



THE TOP BUSINESS SCHOOLS: Recruiters' M.B.A. Picks

THE JOURNAL REPORT

Head of the class

ESADE, Michigan and Thunderbird top this year's rankings

By RONALD ALSOP

THE SPANISH business school ESADE took the top spot this year in the International category of The Wall Street Journal/Harris Interactive ranking of top business schools.

ESADE in Barcelona, Spain, leads a group of European, North American and Central American schools in the international ranking. It displaced the Swiss-based IMD, the International Institute for Management Development, which had been No. 1 for two straight years.

Besides the international rankings, two other rankings focus on U.S.-based schools. The University of Michigan reclaimed the No. 1 spot from Dartmouth College in the National ranking. And in the Regional rankings, Arizona's Thunderbird toppled Purdue University

MR. ALSOP, A WALL STREET JOURNAL NEWS EDITOR, WRITES THE MONTHLY M.B.A. TRACK COLUMN AND SERVED AS CONTRIBUTING EDITOR OF THIS REPORT. HE CAN BE REACHED AT RON.ALSOP@WSJ.COM.

from the top position. (See U.S. National and Regional rankings on page 11.)

ESADE and Thunderbird share an international focus and are partners through a dual-degree program of study at both schools. And recruiters say they prize Michigan graduates because they can connect theory with practice.

A commitment to ethics and corporate social responsibility distinguishes all three of the top-ranked schools—from ESADE's "Christian humanism" tradition of management education to Michigan's student projects in developing countries to the oath of ethical conduct signed by Thunderbird graduates.

The three rankings measure how appealing business schools are to the corporate recruiters who hire their M.B.A. graduates. What differentiates each ranking is the type of recruiters the schools attract. But the ratings of all 85 schools across the three rankings are based on how recruiters evaluated them on the same 21 attributes, as well as the recruiter's intention to return and hire a school's graduates over the next two years.

In addition, the rankings include a "mass appeal" factor, which is the number of recruiters that the U.S. National and Regional schools attract. For the International ranking, the mass-appeal measure was changed this year so that schools can qualify for it only if they attract recruiters who place a large number of their graduates in jobs outside the U.S.

Harris Interactive conducted the online survey of 4,125 recruiters (up from 3,267 respondents in 2005) from Dec. 13, 2005, to March 16, 2006—with respondents rating only schools where they said they had recent recruiting experience. To qualify for any of the three rankings, a school had to receive at least 20 recruiter ratings.

The rankings aren't necessarily a reflection of the schools with the most celebrated academic reputations. Although the 21 attributes in-

WSJ.com

Online Today: You can use an interactive tool to search among the business schools in the rankings, at CareerJournal.com/boschool

INTERNATIONAL RANKING

This ranking, a mix of European, North American and Central American schools, is based on how recruiters rated each school on 21 attributes, their future plans to recruit there, and the number of companies hiring a high percentage of the school's graduates for jobs outside the U.S. Because of a methodology change, this year's ranking cannot be compared with last year's results.

RANK	UNIVERSITY (BUSINESS SCHOOL)
1	ESADE
2	IMD
3	IPADE
4	London Business School
5	Thunderbird (Garvin)
6	Columbia University
7	Tecnológico de Monterrey (EGADE)
8	Massachusetts Institute of Technology (Sloan)
9	University of Western Ontario (Ivey)
10	Incae
11	University of California, Berkeley (Haas)
12	Instituto de Empresa
13	York University (Schulich)
14	University of Chicago
15	IESE
16	HEC Paris
17	University of Pennsylvania (Wharton)
18	Insead
19	Erasmus University (Rotterdam)
20	Harvard University
21	Bocconi University
22	University of Toronto (Rotman)
23	New York University (Stern)
24	Stanford University

clude the curriculum and faculty, academic quality isn't the primary concern of most survey respondents. Instead, they care most about the M.B.A. students' interpersonal and communication skills, teamwork orientation, personal ethics and integrity, analytical and problem-solving abilities, and work ethic.

That helps explain why some of the most renowned schools, such as Harvard and Stanford, don't rank as highly in the survey as their academic stature might suggest. While recognizing the brainpower of their students and faculty, recruiters complain that they often find graduates of some of the most prestigious institutions more arrogant and less collegial than the M.B.A.s they meet at other schools.

Some of the large, elite schools also don't seem to enjoy as many close, personal relationships with recruiters as smaller M.B.A. programs do, and their career-service offices tend to receive lower scores for customer service.

Overall, the survey respondents appeared happier with the schools this year, giving generally higher ratings on the 21 attributes and indi-

cating that they plan to continue recruiting at the same schools. More than half of the recruiters said they believe the quality of M.B.A. graduates is the same or better today compared with past years.

More jobs at higher pay

Companies are hiring far more M.B.A.s—and at higher salaries—than a few years ago when demand dropped dramatically. In the survey, nearly a quarter of the respondents said they would pay starting salaries of more than \$100,000 (€79,000) this year, compared with 17% in 2005.

Even with the markedly better job market, recruiters say students haven't become too greedy or demanding—at least not yet.

"This year may have been the sweet spot," says Maury Hanigan, who runs an M.B.A. talent-scouting service for companies. "Students still felt hungry, so you didn't see a lot of arrogance, and companies made better, but not outlandish, offers."

Generally, she adds, companies were pleased with the students they hired.

International ranking

The International list includes nine schools from the two U.S. rankings, along with nine European, three Canadian and three Latin American schools.

While Europe's ESADE, IMD and London Business School dominate the top end of the ranking, the Americas claim the other seven spots in the top 10. In addition to Thunderbird, Columbia and the Massachusetts Institute of Technology also received high ratings. So did Canada's University of Western Ontario and three Latin American schools: IPADE and Tecnológico de Monterrey in Mexico and Incae in Costa Rica.

Because of the revision in the methodology for the international ranking, it's impossible to make accurate year-to-year comparisons. But the top five schools remain nearly identical to last year's group.

At ESADE, the top school this year, about a quarter of the students are Spanish; the rest come from some 30 other countries. Most recruiters cite ESADE's international culture as its greatest asset.

Close behind is the team-player mentality of its graduates. ESADE graduates "have the attitude to be good team members in the sense that they tend to be active listeners, build on the ideas of others and reinforce the other team members," says Beatriz Olivera Arias, director of human-resources development at TUI España, a travel company. "What you find in the ESADE profile is more of a willingness to cooperate with others, even if they are competitors in the market, than to compete against them."

No. 2 IMD is one of the world's most distinctive schools, with its highly selective boutique M.B.A. program that grooms experienced managers for senior leadership positions. IMD graduates are especially valuable to companies that don't put M.B.A.s through a structured training program.

"We need people to learn fast and make an impact as soon as possible," says Lawrence Ganti, a director of market development at biotech firm Serono International. "The past management experience of IMD's M.B.A. students means we do not have to baby-sit newbies back into the business world." ■



THE TOP BUSINESS SCHOOLS

U.S. NATIONAL RANKING

This ranking is based on how recruiters rated each school on 21 attributes, their future plans to recruit at the school, and the number of survey respondents who said they had recruited recently at the school. These schools enjoy a national reputation and tend to draw recruiters from many of the same companies, usually large national and multinational firms that pay high starting salaries.

2006 RANK	2005 RANK	UNIVERSITY (BUSINESS SCHOOL)
1	2	University of Michigan (Ross)
2	1	Dartmouth College (Tuck)
3	3	Carnegie Mellon University (Tepper)
4	8	Columbia University
5	7	University of California, Berkeley (Haas)
6	4	Northwestern University (Kellogg)
7	6	University of Pennsylvania (Wharton)
8	9	University of North Carolina, Chapel Hill (Kenan-Flagler)
9	5	Yale University
10	12	Massachusetts Institute of Technology (Sloan)
11	13	University of Chicago
12	17	Duke University (Fuqua)
13	11	University of Virginia (Darden)
14	14	Harvard University
15	10	University of Southern California (Marshall)
16	18	Cornell University (Johnson)
17	16	New York University (Stern)
18	15	Stanford University
19	19	University of California, Los Angeles (Anderson)

U.S. REGIONAL RANKING

Based on how recruiters rated each school on 21 attributes, their future plans to recruit there, and the number of respondents who had recruited there recently. These schools draw many of their recruiters from the local region.

