Trends in Business Education: Are B Schools Still the Drivers for Innovation?

The Role of Deans, Deputy/Vice Deans as Catalysts for Change

Timothy S. Mescon, Ph.D.

Sr. VP and Chief Officer Europe, Middle East and Africa

The Obsolescence of Industry: What's Next?

"It won't happen to us."
Newspaper publishers

"It won't happen to us."
Bookstores

"It won't happen to us."
Telephone utilities

"It won't happen to us."
Stockbrokers

"It won't happen to
Record companies

"It won't happen to us."
Travel agencies

"It won't happen to us."
Big box retailers

"It won't happen to
The next industry to

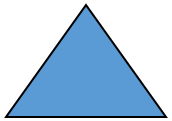
"It won't happen to us"

Leadership Challenges: B School Opportunities Never So Great

- Permanent whitewater, turbulence
- Leaders drive change
- Today it's about strategic agility
  - **Fast**
  - **Focused**
  - **Ferocious**
  - **Agility**
- Execution

Today's Global B School Landscape

- Working outside the lines
  - **Global partnerships/alliances/programs (QTEM Solvay, CFAI, CEMS, Yale Global Network for Advanced Management)**
  - **Internships- GE brings in 3,200 interns/year, 70-80% hires from internships**
- Competitive industry/Competitive Positioning
  - **Corporate universities, partners and/or competitors? (IE, IMD, Porto, Saïd)**
- Very strong performance in challenging times
  - **Growth of MIM (St. Gallen, HEC Paris, ESSEC) and now MBA (HBS, LBS, Wharton, Stanford, INSEAD)**
- The buzz about "execution" & "creativity"
  - **$100 million gift for FL State entrepreneurship program**
- Innovation and launch, successes & failures
  - **Face-to-face, online, blended**
- No resting on your laurels
  - **Big Data/Analytics- (Imperial, RSM, BI, IE, NC State, Judge)**
- Landscape: **Change is the norm, not the exception**



Six B School Trends: Response to Market

1. Distance learning continues to morph
2. Stackable degrees combining exec ed and academic programs
3. Proliferation of MSc Programs (what is next?)
4. Executive Doctoral Education
5. Credentialing students with non-credit programs (coding, six sigma, lean, etc.)
6. Entrepreneurship interest of graduates

Executive Education Trends

- *Executive education is an industry currently facing a whole lot of transition, not just the "the usual" reorientation to emerging markets growth, and also an ongoing ever-closer tango with consulting industry. Fundamental industry transformation, or at least wide-eyed over-the-shoulder peering at the oncoming storm, is driven by online technology, particularly by MOOCs (massively open online courses) which are soaking up learners by the hundreds of thousands on a free or freemium basis.*

5 Other Key Global Trends in Business Ed

1. Personalization

One interesting trend with business education is its personalization. A proliferation of online materials mean that would-be business school students that cannot afford the exorbitant fees of top schools can find the learning opportunities that they need online. While this may not necessarily lead to an MBA, it can still provide the professional development needed to progress at work.

2. Education anytime and anywhere

Smartphones and tablets now have a sizeable penetration into Western markets. Business Insider (2012) reported that by 2016 there would have been 450 million tablets sold. In addition, Skillsoft noted that in the USA 83% have a cellphone. This has led to people wanting to get educated on the move. From listening to audiobooks on the commute to work, to reviewing online courses on the tablet while travelling, business education is going mobile.

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5 Other Key Global Trends in Business Ed

3. Raised importance of ethics

The shocking corporate failures in the area of ethics over the past few years, such as at Enron and the business behaviors that led to the 2008 economic downturn have led many business schools to start questioning just who they are churning out into the workforce. This has led to an increased emphasis on ethics in business, along with corporate responsibility and sustainability, according to Mashable's Sandra Ordonez (2012).

4. Actions speak louder than words

According to a study carried out by Hanover Research (2013) applied and action-based learning is becoming ever more important with this change having been noted in 60% of programs in the study. Companies want executives that can apply their learning and business schools are shaping up to the challenge ahead.

5. India raises its profile

In a recent Forbes report (2011), James Marshall Crotty explained that India has been rising up on the world stage in terms of business Education offered. Crotty outlines how Harvard Business School has created a new program based in India, focusing on business essentials such as accountability, innovation, strategic management and entrepreneurship. It is thought that many American business schools will follow this lead in important emerging nations.

