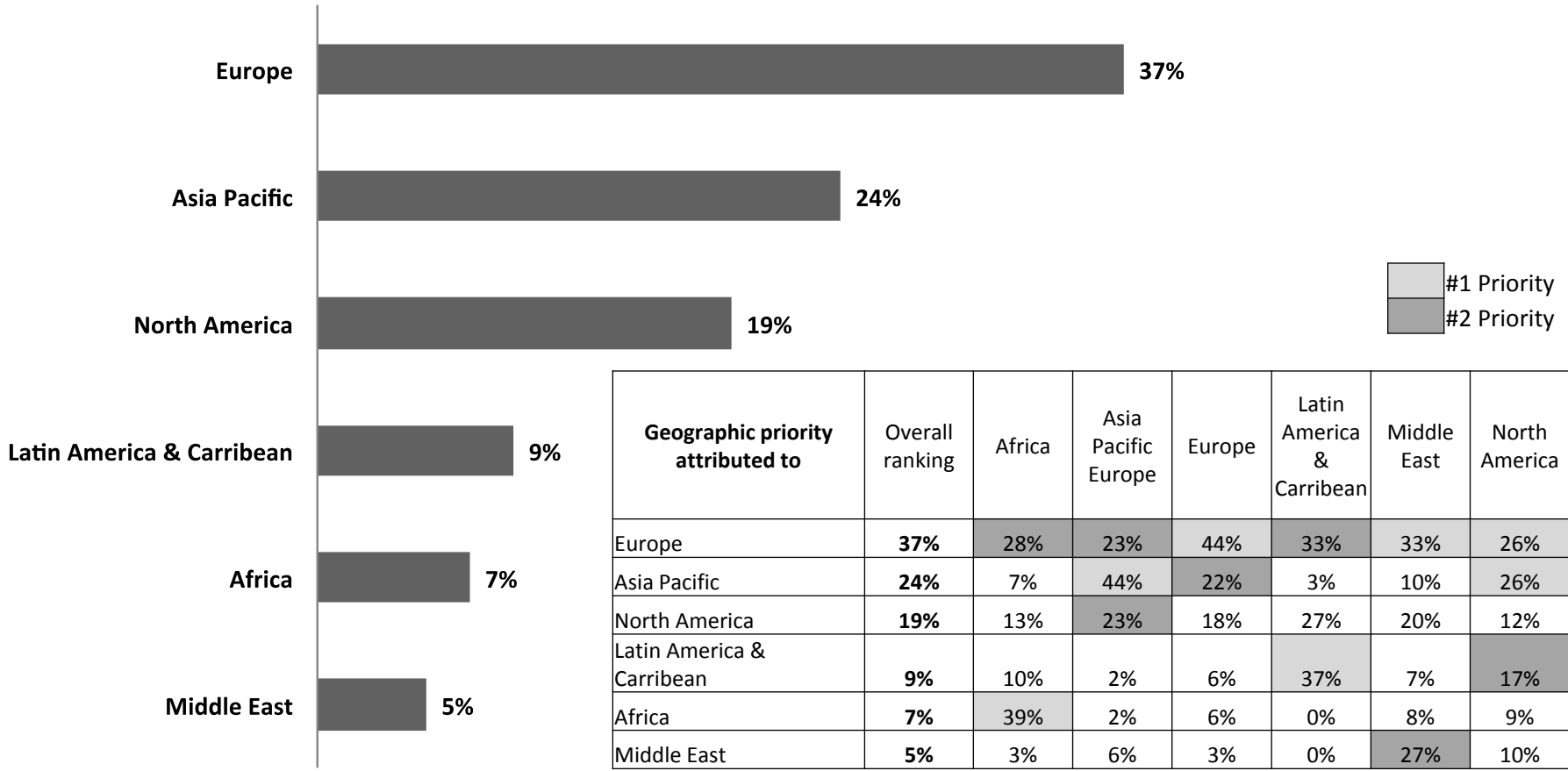


Source: Vision analysis on UNESCO, OECD, World Bank data

Opportunity for Europe



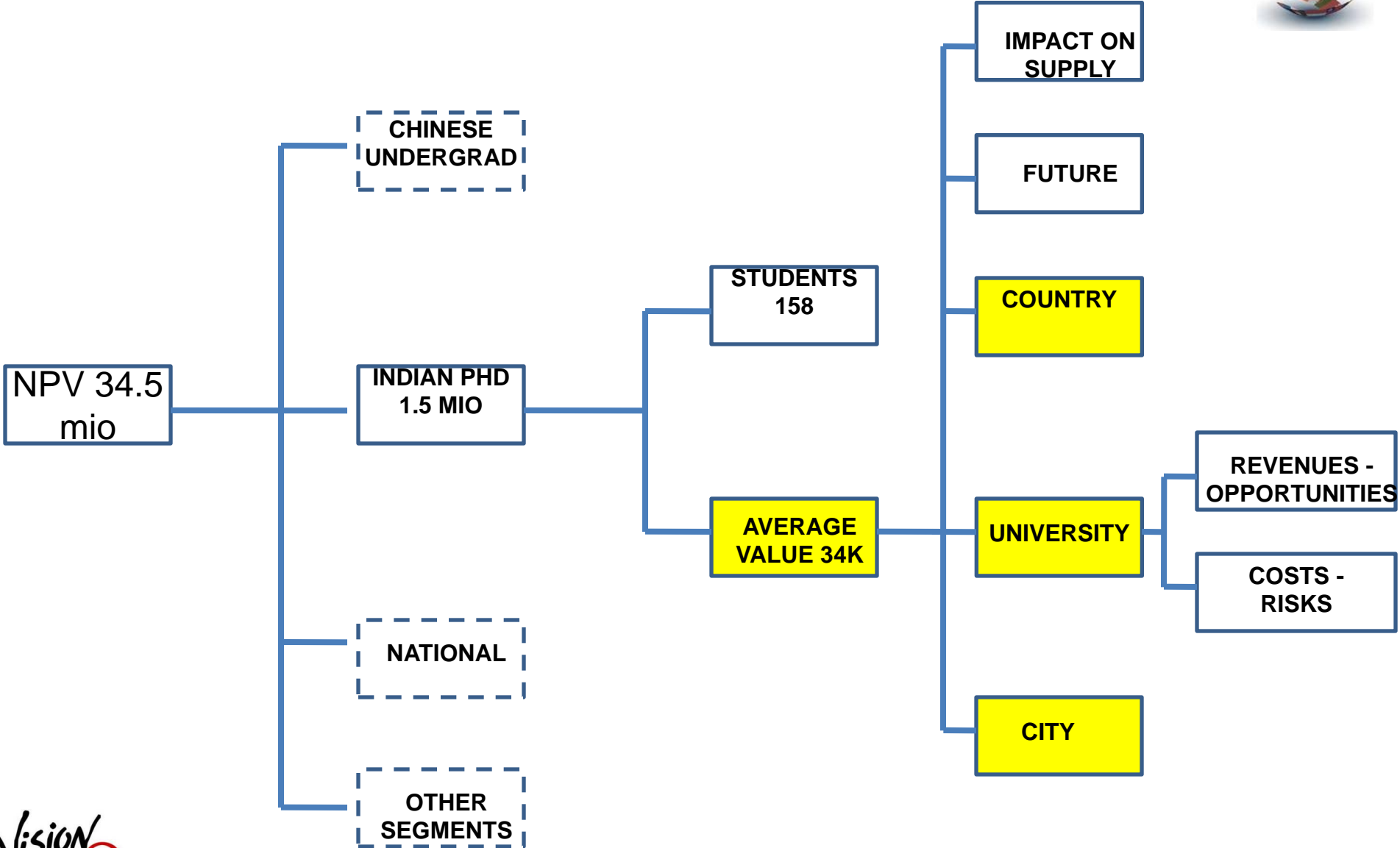
Preferred destination, Would be international students, 2008



Sources: Vision on IAU, Global Survey Data (2005)

Marketing Universities (1)

Measuring economic value per segment (in euro)