2006 RANK	2005 RANK	UNIVERSITY (BUSINESS SCHOOL)	2006 RANK	2005 RANK	UNIVERSITY (BUSINESS SCHOOL)
1	4	Thunderbird (Garvin)	27	14	Fordham University
2	3	Ohio State University (Fisher)	28	29	University of Notre Dame (Mendoza)
3	6	Brigham Young University (Marriott)	29	20	Southern Methodist University (Cox)
4	1	Purdue University (Krannert)	30	40	Arizona State University (Carey)
5	2	Michigan State University (Broad)	31	28	Texas A&M University (Mays)
6	17	University of Rochester (Simon)	32	26	University of Utah (Eccles)
7	7	Wake Forest University (Babcock)	33	24	University of Arizona (Eller)
8	15	University of Maryland (Smith)	34	44	University of California, Davis
9	-	Louisiana State University (Ourso)	35	-	Babson College (F.W. Olin)
10	13	University at Buffalo/SUNY	36	25	Washington University (John M. Olin)
11	18	Texas Christian University (Neeley)	37	41	Boston University
12	8	University of Denver (Daniels)	38	39	University of California, Irvine (Merage)
13	27	University of Florida (Warrington)	39	-	Rutgers, the State University of New Jersey
14	10	University of Miami	40	32	University of Minnesota (Carlson)
15	11	Indiana University (Kelley)	41	31	George Washington University
16	16	University of Iowa (Tippie)	42	45	Georgia Institute of Technology
17	19	College of William and Mary (Mason)	43	30	University of Georgia (Terry)
18	35	University of Texas, Austin (McCombs)	44	-	Boston College (Carroll)
19	38	Georgetown University (McDonough)	45	-	Pepperdine University (Graziadio)
20	12	Emory University (Goizueta)	46	37	University of Pittsburgh (Katz)
21	21	Vanderbilt University (Owen)	47	42	University of Illinois, Urbana-Champaign
22	36	University of Washington	48	47	University of Colorado, Boulder (Leeds)
23	33	Pennsylvania State University (Smeal)	49	-	University of South Carolina (Moore)
24	23	University of Tennessee, Knoxville	50	-	Baruch College/CUNY (Zicklin)
25	34	University of Wisconsin, Madison	51	-	University of Connecticut
26	22	Rice University (Jones)			



THE TOP BUSINESS SCHOOLS

Show me the money. Plus...

At top-ranked ESADE in Spain, the teaching mission is part economic, part social responsibility

By RONALD ALSOP

BARCELONA—As an M.B.A. student at ESADE Business School in 1990, Ferran Soriano learned about corporate social responsibility in some of his courses. It didn't seem terribly relevant to his career plans, and some of his classmates felt it was an outright waste of time.

But more than a decade later, after becoming a vice president of Fútbol Club Barcelona, Mr. Soriano could still feel the school's influence. "My exposure to social responsibility at ESADE really did prove useful; over time it has given me a much better perspective on the world," he says. "I have come to believe that there's nothing worse than focusing solely on tomorrow's profits."

He proudly notes, for example, that FC Barcelona plans to donate money to Unicef and put the Unicef symbol on soccer players' jerseys instead of signing a multimillion-dollar corporate sponsorship agreement. "With soccer becoming globalized, we have to attract fans around the world and need a clear brand positioning," Mr. Soriano

says. "In addition to our reputation for spectacular soccer, we have decided that we also want to stand for social commitment."

Before the crowd

ESADE, the No. 1 school in this year's Wall Street Journal/Harris Interactive International ranking, embraced social responsibility long before it became fashionable in M.B.A. programs.

Established by a group of Jesuits and local businessmen in 1958 during the dictatorship of Francisco Franco, ESADE has always viewed its mission as both economic and social, with a mission statement that calls for "fomenting the transformation of society toward higher levels of justice and freedom" and teaching about "the dignity of the human being" and "values based on Christian humanism."

"ESADE needed to help build management skills and create economic wealth in Spain, but it also had to teach social values as part of transforming Spain," says Ignasi Carreras, director of the school's center for social entrepreneurship and responsibility.

The school's humanistic approach to management education

appeals to many of the recruiters in the Journal survey. Carlos Pascual, a survey respondent and senior vice president at an instrumentation laboratory, is most impressed with ESADE students' honesty and integrity. "Our experience is that students coming from ESADE are people you can trust," he says. "This is a key point for a company that invests time and money to train them to become managers."

In the survey, ESADE scored highest for students' teamwork, analytical and problem-solving abilities, communication and interpersonal skills, and international knowledge and experience. It received its lowest ratings for previous work experience, experiential learning in the curriculum, and faculty expertise.

Recruiters' concerns

Although ESADE admits many older students, recruiters complain that they often lack the right kinds of work experience.

"The people I interviewed from ESADE had worked for three years or less and did not have any managerial experience, with the exception of one of them, and therefore they looked a little immature,"

says Nieves Liste, a survey respondent and forensic-audit manager for Tyco International. "Myself, I also have an M.B.A. degree, and my studies gave me a great foundation. But motivating people and dealing with senior people in the organization, that you can only learn on the job."

Like many of the recruiters, students say they were attracted to ESADE because of its collegial, team-oriented culture. Blair MacLaren, a lawyer from Scotland, decided to enroll in ESADE's 18-month M.B.A. program because of the "personal touch" during the admissions process and the opportunity to gain teamwork experience.

"I like to be forced to work with people I may not get along with so well," he says. "Some teams at ESADE are complete disasters, some are complete successes. The idea is that being in the workplace, you're not going to be able to control who you work with."

ESADE's location on the Mediterranean Sea in one of Europe's most cosmopolitan cities is also a drawing card.

A 'dream city'

"It's a dream city with the beaches and mountains," says

Malysa Martin, a French student in ESADE's fast-track one-year M.B.A. program and a former manager for Hewlett-Packard. "Some students in my class find it frustrating because they don't have enough time to enjoy Barcelona." ESADE also has facilities in Madrid for its executive M.B.A. degree and other executive programs and in Buenos Aires for executive education.

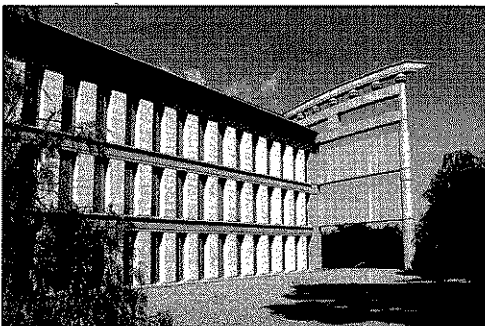
The school remains closely connected to the cultural and business community in its home region of Catalonia. For instance, professors have written a case study of the financial turnaround of FC Barcelona, and Mr. Soriano speaks about the soccer club's strategy to students.

Silviya Svejnova, assistant professor of strategy and entrepreneurship, explores Spanish creativity in her research and teaching. She has studied film director Pedro Almodóvar and chef Ferrán Adrià's acclaimed El Bulli restaurant on the Costa Brava, writing academic papers on their creativity and discussing their techniques in classes.