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Some final thoughts on trends

- **Future of work**

It is expected that by 2020, 40 percent of the American workforce, or 60-million people will be independent workers, freelancers, contractors and temporary employees. Increasingly these positions are being held by the best and the brightest. ***Harvard Business Review*** called this phenomenon "the Rise of the Supertemp." The future employee must learn intrinsic motivation and develop a growth mindset and instinct to be successful. *How are we equipping our students for this future?*

These themes, ideas and questions will shape the landscape of higher education and business institutions moving forward. Schools that face these trends head on will thrive. The winners will be those who

- Manage the degree and non-degree portfolio;
- Adapt the curriculum;
- Engage in partnerships;
- Collaborate across the sector;

Betsy Ziegler

Chief Innovation Officer at Kellogg School of Management

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New Wave B School Leadership:

1. **Innovation & Creativity drive great b schools**
2. **Status Quo/Stasis is Terminal**
3. **Old Model: Big beats Small**
4. **New Model: Fast beats Slow**
5. **Institution Centered to Client Centered**
6. **Be a skill builder (demanded by Gens Y & Z)**
7. **The Call for Transformational Leadership**
8. **Power of Teams/Cross functional solutions**
   - **students/professors/corporate/NGO/government**

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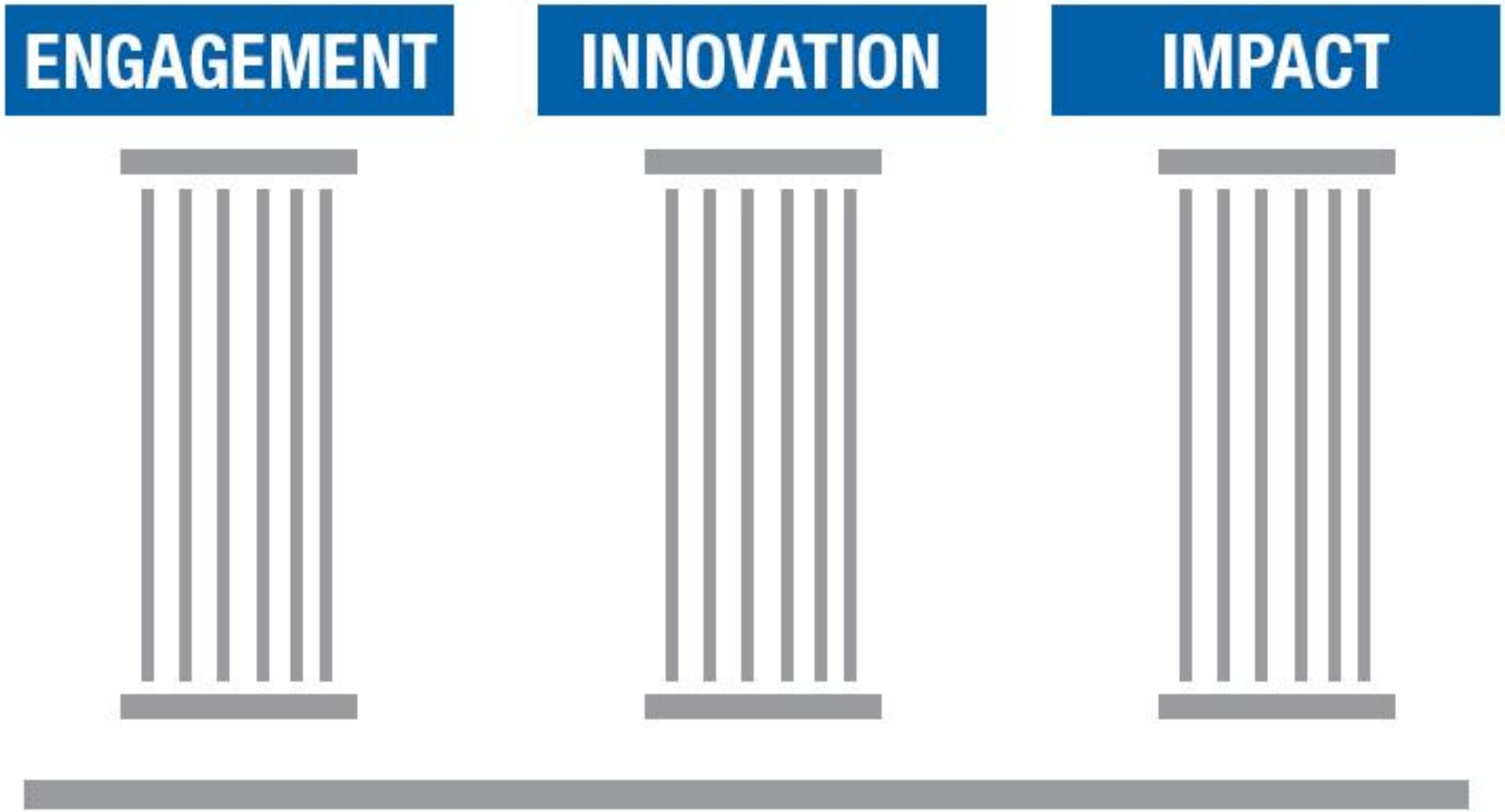
AACSB International- Founded 1916