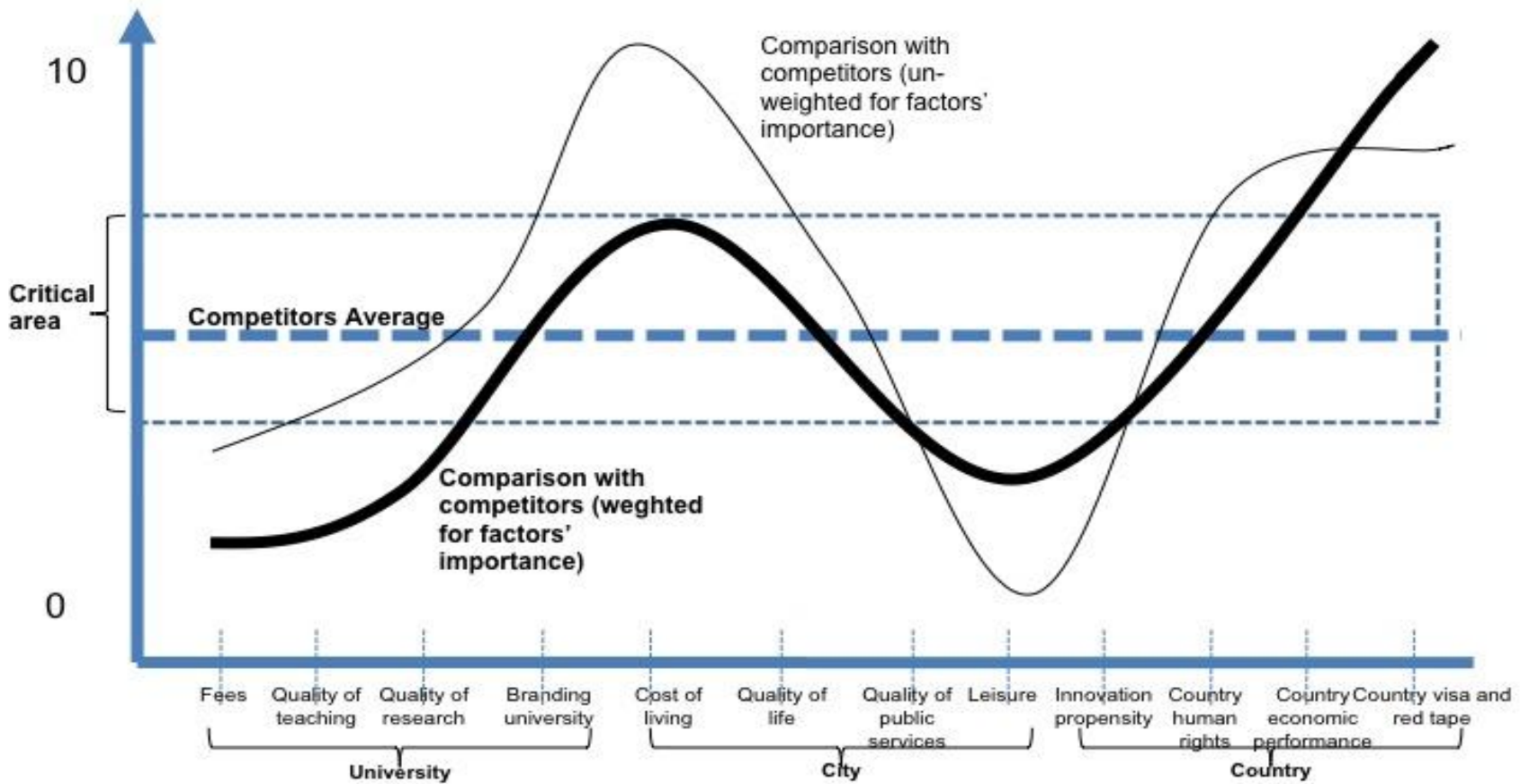




Marketing Universities (2)

Identifying competitive advantages on segments' buying factors

- The marketing in global markets of innovation - Identify competitive advantages