"Students can learn from the way people like Adrià and Almodó-

Please turn to page 13

1 ESADE



<p>ESADE ON ESADE <small>(Data provided by ESADE Business School)</small></p> <p>M.B.A. enrollment 592</p> <p>Full-time 186</p> <p>Part-time 238</p> <p>Executive 168</p> <p>Annual tuition \$30,450</p> <p>Annual room and board \$16,272</p> <p>PROFILE OF FULL-TIME STUDENTS</p> <p>GMAT score 650 (mean)</p> <p>..... N.A. (median)</p> <p>Years of full-time work experience 4.5 (mean)</p> <p>..... N.A. (median)</p> <p>Demographics</p> <p>Male 76%</p> <p>Female 24%</p> <p>Spanish citizens/residents 25%</p> <p>Foreign nationals 75%</p> <p>CLASS OF 2005 EMPLOYMENT DATA</p> <p>Percentage of job-seeking full-time graduates who:</p> <p>Received offers prior to or within three months of graduation 92%</p> <p>Accepted offers prior to or within three months of graduation 92%</p> <p>Average compensation of full-time graduates who accepted employment</p> <p>Annual base salary \$71,552</p>	<p>Signing bonus \$20,218</p> <p>Other guaranteed compensation \$23,415</p> <p>Companies hiring the most 2005 full-time graduates:</p> <p>CH-Werfen 4</p> <p>General Electric 3</p> <p>Three of the most famous graduates of the M.B.A. program</p> <p>JAVIER FERRÁN, class of 1978, partner, Lion Capital</p> <p>IGNACIO FONTS, class of 1982, vice president and general manager, inkjet supplies, Hewlett-Packard</p> <p>FERRAN SORIANO, class of 1990, vice president, operations and finance, FC Barcelona</p> <p>THE RECRUITERS SPEAK</p> <p>ESADE's most impressive features</p> <p>"Integrity and honesty"</p> <p>"The international environment"</p> <p>"Great team workers"</p> <p>ESADE's major shortcomings</p> <p>"Needs to improve relationship and cooperation with companies"</p> <p>"Work experience is not that high"</p> <p>"Lack of reputation in the U.S."</p>
--	--



THE TOP BUSINESS SCHOOLS

ESADE

Continued from page 12
 var organize and manage," she says. "Adrià, for example, must take a disciplined approach to creativity in his laboratory, generating new ideas in a systematic way because every year he needs to surprise his diners with new dishes."

While retaining a Spanish flavor, ESADE wants to be perceived as an international player, too. It had traditionally attracted applicants primarily from Spain and Latin America with little work experience, but about seven years ago, it began an overhaul of its full-time M.B.A. program that raised admission standards and resulted in more diversity. The new focus on quality rather than quantity reduced class size by about one-third.

Higher standards

ESADE required more work experience, higher Graduate Management Admission Test scores and greater English proficiency. The one-year M.B.A. program is taught entirely in English, while the 18-month format includes

classes in both English and Spanish. Some people at the school also speak the local language of Catalan.

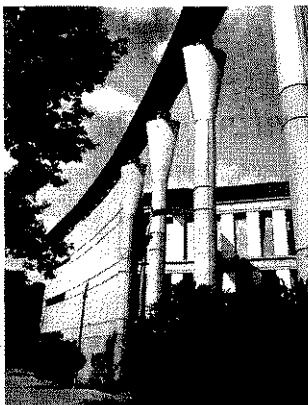
Today, students represent some 30 countries, with only about a quarter of them from Spain. The faculty and administration have become more multicultural, as well.

Now, ESADE is concentrating more on prospective students in Asia as it gradually expands full-time enrollment to provide recruiters with a greater choice of candidates.

"Our international brand awareness has grown," says Dean Xavier Mendoza, "but there's still much work to be done, especially as we try to develop relationships with more corporate recruiters." (For an interview with Dean Mendoza, please see page 14.)

ESADE has placed "account managers" in the U.S. and Britain to call on more companies and is considering a similar move in Asia.

Recently, says Camila de Wit, di-



The school has a new partnership with HEC School of Management in France, which will encourage faculty and student interaction.

rectional companies like Johnson & Johnson.

In its global quest, ESADE has established ties with about 100 universities in other countries. Last year, for example, it formed an alliance with Babson College in Wellesley, Massachusetts, that entails student exchanges and faculty collaboration in the field of entrepreneurship.

Partnership with HEC

Even more far-reaching is its new partnership with HEC School of Management outside Paris, which will encourage extensive faculty and student interaction and cooperation between their alumni associations.

The schools hope to benefit from each other's strengths, Dr. Mendoza says, with HEC providing the talent of its finance faculty, for instance, and ESADE sharing its expertise in corporate responsibility.

"This will help both schools become stronger players in the global M.B.A. marketplace," he says. "We're both small, so we

needed to combine our resources to gain size."

Budget constraints have forced ESADE to rein in its ambitions. The sharp drop in full-time enrollment reduced tuition revenue, and unlike many other business schools, ESADE can't count on contributions from alumni and companies to fund new research centers, scholarships and faculty appointments.

Currently, the school relies mostly on students' tuitions, with less than 3% of its revenue coming from donors.

Fund-raising program

ESADE recently launched a corporate fund-raising program, with the goal of collecting 8% of its revenue from gifts by 2010. But Eugenia Bieto, corporate deputy director general, expects that "it won't be easy at all here in Spain."

Companies are more inclined to donate to sports teams and the arts because they get better brand exposure, she says. "They want something in return for their investment, so we're trying to convince them to fund business schools because they need to recruit our students and can gain knowledge from our faculty." ■



THE TOP BUSINESS SCHOOLS

Back to school

ESADE puts more emphasis on educating executives

By DEBORAH STEINBORN

ESADE-BUSINESS School was established in Barcelona in 1958, and developed early on a focus on executive development. With over 45 years' experience, it continues to focus on development of business leaders, their teams and organizations. More than 46,000 executives have joined the school in various program capacities. A second campus in Madrid, focusing exclusively on executive-education programs, attracts more than 1,200 participants each year. ESADE also has academic facilities in Buenos Aires and Casablanca.

The Wall Street Journal recently spoke with ESADE Dean Xavier Mendoza, who is also a 1984 M.B.A. graduate of the school.

THE WALL STREET JOURNAL: In addition to presiding over ESADE as dean since 1992, you received an M.B.A. from the school back in 1984. How has the business school evolved since then? What are the three biggest differences at ESADE between then and now?

MR. MENDOZA: There have been a lot of changes. First, we've international-

Ms. Steinborn is a writer in Hamburg. She can be reached at reports@wsj.com.

alized a lot. ESADE was one of the co-founders of the CEMS alliance, the Community of European Management Schools, which got started in 1992. That same year, we launched the English section of the full-time M.B.A. program at ESADE. And in 1995, both our Ph.D. program and the law school were founded.

So the degree of internationalization that our school has achieved over the past decade—both in the M.B.A. and the Ph.D. programs—has been significant. We have hired many international faculty members and created an international advisory board.

The importance of executive education within the portfolio of programs at ESADE has grown significantly as well. In that realm, more and more ESADE is serving international companies' needs for management development. This is a major difference between then and now. In the 1970s and '80s executive education was just a minor element. Now, it comprises 40% of our revenues, making it the second-largest revenue generator at ESADE.

Thirdly, there's much more institutional emphasis placed on re-

search and the role of research at ESADE today. There's been major change in the resources allocated, the type of research conducted, and its role in career promotion and the like.



Xavier Mendoza

WSJ: ESADE is a university-based business school. What would you say are the main challenges faced by such business schools?

MR. MENDOZA: The Bologna Process [which defines 10 action lines to develop a common European higher-education area] will certainly mean—for all European university-based business schools—that we need to rethink our portfolios. Bologna gives the opportunity for schools to offer new Master's or Master's of Science degrees, targeted not just at the national market but Europe-wide and even broader markets. This is a very significant opportunity, but it also has consequences on other program offerings. There's a need for careful assessment of how to rebalance the portfolio, not just at ESADE but at all university-based b-schools.

Another challenge common to university-based business schools world-wide is the issue of managing

diversity. Many have full-fledged business-program portfolios. And that means that we are delivering programs to a wide variety of audiences and participants. Managing effectively this diversity poses challenges in terms of organizational structure and decentralization.

We are restructuring into strategic units now. We have divided programs into bachelors and masters units, an M.B.A. unit and an executive-education unit. Managing these decentralized structures is a challenge. Managing the tensions between faculty and with respect to resource allocation is something that in all the institutions I know is one of the major areas of attention.

The other challenge is faculty management. We have a single faculty body but our professors are deployed across the different programs. You can't expect a faculty member to be an excellent teacher in all areas. So a certain degree of informal specialization according to the type of student audience is required, and this is also a challenge. At the same time, it's an advantage because it's much easier to accommodate researched faculty members when you have a masters or Ph.D. program than if you are mostly executive education.