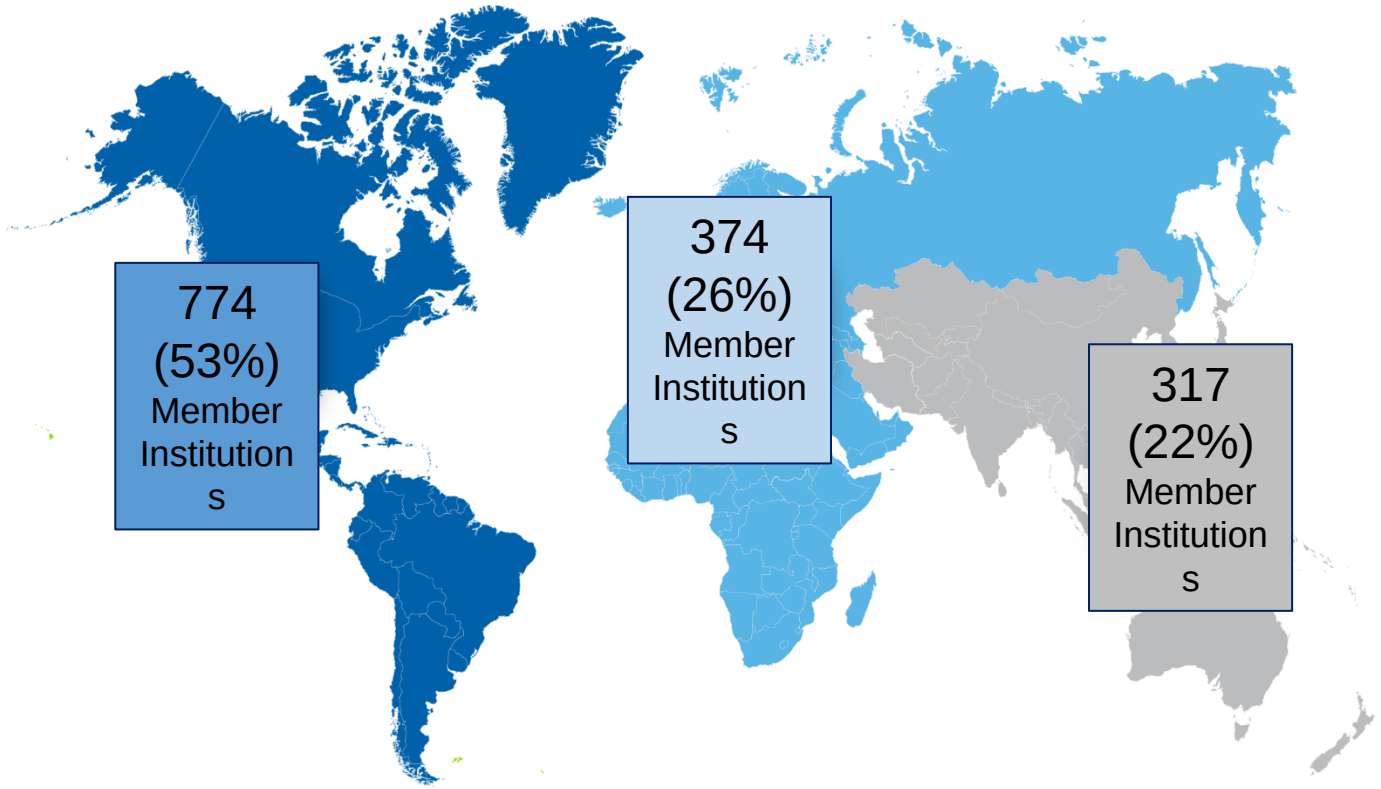
Draft:

AACSB INTERNATIONAL
CO-CREATORS OF KNOWLEDGE
HUBS OF LIFELONG LEARNING
LEADERS ON LEADERSHIP
CATALYSTS FOR INNOVATION
ENABLERS OF GLOBAL PROSPERITY
A COLLECTIVE VISION
FOR BUSINESS EDUCATION