Source: Adapted from a Vision & Value project

MBA as the “golden egg” within master programmes

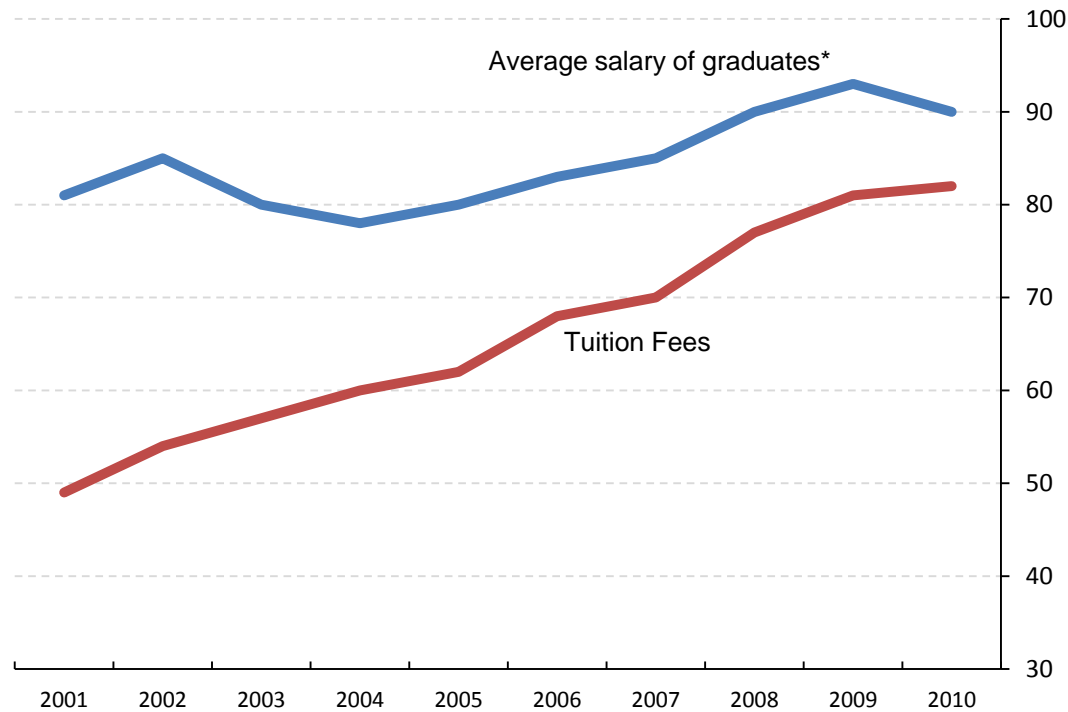


- **Tuition** are around 85 thousand (82 for the 16 – 100 BS and 92 for the top 15) USD and **salaries** are around 90 thousand (81 for the 16 – 100 BS and 111 for the top 15) USD
- **13,500** business schools of which **633** (503 USA) accredited by AACSB (*Association to Advance Collegiate Schools of Business*)
- **Professor's average salary** (for AACSB) 169,000 USD
- Constant **increase** (for AACSB) of average **enrollment** from 411 (2001) to 443 (2010)

The end of the MBA's golden age? as a Market (1)