WSJ: ESADE has a recognized strong suit in executive training. How does business education for highly placed executives differ from that designed for 28-year-old M.B.A. candidates with just four or five years' experience?

MR. MENDOZA: The difference is both in focus and in learning methods and approach. The M.B.A. is much more focused on foundations of management theory and practice in the current age. The M.B.A. education also is focused on leadership development. That's why it's so important for there to be activities regarding teamwork, systematic assessment and coaching in the course of the M.B.A. program.

In executive education—especially for very senior executives—there is already a long experience of leadership among participants. So the focus is much more on helping them to reflect on their own practice as well as focus on their own personal development. This is also why coaching is really well received and highly demanded by companies in the area of executive education.

WSJ: What can M.B.A.-oriented programs learn from executive education, and vice versa? How much collaboration is there between your M.B.A. and executive-education programs—particularly in light of the fact that they take place separate campuses in Barcelona and Madrid?

MR. MENDOZA: Our Madrid campus does indeed focus solely on executive education, but we offer executive education on all three of our sites—Barcelona, Madrid and Buenos Aires. In a sense we've become a small multi-campus facility for this area. And there are very strong synergies between the areas of executive education and M.B.A. education. Faculty research even in the executive-education realm can translate into advanced courses in M.B.A. electives. And oftentimes faculty, after one or two rounds teaching an M.B.A. course, can condense such a course into a format for our executive-education offerings. In a sense the M.B.A. is therefore an experimenting ground, to make the translation from the latest academic thinking into business-rel-

evant content for executives.

WSJ: You have cooperation agreements with more than 100 other universities and business schools on five continents. That's a lot of alliances. Do you have plans to further expand this international network?

MR. MENDOZA: The large majority of our cooperation agreements are for student exchanges at both the bachelor and the M.B.A. level. So the number is large simply because so many students enter exchange programs in any given year. Almost 80% of our undergraduates go abroad, and 40% of our M.B.A. students do the same. So we need a lot of partners to offer our students opportunities for exchange.

That said, it's clear that in the last 10 years there's been a trend to engage into more and deeper alliances due to globalization. In that sense, ESADE has very few alliances that we can call really strategic. On a consortium level, we have our alliance with the 17 schools in the European alliance of schools. On a more bilateral level, HEC in Paris is a major partner, as are Georgetown University's McDonough School of Business and Babson College in the U.S. But certainly schools are very selective in engaging in strategic alliances because there is a lot of time and effort involved.

One geographic area where we'd like to further develop is Asia. Students are more and more interested in the region. Recruiters, as well, are requesting people with a strong exposure to and understanding of the realities of Asia. So, while ESADE already has a significant number of partner schools in Asia, we are also working with some Asian business schools to strengthen our relations there.

Recently, for example, we signed agreements with two top Chinese schools: the School of Economics and Management at Tsinghua University in Beijing and the School of Management at Fudan University in Shanghai.

Still, there is a lot to do in order to fully develop an Asia strategy. One of the difficulties we are facing, actually, is the strength of the euro. Attracting students from Asia, what with the strength of the euro, has become a real issue. We are trying to improve our financial aid and scholarship offerings to Asian students. We are also developing some executive-education programs for students coming to Spain from countries in the region, particularly those coming from China and India.

WSJ: Are there any promising link-ups in the region already?

MR. MENDOZA: Well, for one, we are working jointly with the University of Cambridge's Judge Business School and the Copenhagen Business School to develop something called the China Executive Leadership Program. This program, already up and running, aims to train a new breed of senior executives from the very largest Chinese companies. Its aim is to help them to develop within the global economy, to move Chinese companies to take advantage of the globalizing economy even more than they have to date.

It's a one-month program taking place in four intensive weeks over a five-year period, and it's expected to draw 160 senior executives CEOs and deputy CEOs of the top 50 Chinese companies. Training sessions will be held alternatively at Cambridge, Copenhagen and ESADE. ■

WSJ.com
 Talking points:
 WSJ.com subscribers can see additional questions and answers, at WSJ.com/Reports



THE TOP BUSINESS SCHOOLS

On top again

Michigan regained its No. 1 spot in the U.S. National ranking, as recruiters praised its graduates' work ethic and professional experience

By RONALD ALSOP

CAN RWANDA produce infant formula as an alternative to breast milk for HIV-positive mothers?

That was the question Mark Bailey, a second-year M.B.A. student at the University of Michigan, and his team members tackled last spring.

For the group's multidisciplinary action project, Mr. Bailey spent about a month in Rwanda investigating the supply of milk, soy, vitamins and other raw materials and found that at this point the African nation would have to import most of them. But he and his classmates concluded that an infant-formula plant is still possible and that it could both improve the infant-mortality rate and promote new business development.

Sponsored by the Clinton Foundation HIV/AIDS Initiative, the assignment addressed Mr. Bailey's interest in both nonprofit and international management. "With the Rwanda project during the school year and my summer internship working on strategies for Moroccan textile

firms to enter the U.S. market," Mr. Bailey says, "I gained double the experience that many M.B.A.s get at other schools."

The Rwanda project represents a continuation of Michigan's commitment to practical experience in its M.B.A. program, as well as a recognition that it needs to provide students with more international opportunities.

Indeed, in The Wall Street Journal/Harris Interactive survey, recruiters gave Michigan its lowest ratings for students' international knowledge and experience. Its highest scores were for students' teamwork and analytical and problem-solving skills.

"We have succeeded in making about half of our action projects international, and we intend to continue to inject more international content into the curriculum," says Gene Anderson, associate dean for degree programs at Michigan's Ross School of Business. There will be more "in-country experiences" beyond the action projects, he adds, noting that students in a course on emerging markets recently traveled to Cuba.

The Ann Arbor school bounced

back to No. 1 in the U.S. National ranking after a one-year absence, as survey respondents once again praised its graduates' work ethic and professional experience.

Michigan ranked second, behind Harvard Business School, when recruiters were asked to name M.B.A. programs that successfully incorporate practical learning.

But based on his experiences at both schools, Robert Dolan, dean of the Ross School, would no doubt put Michigan first. A former marketing professor at Harvard, he says, "You see the limitations of its case-method approach when you move out of that culture."

With Michigan's action projects, "we teach not just problem solving, but also opportunity, innovation and creativity by giving students projects that aren't clearly defined," Dr. Dolan says. "Some students get frustrated and say their project isn't well-defined, and we say, 'Yeah, that's sort of the point.'"

'Talking the talk'

Although Michigan tries to avoid being pigeonholed as an auto-

motive school, its connections to the state's auto industry clearly account for some of its appeal to recruiters.

Andrew Chien, a survey respondent and president of Ricardo Strategic Consulting, North America, is pleased to find M.B.A.s at Michigan with prior experience in the auto business because they bring more credibility as consultants.

"Talking the talk is especially important," he says, "as automotive clients move away from the generalist consulting model and seek specialists to assist them during this transformational period for the industry."

Jeffrey Uller, another survey respondent and a manager at General Motors Corp., also finds Michigan M.B.A.s "able to speak intelligently on all sorts of issues facing the industry, including health-care expenses, hybrid-vehicle strategy and new vehicle product development issues."

Like many of the top-rated schools in the rankings, Michigan is considered more collegial than competitive. Wolverine M.B.A.s are "well-prepared for the interpersonal nature of business today," as one recruiter put it in this year's survey.

Although Michigan is a public university, its tuition rivals what the most elite private business schools charge. That keeps it competitive in the pursuit of top-flight, top-paid professors. In this year's recruiter survey, Michigan ranked among the top 10 business schools

for excellence in teaching marketing, operations management, general management, corporate social responsibility, strategy, accounting and finance.