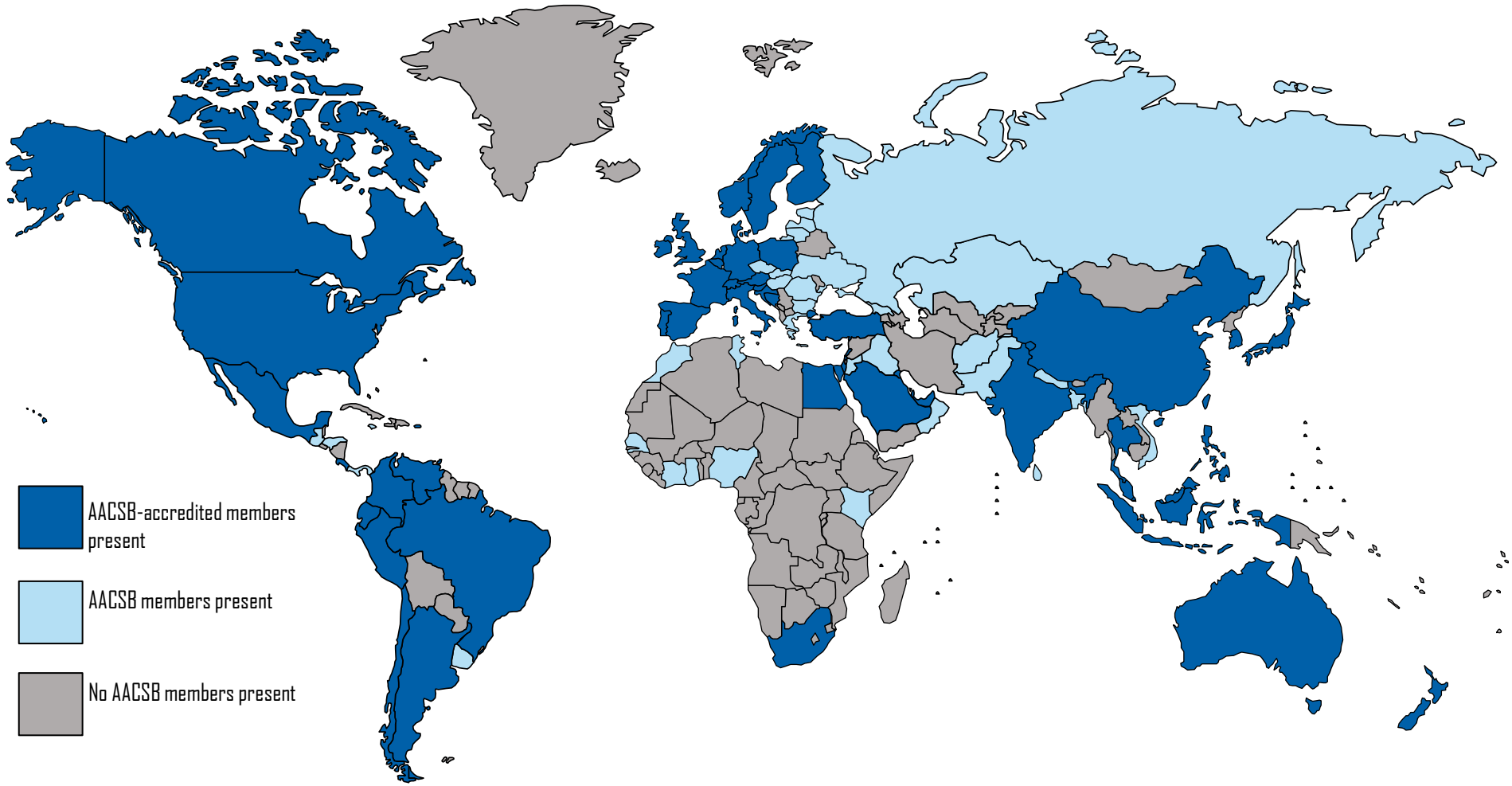
AACSB ACCREDITATION



State of the Membership-
1465 members in 91 countries



Reach of AACSB International



Distribution of schools as of March 1, 2016.

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Europe, Middle East & Africa

- **Total <u>educational</u> AACSB members: 374**
  - 185 private institutions
  - 189 public institutions

20% - 76 AACSB educational members in the AACSB accreditation process.

30% - 111 AACSB educational members hold AACSB accreditation.

- **<u>Since January 2015</u>**
  - **14 Newly accredited schools in over 10 different countries.**
  - **74 New educational memberships in over 35 countries.**

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New Members Since January 2016

JAMK University of Applied Science	Finland
Caucasus	Georgia
IST	Greece
Interdisciplinary Center Herzliya (IDC)	Israel
Universita Cattolica del Sacro Cuore	Italy
Al-Ahliyya Amman University	Jordan
Al-Zaytoonah U of Jordan	Jordan
Nyenrode Business Universiteit	Netherlands
College of Economics and Political Science- Sultan Qaboos U	Oman
East Arab Colleges	Saudi Arabia
Linnaeus University	Sweden
Ecole hoteliere de Lausanne (EHL SA)	Switzerland
SBS Swiss Business School	Switzerland
Avicenne Private Business School	Tunisia
American U Ras Al Khaimah	UAE
Emirates College of Technology	UAE
Lincoln University	UK
Great Zimbabwe University	Zimbabwe

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