US Full-time MBA programmes, \$'000

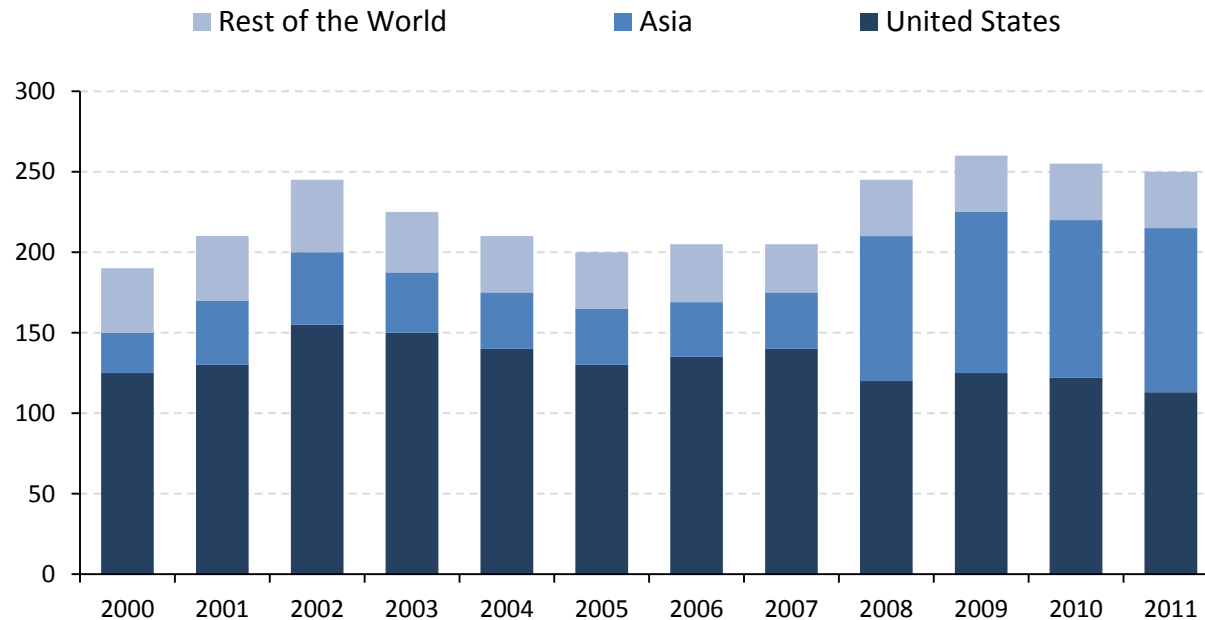


Source: The Economist, * Upon Graduation

The end of the MBA's golden age? as a Martket (2)