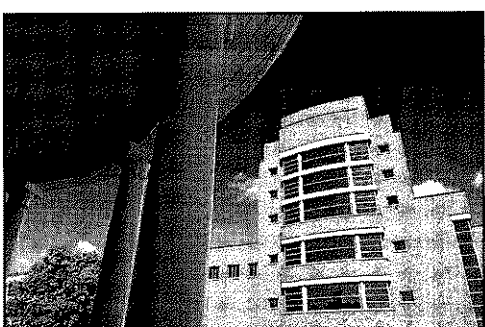
Michigan students 'amazing'

John Shea, a survey respondent and marketing manager in PepsiCo Inc.'s sports group, finds that Michigan graduates fit well in the company's "cross-functional and networked" workplace because of their balance of marketing and general management skills. "Students are experienced, well-rounded and personable," he says. "The quality and depth of candidates at Michigan is amazing."

Michigan doesn't make the top 10 in the Journal survey for entrepreneurship, an area the school is taking steps to strengthen. "We're trying to put together a full portfolio of courses that take the students from identifying early-stage business opportunities to raising venture capital," says Dean Dolan. One new program is the Frankel Commercialization Fund, which allows M.B.A. teams to award seed money to students, faculty and researchers with health-care and technology inventions.

Michigan is just two years away from realizing its dream of a new business-school building. The \$145 million project, which got under way this summer after three old buildings were razed, will feature new technology and more group study rooms and communal space that fit the school's team project focus. ■

1 UNIVERSITY OF MICHIGAN



<p>MICHIGAN ON MICHIGAN</p> <p><i>(Data provided by the Ross School of Business at the University of Michigan)</i></p> <p>M.B.A. enrollment 1,802</p> <p>Full-time 856</p> <p>Part-time 828</p> <p>Executive 118</p> <p>Annual tuition \$35,929 (in-state)</p> <p>..... \$40,929 (out-of-state)</p> <p>Annual room and board \$10,366</p> <p>PROFILE OF FULL-TIME STUDENTS</p> <p>GMAT score 690 (mean)</p> <p>..... 700 (median)</p> <p>Years of full-time work experience 5 (mean)</p> <p>..... 5 (median)</p> <p>Demographics</p> <p>Male 69%</p> <p>Female 31%</p> <p>Minorities 24%</p> <p>U.S. citizens/residents 65%</p> <p>Foreign nationals 35%</p> <p>CLASS OF 2005 EMPLOYMENT DATA</p> <p>Percentage of job-seeking full-time graduates who:</p> <p>Received offers prior to or within three months of graduation 90%</p> <p>Accepted offers prior to or within three months of graduation 86%</p> <p>Average compensation of full-time graduates who accepted employment</p> <p>Annual base salary \$91,835</p>	<p>Signing bonus \$19,102</p> <p>Other guaranteed compensation \$23,896</p> <p>Companies hiring the most 2005 full-time graduates</p> <p>Citigroup 11</p> <p>Lehman Brothers 11</p> <p>Deloitte Consulting 10</p> <p>Three of the most famous graduates of the M.B.A. program</p> <p>STACEY D. STEWART, class of 1987, president and CEO, Fannie Mae Foundation</p> <p>STEPHEN W. SANGER, class of 1970, chairman and CEO, General Mills</p> <p>BHARAT DESAI, class of 1981, chairman and CEO, Syntel</p> <p>THE RECRUITERS SPEAK</p> <p>Michigan's most impressive features</p> <p>"Candidates with strategic thinking skills and relentless determination"</p> <p>"Abundance of talent, easy to find students who will work in the Midwest"</p> <p>"Analytical ability, plus senior management potential"</p> <p>Michigan's major shortcomings</p> <p>"Too much engineering focus"</p> <p>"Not enough entrepreneurial spirit"</p> <p>"Attached to a declining business center—Detroit"</p>
---	--



THE TOP BUSINESS SCHOOLS

HOW THE SCHOOLS WERE EVALUATED

THE WALL STREET JOURNAL/Harris Interactive Business School Year 6 Survey is based on the opinions and behavior of 4,125 M.B.A. recruiters who hire full-time business-school graduates. All interviews were conducted online from Dec. 13, 2005, to March 16, 2006. The 4,125 recruiters, who were asked to rate schools with which they had recent experience, provided a total of 5,651 school ratings. To qualify for a ranking, a school needed a minimum of 20 recruiter ratings.

The Schools

The universe of U.S. schools in the survey was based on information from AACSB International, the major accrediting organization for business schools, while the universe of non-U.S. schools was created through discussions with experts in the field of M.B.A. recruiting.

Schools without traditional full-time programs and those that didn't graduate at least 50 full-time students in 2005 were not included in the survey. The final sample of business schools eligible for ranking included 185 U.S. schools and 79 non-U.S. schools. These schools were invited to submit lists and contact information of individuals who recruit their students. Schools that didn't send contact information for their recruiters but still met our survey criteria were eligible to be rated by recruiters submitted by other schools. Schools that did not participate fully in the survey but are ranked this year include Harvard Business School, the University of Pennsylvania and the University of Toronto.

The Recruiters

The Wall Street Journal and Harris Interactive contacted recruiters by email and/or regular mail. Recruiters were asked to identify all schools with which they had recruiting experiences since September 2004. Recruiters identifying more than three schools were randomly assigned three of those schools to rate, so that the maximum number of schools rated by any one recruiter was three. Recruiters identifying three or fewer schools were asked to rate all of them.

However, recruiters weren't required to rate more than one school. Overall, 70% of recruiters rated one school, 21% rated two, and 9% rated three. As in previous years, business schools didn't have control over which schools recruiters chose to rate.

To ensure that only qualified recruiters participated in the survey, we conducted a detailed audit of the results. Recruiters who provided unusual ratings were removed from the overall sample. Ratings from those who didn't qualify as a recruiter were also removed from the final results.

Among the 4,125 recruiters, 80% were company employees or managers who engaged in M.B.A. recruiting, 16% were human-resources professionals, and 2% were either executive-search-firm recruiters or independent consultants.

The Three Rankings

Of the 264 eligible schools in the Year 6 survey, 85 received the necessary 20 recruiter ratings. As in previous years, we are publishing three separate rankings:

- National Ranking, which includes 19 U.S. schools
- Regional Ranking, which includes 51 U.S. schools
- International Ranking, which includes nine U.S., nine European, three Canadian, and three Latin American schools.

Our goal in creating the National

and Regional rankings was to group schools according to the recruiters they share, based on where survey respondents say they tend to recruit. To create these two groups, we conducted a multivariate analysis known as hierarchical clustering based on the schools that recruiters said they had had contact with since September 2004.

Our goal in creating the International ranking was to group schools according to the number of recruiters who placed graduates in positions outside of the U.S. or equally inside and outside the U.S.

The Ranking Components and Calculating the Year 6 Rank

The ranking components for all schools measured in the Year 6 survey include three elements:

Perception: The perceptions of the school and its students on 21 attributes.

Supportive Behavior: Future plans to recruit at the school and hire its graduates.

Mass Appeal: For National and Regional schools, this is the number of recruiters indicating that they recruit from the school.

For International schools, this is the number of recruiters placing graduates in jobs outside the U.S. or equally inside and outside the U.S.

Each of these three components—perception, supportive behavior, and mass appeal—accounts for one-third of the overall current-year rank. The final Year 6 rank for National and Regional schools is based on an average of the Year 6 and Year 5 rank. For International schools and those schools that are new to the ranking, the final rank is based on Year 6 results only.

Interpreting the Results

When interpreting the results of the entire sample to The Wall Street Journal/Harris Interactive Recruiter Year 6 Survey, differences of plus or minus three percentage points can be considered statistically different at the 95% confidence level. Ratings for each school, however, are based on smaller sample sizes. Though we believe the final sample of recruiters rating each school can be considered representative of recruiters for that school, the results based on these smaller sample sizes may prevent drawing conclusions about statistically significant differences. ■

Online Today: For a more detailed explanation of the survey's methodology, go to CareerJournal.com/methodology.

For More Information: Some of the articles in this report are based in part on data collected by Harris Interactive as part of a survey jointly developed by The Wall Street Journal and Harris Interactive. The Recruiter Insights Reports are available for individual schools to purchase through Harris Interactive. For further information about the methodology of The Wall Street Journal/Harris Interactive Business School Survey, please visit www.harrisinteractive.com/bschools or contact:

Brenda V. Roberts
Harris Interactive
1-877-919-4765
wsj_bschools@hpi.harrisinteractive.com

The Wall Street Journal is not involved in the sale of Harris Interactive research reports, which are prepared and sold only by Harris Interactive.



THE TOP BUSINESS SCHOOLS

Leading by example

In the midst of its own makeover, Thunderbird and its worldly students top U.S. Regional ranking

By RONALD ALSOP

GLENDALE, Arizona—Thunderbird, the Garvin School of International Management, is offering a new M.B.A. course this semester called "Leading Change and Transformation." The class will emphasize managing change inside companies, but the best case study might be Thunderbird itself.

Faced with M.B.A. enrollment declines and financial strains, the school is in the midst of a major makeover. "Thunderbird reached a breaking point and needed new direction," says Angel Cabrera, the school's first foreign-born president, who was recruited from Instituto de Empresa in Madrid to engineer a turnaround.

Thunderbird had become too reliant on the full-time M.B.A. program and foreign students, and saw applications, particularly from other countries, plummet after the Sept. 11 terrorist attacks and sharp downturn in the job market. With reduced revenue, the school ended up in the red.

Some drastic options were put on the table, including an alliance with another school or even the sale of the campus. After much debate,

Thunderbird opted to remain independent and stay put in this Phoenix suburb. But its new Thunderbird 2010 strategy calls for selling vacant land surrounding the campus, with proceeds being used to improve the school's facilities, reduce debt and fortify its endowment.

Thunderbird also is restructuring into three business units—degree programs, corporate learning, and research and knowledge—and diversifying beyond the traditional, full-time M.B.A. with more executive-education offerings, online M.B.A. courses, customized M.B.A.s for Asian companies, and new master's degrees for students fresh out of college.

As it celebrates its 60th anniversary this fall, Thunderbird is operating once again with a balanced budget, thanks to the diversification and cost cutting.

Even during these tumultuous times, the school has consistently placed well in The Wall Street Journal/Harris Interactive recruiter survey, reaching the top spot in the U.S. Regional ranking this year and finishing fifth in the International ranking. Characterizing Thunderbird as both U.S. regional and international may seem contradictory, but it does attract recruiters from both the U.S. Southwest and overseas.

A multicultural spirit clearly pervades the campus. Students from some 50 countries mingle in classes, at the campus pub and on the rugby field. During the school's regional culture nights, foreign nationals show off their native cuisine, music, dance and fashions.

Professors often refer to the "Thunderbird mystique," which they describe as the adventurous nature and worldly perspective of students. "Our students are restless explorers who can function easily in any culture," says John Mathis, dean of faculty.

Originally named the American Institute for Foreign Trade, Thunderbird was established in 1946 on the site of an air base used for pilot training during World War II. A flight-control tower and two airplane hangars still stand today, amid the palm trees, cactus and cluster of low-rise classroom and dormitory buildings.

The military officers who founded Thunderbird recognized early on that a global economy was developing and that managers would need to learn the languages, cultures and business customs of other countries. "Borders frequented by trade seldom need soldiers" became the school's motto.

In the Journal survey, recruiters named Thunderbird the top school in the world for teaching global business skills and gave it extremely high scores for students' international knowledge and experience. But Thunderbird's pre-eminent position could be at risk, as other business schools develop global programs, too.

More language proficiency

Professors here recognize that competitors pose a serious threat. "We've had the first-mover advantage, but the global market is too attractive for other schools to ignore," says Caren Siehl, an associate professor of management. "The good thing is that the competition keeps us from getting stale." Thunderbird recently revised its M.B.A. curriculum to emphasize global entrepreneurship more, require foreign-language proficiency and give students more overseas experiences.

Despite the improved M.B.A. job market and Thunderbird's strong showing in the Journal rankings, the school reports a placement rate of only about half of its students by three months after graduation. That's partly a reflection of Thunderbird's unique mix of students, says Kip Harrell, the head of career services. "Some of them want to pack their Birkenstocks and granola and go on a trek to Nepal before they get serious about a job," he says. In addition, some foreign students don't begin their job searches until they return to their home countries after graduation.

Many recruiters say they like the entrepreneurial zeal that students

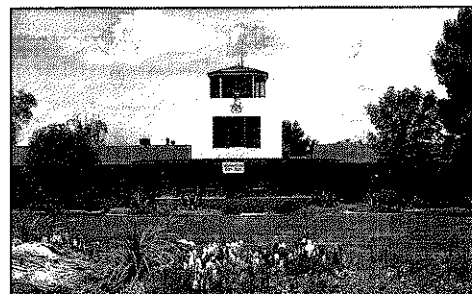
demonstrate. Thunderbird produces "an entrepreneurial, roll-up-your-sleeves type of graduate who doesn't expect six-figure salaries," says Eric Mettemeyer, a survey respondent and treasurer at Euronet Worldwide Inc., an electronic-payments provider.

Thunderbird students bring experience in the Peace Corps and nongovernmental organizations, as well as the corporate world. Some recruiters like such variety and consider the students well-rounded, but others would prefer more solid business backgrounds. Indeed, the school received its lowest ratings in this year's survey for students' previous work experience.

As they wrestled with the school's financial and enrollment problems, Thunderbird officials did some soul searching about their mission and "brand positioning." Instead of saying Thunderbird develops students "to serve the advanced management needs of international enterprises," the mission statement now declares, "We educate global leaders who create sustainable prosperity world-wide."

The school's emphasis on both entrepreneurial skills and corporate citizenship was apparent when a focus group was asked to pick the famous person who best embodies Thunderbird's identity. Many chose entrepreneur Richard Branson, while others favored the more spiritual Dalai Lama. "I call it the story of the monk and the billionaire," says Dr. Cabrera. "It shows the hard and soft sides of Thunderbird, our yin and yang."

1 THUNDERBIRD (GARVIN)



THUNDERBIRD ON THUNDERBIRD

(Data provided by Thunderbird, the Garvin School of International Management)

M.B.A. enrollment	1,102
Full-time	609
Part-time	352
Executive	141
Annual tuition	\$34,950
Annual room and board	\$3,550-\$3,900

PROFILE OF FULL-TIME STUDENTS

GMAT score	600 (mean)
	590 (median)
Years of full-time work experience	5 (mean)
	4 (median)

Demographics

Male	71%
Female	29%
Minorities	21%
U.S. citizens/residents	56%
Foreign nationals	44%

CLASS OF 2005 EMPLOYMENT DATA

Percentage of job-seeking full-time graduates who:

Received offers prior to or within three months of graduation	54%
Accepted offers prior to or within three months of graduation	48%

Average compensation of full-time graduates who accepted employment

Annual base salary	\$72,307
--------------------	----------

Signing bonus	\$10,734
Other guaranteed compensation	\$13,694

Companies hiring the most 2005 full-time graduates:

Intel	10
Johnson & Johnson	8

Three of the most famous graduates of the M.B.A. program

- JIM ALLING**, class of 1985, president, Starbucks Coffee U.S.
- LUIS ALBERTO MORENO**, class of 1977, president, Inter-American Development Bank
- RAYMUNDO A. YU JR.**, class of 1981, senior vice president, chairman, Asia Pacific region, Merrill Lynch

THE RECRUITERS SPEAK

Thunderbird's most impressive features

- "Wide-ranging talent and life experiences of the students"
- "Global mind-set"
- "Students' thirst to make a difference in the world"

Thunderbird's major shortcomings

- "Inconsistent quality of talent"
- "Lack of relevant work experience"
- "Large population of students not authorized to work in the U.S."



THE TOP BUSINESS SCHOOLS

Testing the waters

Business students put skills to use at Italian regatta

By DEBORAH STEINBORN

THIS WEEKEND, MBA candidates and alumni from some of the world's top business schools will put their management skills to the ultimate test at sea—and will try not to get thrown overboard into the Italian Riviera in the process.