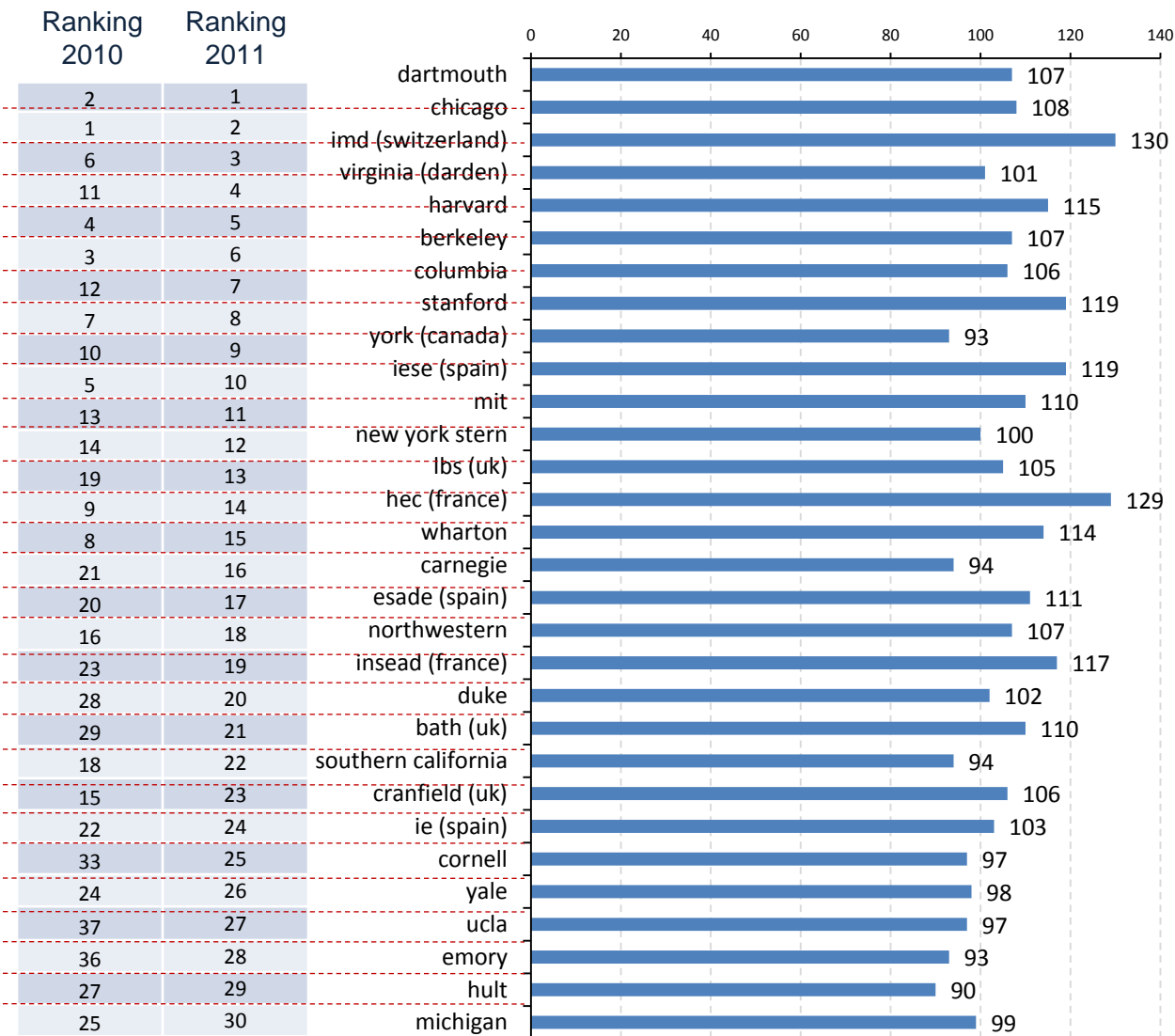
Number of GMATs taken, '000



Source: Vision on Graduate Management Admission Council's data



2011 Ranking



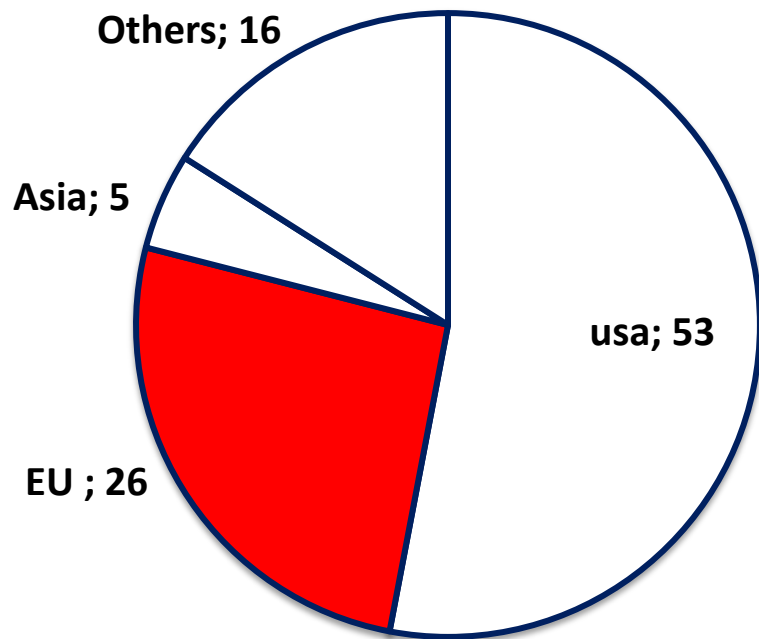
MBA ranking and salary after graduation

Source: Vision on The Economist's data

The position of Europe

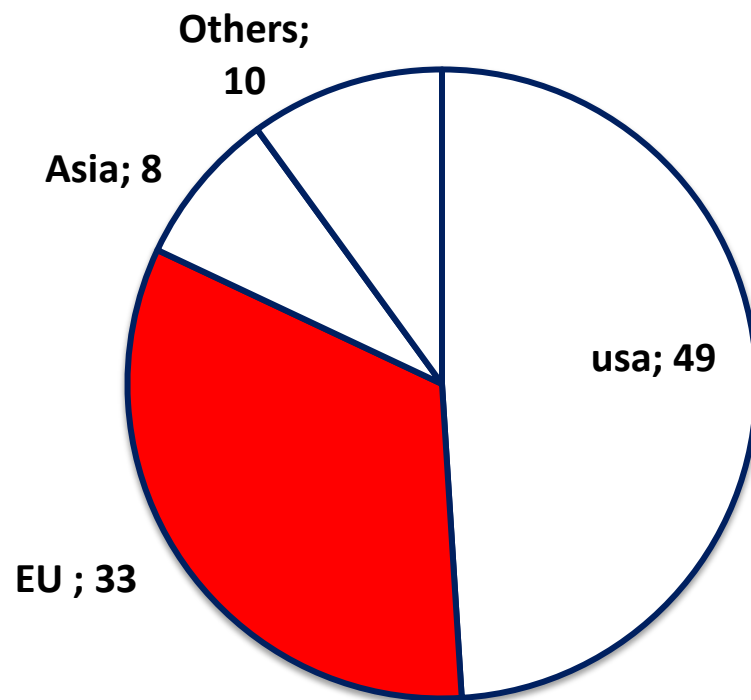


Share of top 100 Universities, ARWU



Source: Vision on ARWU's data

Share of top 100 Business School



Source: Vision on The Economist's data

From “absolute values” to “value for money” ranking



ranking 2011	institution	salary	salary increase	pre salary	increase salary	duration	tuition	post salary/ tuition	salary increase/ tuition	years to recover investment
1	dartmouth	107	65	65	42	21	101	1,1	0,4	5,1
2	chicago	108	38	78	30	21	102	1,1	0,3	8,0
3	imd (switzerland)	130	68	77	53	11	58	2,2	0,9	2,5
4	virginia (darden)	101	58	64	37	21	99	1,0	0,4	5,7
5	harvard	115	48	78	37	24	102	1,1	0,4	6,9
6	berkeley	107	48	72	35	21	105	1,0	0,3	6,7
7	columbia	106	41	75	31	20	106	1,0	0,3	7,5
8	stanford	119	51	79	40	21	110	1,1	0,4	6,2
9	york (canada)	93	127	41	52	12	63	1,5	0,8	2,0
10	iese (spain)	119	150	48	71	19	94	1,3	0,8	2,4
11	mit	110	47	75	35	22	106	1,0	0,3	6,9
12	new york stern	100	61	62	38	22	89	1,1	0,4	5,4
13	lbs (uk)	105	67	63	42	18	80	1,3	0,5	4,1
14	hec (france)	129	132	56	73	16	60	2,2	1,2	1,8
15	wharton	114	46	78	36	21	108	1,1	0,3	6,8
16	carnegie	94	64	57	37	21	108	0,9	0,3	5,7
17	esade (spain)	111	140	46	65	15	76	1,5	0,9	2,1
18	northwestern	107	46	73	34	22	108	1,0	0,3	7,2
19	insead (france)	117	38	85	32	10	75	1,6	0,4	4,5
20	duke	102	75	58	44	22	101	1,0	0,4	4,8
21	bath (uk)	110	145	45	65	12	34	3,2	1,9	1,2
22	southern california	94	40	67	27	22	110	0,9	0,2	8,7
23	cranfield (uk)	106	107	51	55	12	49	2,2	1,1	1,8
24	ie (spain)	103	87	55	48	13	78	1,3	0,6	2,9
25	cornell	97	64	59	38	22	103	0,9	0,4	5,6
26	yale	98	64	60	38	21	106	0,9	0,4	5,5
27	ucla	97	46	66	31	21	104	0,9	0,3	7,2
28	emory	93	88	49	44	22	87	1,1	0,5	4,1
29	hult	90	260	25	65	12	56	1,6	1,2	1,2
30	michigan	99	47	67	32	20	100	1,0	0,3	6,7