The third annual international MBA Sailing Cup, organized jointly by SDA Bocconi School of Management and the Yacht Club Italiano, will bring together students from Columbia Business School, London Business School, RSM Erasmus University, Northwestern University's Kellogg School of Management and more than a dozen other business schools in the scenic Italian port of Santa Margherita Ligure.

From Friday through Sunday, roughly 500 M.B.A.s will face off in a series of regattas on 37-foot sailboats at sea just beyond Santa Margherita's palm-lined harbor.

Teams sleep overnight on board their respective yachts. But they'll also mingle with students and professors from other b-schools at a business conference and other attendant networking events at the picturesque nearby Cervara monastery.

Not just fun and games

Participants stress the weekend won't be just fun and games. "We really do use every M.B.A. skill we've learned in these races," says Panagiotis Anastasiou, a 26-year-old 2006 M.B.A. graduate from Warwick Business School in the U.K.

"Leadership, team-building, time management, sponsorship, networking, conflict management—you name it," says Mr. Anastasiou, who participated in last year's regatta and will captain his school's team in this year's M.B.A. Sailing Cup. (Warwick had the winning team last year.)

"A sailboat is a very nice metaphor for the company," says Andrea Gasparri, managing director at SDA Bocconi and a professed sailing enthusiast. "In a sailboat you need more or less what you need in a good company. The skipper is like the CEO, he must decide fast, form a good team and be able to motivate it. The crew is the workforce, and you need a very specialized crew so that everyone knows what his or her role is. You need a good chain of command. And lastly, you need to know your competitors, and have both a good strategy and tactics to compete against them successfully."

Indeed, while there's no monetary prize attached to the M.B.A. Sailing Cup—just a modest trophy—b-school students are notorious for their competitiveness. So it's no surprise that these races can become heated, to say the least.

Watch out for Type-A people

"I think it's fair to say that there are a good chunk of Type-A people out there on the water," says Peter Wermuth, a 2006 graduate of Columbia Business School who led the school's team at last year's M.B.A. Cup.

"We've already established a few interesting rivalries this year,

and the regatta hasn't even gotten started yet," adds Mr. Wermuth, who will skipper one of Columbia's boats this time around. "Some boats can get rammed—that happened to us last year. And some crews even invest in staying overnight in a hotel so that they have less weight on board, which makes for better sailing. Some skippers are just more competitive than others, it's as simple as that."

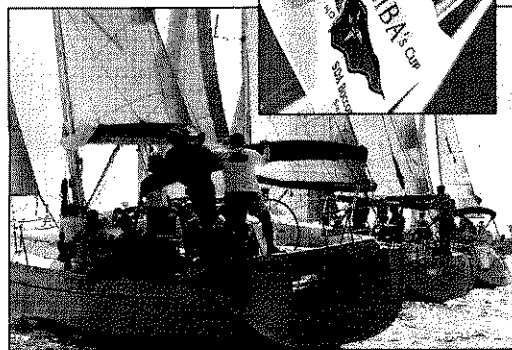
The M.B.A. Sailing Cup is the brainchild of Mr. Gasparri, who was director of the Yacht Club Italiano before joining SDA Bocconi. Gaining support of the Italian yachting organization, SDA Bocconi turned what began six years ago as a rather informal regatta for Bocconi alumni into the largest interna-

tional M.B.A. sailing regatta. Sponsors include BMW, Morgan Stanley, Pirelli, Rolex, Samsonite and SIAD.

"These companies recognize the power of putting all these M.B.A.s from around the world together on sailing yachts," says Enrico Bocchi, a 2006 M.B.A. candidate from SDA Bocconi who's also involved in organizing this year's MBA Sailing Cup. "In the end, it's just an amazing networking opportunity for everyone involved."

Other regattas include the London Business School Global M.B.A. Trophy Regatta in Athens, Greece, and the Cranfield School of Management International Business Schools Regatta in Portsmouth, the U.K., both of which take place in the spring. ■

The 2005 sailing regatta attracted teams from around the world.





THE TOP BUSINESS SCHOOLS

Something special

More European and Asian schools offer quicker master's programs

By DEBORAH STEINBORN

MORE AND MORE business schools around the globe are introducing specialized master's degrees in addition to traditional M.B.A.s. So if you're keen to learn all about luxury goods and services, maritime economics or even plain-vanilla finance, there's probably a master's degree tailored to you.

Indeed, such degree programs are gaining in popularity among young professionals—some straight out of school, some with a few years' experience—who are looking for expertise in a particular area of business. Often one year in length, compared with a typical two-year M.B.A., they are less expensive and entail less time out of the work force.

B-school administrators stress that specialized master's degrees serve a different market than traditional M.B.A.s. "These master's programs aren't really related to M.B.A. programs," says Eric Waarts, dean of bachelor's of science and master's of science programs at RSM Erasmus University. "People who choose this course of study aren't interested in general management theory. They want to specialize in a particular field." The programs nonetheless

present a growing new revenue stream for schools from London Business School to International University of Monaco and Hong Kong University of Science and Technology. Applications to specialized master's programs at some of the top European and Asian b-schools are doubling or more each year, according to program administrators. M.B.A. applications, meanwhile, for the most part are on the decline.

Lots of specializations

One of the forerunners in specialized business master's programs, LBS began to offer a one-year Master's in Finance a little over a decade ago after recognizing a need among City of London professionals for more specialized training in finance. The school has watched the program grow ever since. Today, the MiF degree has 140 full-time and 64 part-time students, drawing in £28,000 (€41,450) in annual tuition fees per student.

"Finance is becoming a very technical field, and there has to be a way to ensure that professionals have the right amount of knowledge," says Sabine Vinck, associate dean of finance programs at the school. "The program is continuing to evolve, just as the field itself."

While LBS's MiF program delves into the technical nitty-

Carving out a niche

Some specialized master's programs in Europe and Asia

International University of Monaco

Program: Master's of Science in luxury goods and services; Master's of Science in financial engineering

Length: 10 months for both master's programs

Tuition: €12,000 for the 2006/2007 academic year for MSCLGS; €9,850 for the 2006/2007 academic year for MSCE

Web site: www.monaco.edu

London Business School

Program: Master's in Finance

Length: 12 months

Tuition: £28,000 for the academic year

Web site: www.london.edu

RSM Erasmus University

Program: Master's degrees in corporate communication (part-time program), financial management, hospitality management, management consultancy, and maritime economics and logistics

Source: The schools

gritty of finance, other specialized master's degrees teach the spectrum of what some might term more exotic fields. The International University of Monaco, for

Length: Typically 12 months for full-time specialized masters degrees

Tuition: Tuition varies by degree. €22,500 for the full-time master's in financial management; €18,650 for full-time master's in hospitality management; €19,850 for full-time master's in maritime economics and logistics

Web site: www.rsm.nl

Hong Kong University of Science and Technology

Program: Master's of Science degrees in economics, financial analysis, information systems management, and investment management

Length: 12 months for the MSc in Economics; typically 18 months for other degrees

Tuition: Tuition varies by degree. HK\$72,000 (€7,219) for MSc in Economics; HK\$120,000 (€12,032) for 30 credits toward financial analysis and investment management master's degrees

Web site: www.ust.hk

one, launched this month a Master's of Science in luxury goods and services (MSCLGS), further developing its academic niche in the field of luxury.

"While we had seen some M.B.A. programs addressing luxury-goods marketing in their coursework, either as electives or as optional concentrations, there was no master's program dedicated to luxury goods," says Boris Porkovich, associate dean of graduate programs and director of M.B.A. programs. "We saw a need that could be filled with our program."

So, this year's inaugural class will dedicate the next 10 months to learning all about creating an idea of a luxury product, the politics of desire, how to hire for the luxury sector, supply-chain management in the field, managing luxury brands and more. They'll also do an industry immersion, spending time working in a luxury-goods company.

"This is really for people who want to learn the nuts and bolts of the luxury sector, not for people who just want to become general managers," says Mr. Porkovich. Indeed, 17 out of this year's 22 students already have worked in the luxury-goods sector and want to aim into another area of the business, Mr. Porkovich notes.

IUM also offers a similar specialized master's program in financial engineering, and is considering launching such programs in the fields of international banking and finance by autumn 2007, followed by entrepreneurship in autumn 2008.

Asian schools follow suit

Like their European brethren, more and more Asian business schools are turning to specialized business master's degrees to expand their portfolio of offerings. The Hong Kong University of Science and Technology, for instance, introduced an MSc in economics in 1995, and has added three more such degrees—in financial analysis, information systems management, and investment management—since then.

"The specialized master's programs we offer are aimed at candidates who wish a deeper technical knowledge base in specific content areas," says Steven DeKrey, director of Hong Kong UST's MSc programs. "The candidates tend to be either looking for entry-level work in a technical field or advancement in a current position. The programs take less time and are less expensive than an M.B.A., but they are not intended to accelerate a management career path like the M.B.A. The graduates tend to stay in their chosen specialty for their career."

Instead, meanwhile, late last month announced a deal with Australian financial-services provider Macquarie Group to launch a global Master's of Finance program specifically for Macquarie's investment-banking managers. The specialized master's degree will be available from early 2007 to eligible Macquarie employees.

The program will integrate courses on finance, accounting, leadership, management and strategy in the context of global investment banking. Participants will spend a total of 14 weeks on campus over a four-year period, with multiple groups attending classes on Insead's Asia and Europe campuses as well as in Australia and the U.S. In addition to classroom sessions, the program includes individual online learning and virtual teamwork activities.

The MiF will target Macquarie's top young investment-banking executives. The financial-services group has made a long-term commitment beyond 2010 to make the degree a centerpiece in its professional development activities, according to Insead.

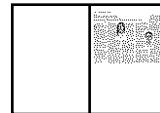
In announcing the deal, Nicholas Moore, head of Macquarie's investment-banking group, stressed his confidence that the master's program will "benefit the individuals working in our team today, and that it will also attract the best and brightest graduates from all countries to join us."

Students hone skills

Michele Holahan, a 30-year-old former advertising executive from New York, decided last year to go back to business school to gain expertise in hospitality management, and is just completing an MSc in the field at RSM Erasmus University. "I was interested in pursuing a master's degree to broaden my strategic and analytical capabilities, but also to complement my professional background," Ms. Holahan says.

Ms. Holahan adds that she did consider M.B.A. programs at first, but decided to concentrate only on international hospitality management programs by the time she was ready to apply to a program. With a master's degree from a European university under her belt, she hopes to obtain her next employment outside the U.S. to gain foreign work experience.

"I've learned a lot not only from the well-designed courses and seminars by experts from all over the world," agrees Wengzhong Xiao, another young professional who chose the path of a specialized master's degree. "The global network of lecturers and colleagues specialized in my field has given me great help in my career." A recent graduate of RSM Erasmus' maritime economics and logistics master's program, Mr. Xiao says he's already reaping the benefits of studying at Erasmus. He was promoted to general manager of the chartering department at his employer, China's Lianyuan Iron & Steel Co., upon completion of his master's degree. ■



THE TOP BUSINESS SCHOOLS

The main course

Schools cook up business classes for chefs and restaurant owners

By RHEA WESSEL

DORI BERLIN is just as good with spreadsheets as she is with pastry sheets.

The executive chef and food and beverage manager for Wood Ranch restaurants in southern California is one of the few chefs who has earned an M.B.A. degree. In 1998, Ms. Berlin became one of the first students to earn dual degrees at Cornell University—a Master of Management in Hospitality from the School of Hotel Administration and an M.B.A. from the Johnson Graduate School of Management.

Ms. Berlin decided that she wanted the best that each school had to offer. She went to the Johnson school for hard-core business topics, such as strategy, finance and negotiations, and at the hotel school she focused on specialty electives such as wine and meat classes.

Uses skills all the time

She says she relies on her M.B.A. skills all the time. "It's never really enough to be just a chef," she says, adding, "We negotiate contracts with all our vendors and employees....You need to get the guys to do what you want them to do."

Ms. Berlin also has used her business skills to increase sales by re-

vamping the menu to make it more appealing to women. "One of my specialties in business school was trends," she says. "I realized we needed more entrée salads."

Many of the world's big hospitality companies increasingly seek top-caliber managers who have the right combination of personality traits and analytical rigor. At the same time, hotel schools in the U.S., Europe and Asia are adapting their programs to focus more on business education in response to the hospitality industry's hiring demands.

But even as large chains supplant smaller enterprises in many places, chefs with M.B.A. degrees still find plenty of opportunity working on their own.

Silvia Bianco earned an M.B.A. in marketing from Pace University in New York and worked for a large telecommunications company before donning a chef's hat as owner of a restaurant in Ridgefield, Connecticut. In 2002, her restaurant's lease was running out, and she wanted to expand. Ms. Bianco used her b-school skills to examine her restaurant's strengths and weaknesses. She performed a traffic analysis and quantified the amount of business she was turning away because she lacked a large space for hosting weddings and parties. When she



Dori Berlin

presented her business case and three separate income forecasts to the bank, she was offered a loan of about \$2 million (£1.6 million).

"You don't necessarily need an M.B.A. to come up with creative ideas, but it helped me look at the situation objectively," says Ms. Bianco. "I analyzed my restaurant like any other case study...I could have written those business plans in my sleep." In the end, she decided not to pursue the expansion of the restaurant and closed it in 2003.

Although M.B.A. chefs are a rare breed, the hospitality industry values well-trained managers. The Culinary Institute of America has recognized the need for management education and has linked up with Cornell's hotel school, which even earned accreditation in 2002 as a business school from AACSB, the Association to Advance Collegiate Schools of Business.

Sherri Kimes, the associate dean of academic affairs at Cornell's hotel school, estimates that the school's one-year, three-semester curriculum at the master's level consists of 75% required courses with a heavy business focus.

"We look at accounting within a hospitality context; the first case study is on Papa John's Pizza," she

says. "We think it's better than a traditional business education because you're forced to apply it right away."

In Europe, the hospitality-focused case study is also a favorite at Ecole hôtelière de Lausanne in Switzerland, which offers a 14-month, business-laden program leading to an M.H.A., a Master in Hospitality Administration.

Program Director Christina Norton says most students who enter the school, whether they are trained chefs or those switching from other careers, such as lawyers, dentists or architects, seek to broaden their skills as general managers. To help develop well-rounded managers, the school focuses on quantitative skills, with finance as a cornerstone.

"When you're talking about chefs, they have no lack of creativity and skill," Ms. Norton says. "The issue is how to make your business profitable."

Urs Grimm is a student at EHL who quit his job as director of sales and marketing at a five-star hotel in Switzerland. He says he's glad he went back to school because he now has the quantitative skills to analyze business issues and back up his decisions. In the past, he made choices based on his broad operational experience and his gut

feeling.

"I have more confidence to take decisions and implement the strategy," says Mr. Grimm, whose long-term goal is to work as the general manager or regional director of a small hotel chain in the luxury sector.

Joining Swiss hotel

The 30-year-old is enrolled in classes on real estate, change management, strategy and revenue management, and he already has secured a post-graduation job as deputy general manager at one of the top hotels in Switzerland.

In Asia, students also seek business skills to round out their hospitality résumés. In response, Cornell has linked up with Singapore's Nanyang Technological University to offer a combined degree and share faculty.

This year, the first group of students from Singapore arrived at the Ithaca, New York, campus. Cornell sought the partnership because it needed a better international strategy and it saw Asia as a hotbed of new opportunity

with its growing middle class and a shortage of qualified hospitality-industry managers.

"We wanted a partner that was centrally located, and Singapore is trying to position itself as the educational hub of Asia," says Ms. Kimes. Cornell also envisions a similar link with a European school or university.

"We'd like to have the option to educate students on two or three different continents," she says. "Given the way the world is going, it's very appealing for potential students and employers." ■



Silvia Bianco

Ms. WESSEL IS A WRITER IN FRANKFURT. SHE CAN BE REACHED AT REPORTS@WSJ.COM.