Source: Vision on The Economist's data

The value for money ranking



ranking 2011	institution	salary (usd)	increase salary (usd)	duration (months)	tuition (usd)	post salary/ tuition	salary increase/ tuition	years to recover investment
1	bath (uk)	110	65	12	34	3,2	1,9	1,2
2	hult	90	65	12	56	1,6	1,2	1,2
3	hec (france)	129	73	16	60	2,2	1,2	1,8
4	cranfield (uk)	106	55	12	49	2,2	1,1	1,8
5	york (canada)	93	52	12	63	1,5	0,8	2,0
6	esade (spain)	111	65	15	76	1,5	0,9	2,1
7	iese (spain)	119	71	19	94	1,3	0,8	2,4
8	imd (switzerland)	130	53	11	58	2,2	0,9	2,5
9	ie (spain)	103	48	13	78	1,3	0,6	2,9
10	emory	93	44	22	87	1,1	0,5	4,1
11	lbs (uk)	105	42	18	80	1,3	0,5	4,1
12	insead (france)	117	32	10	75	1,6	0,4	4,5
13	duke	102	44	22	101	1,0	0,4	4,8
14	dartmouth	107	42	21	101	1,1	0,4	5,1
15	new york stern	100	38	22	89	1,1	0,4	5,4
16	yale	98	38	21	106	0,9	0,4	5,5
17	cornell	97	38	22	103	0,9	0,4	5,6
18	carnegie	94	37	21	108	0,9	0,3	5,7
19	virginia (darden)	101	37	21	99	1,0	0,4	5,7
20	stanford	119	40	21	110	1,1	0,4	6,2
21	berkeley	107	35	21	105	1,0	0,3	6,7
22	michigan	99	32	20	100	1,0	0,3	6,7
23	wharton	114	36	21	108	1,1	0,3	6,8
24	harvard	115	37	24	102	1,1	0,4	6,9
25	mit	110	35	22	106	1,0	0,3	6,9
26	northwestern	107	34	22	108	1,0	0,3	7,2
27	ucla	97	31	21	104	0,9	0,3	7,2
28	columbia	106	31	20	106	1,0	0,3	7,5
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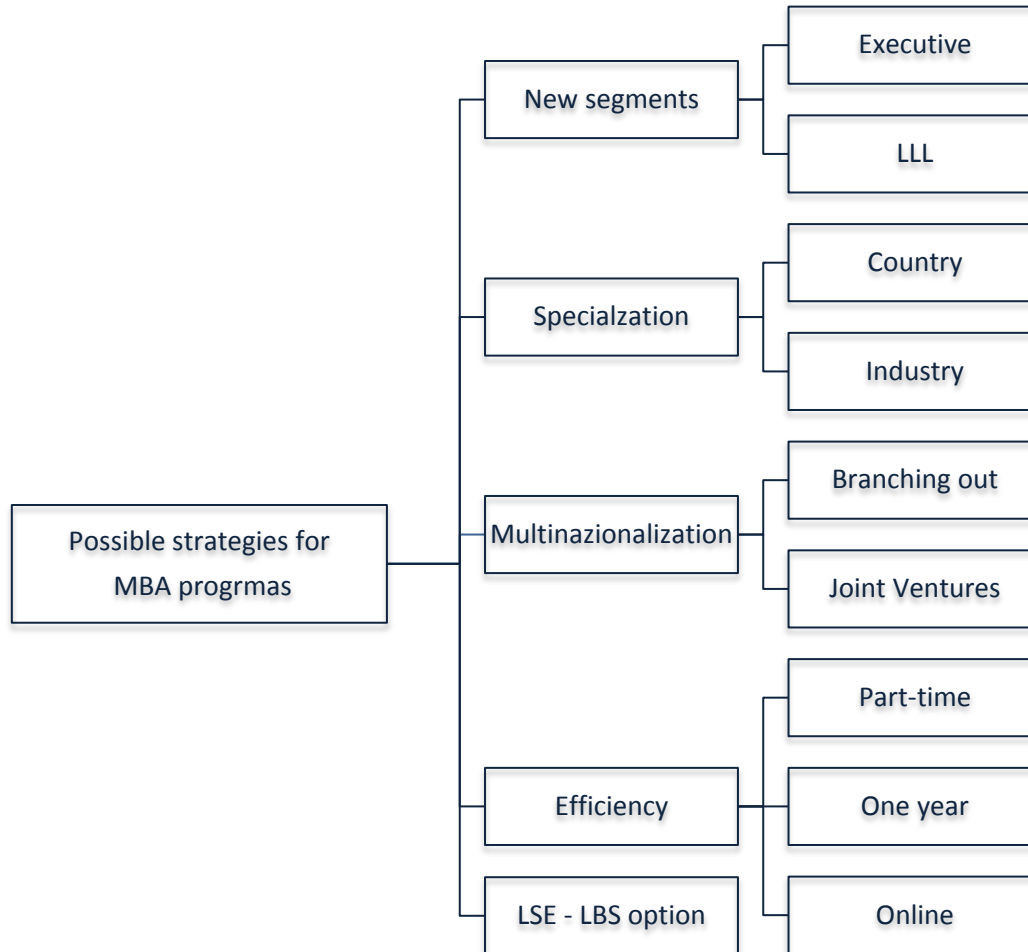
Source: Vision on the Economist's data



Some problems and opportunities

1. Notwithstanding **globalization** only **14%** of case studies deal with cross border issues and for only **6%** the issue was central
2. Notwithstanding **the crisis** that is changing paradigma only **1 of 32** cases newly added to the 2011 – 2012 curricula of HBS general management courses refers to the financial crisis (2009)
3. Notwithstanding the rise of Chinese (30,000 GMAT takers from 10,000 in 2005) and Indian (between 1,500 and 2,500 business schools) market **only two of the 100 top business schools are from these two countries**

Possible strategies for MBA programmes



Source: Vision



www.visionwebsite.eu

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