

Indian Versus Foreign

Class Apart

Indian business schools offering international faculty are fast gaining popularity. But will they be able to match the brand value of the best foreign management schools?

By Puja Mehra

If you did your masters from a reputed US university, worked as a manager in the US Department of Energy and then wanted to study management, the obvious choice would be a top-notch American B-School. Gopal Kavalireddi, who did his engineering from Marathwada University in Aurangabad and his masters in science from the Florida International University, does not agree. After working on nuclear reactors in the US, he returned to do his MBA from the Great Lakes Institute of Management (GLIM) at Chennai.

His batchmate Anirudh Gopinath wanted to grab an MBA from a weighty foreign B-school as soon as he completed his electrical engineering at the University of Madras. But he accepted a job with the American infotech major Syntel and moved to Michigan. That should have taken him closer to his dream. Gopinath, however, tossed away offers from a host of Canadian, UK and Singapore based B-schools and is now at GLIM.

Hop over to the campus of the Indian School of Business (ISB), Hyderabad and Tarun Naruka has a similar story to tell. After doing his engineering from the Regional Engineering College at Jaipur, Naruka worked with an oil and gas company in Jakarta before bagging a partial scholarship at the Pennsylvania State University for an MBA programme. But Naruka wanted to settle down in India and, therefore, opted for ISB.

These are not isolated examples. Many promising Indian students with impressive resumes and competitive GMAT scores are shunning admission offers from foreign B-schools and opting to do their MBA from India. A survey of students at two Indian campuses-GLIM and ISB-reveals that many feel it is no longer necessary to go abroad for a world class management programme because

PICTURE SPEAK



TEAMWORK: Kayaking against the backdrop of Harvard Business School

ADVANTAGE UNCLE SAM

1 BRAND EQUITY

Credentials of US B-schools are unmatched by any other management institution.

2 CAMPUS RECRUITMENTS

The biggest and the best global companies come to scout for talent.

3 RETURN ON INVESTMENT

Costs may be high, but so is the average starting salary offered to US B-school graduates.

4 FUNDING

Bright students manage financial aid, assistantships and loans.

5 HIP QUOTIENT

Well-networked alumni, charm of international campuses, diverse batchmates and zesty extra curricular activities.

6 TOP NOTCH

Life on a US B-school campus is an experience by itself.

they are now available in India. These students studied or worked overseas but returned home to do their MBAs.

The umbilical cords for both GLIM and ISB bond them to elite US institutions like Kellogg and Yale. Their curriculums are modelled after those of top global B-schools.

Does this mean that these collaborative Indian B-schools have become perfect substitutes of the international institutes after which they are modelled? While their students and faculty members certainly think so, these Indian B-schools still have a long way to go before they reach the Ivy League.

There are many areas in which foreign B-schools emerge winners. To be sure, a B-school with a five-year-old history will never be able to match the brand equity established by institutions like Harvard, Stanford and Wharton. Any company-whether foreign or domestic-will have a bias towards foreign B-schools. And this will be true even if the foreign institution is not among the top 10 B-schools.

Even though the calibre of the faculties in Indian B-schools is equal to if not more than those in US institutions, the overall experience of interacting with a global student body, opportunity to intern over the summer in an area of choice and the extra curricular initiatives in US B-schools is many notches above India.

"I chose a US business school because of the strong alumni network, worldwide placements, diverse class and global brand recognition," says Akshat Shukla, a graduate from IIT Bombay who is now in the class of 2006 at MIT Sloan School of Management. He says Indian B-schools still need to catch up in these areas.

Competition to US B-schools is also beginning to creep in from Down Under. The number of Indians going to Australia to do MBA has jumped from about 70 to over 4,000 in the past 10 years, as per IDP estimates. They are drawn by the quality of life in the country. "The USP of an Australian MBA is its 'wow' factor," says Henry Ledlie, country head of IDP, the official interface between students and 41 Australian universities.

But not everyone is enamoured of the foreign tag. "Most of us want to work here. The Indian tag might become premium," says Professor Sriram, executive director at GLIM. India is certainly hot amongst global managers. For instance, 9,000 students from global management schools like Carnegie Mellon, Harvard, MIT and London Business School applied for 100 internships at Infosys, this summer. But will these foreign interns return to work in India after graduation? Most of them will tell you that their interest is limited to gaining grassroots experience at one of the world's most happening markets. This could come in handy if they are given charge of geographical markets that include India.

So, what should aspiring MBAs do-study in an Indian B-school or go for a foreign degree? If you want a career in India, an MBA from an Indian B-school could yield

INTERNATIONAL LINE-UP
UNITED STATES Stanford Business School, Harvard Business School, Wharton School COST: Rs 50-60 lakh a year. ELIGIBILITY: High GMAT scores, interview, work experience and references. USP: Best placements.
AUSTRALIA Melbourne Business School, Australian Graduate School of Management, University of Sydney COST: Rs 9-11 lakh a year. ELIGIBILITY: High GMAT scores, interview. Immigrants get special benefits. USP: Good combination of life at and after work.
OTHERS National University of Singapore, INSEAD, France, IESE, Spain COST: NUS Rs 10 lakh a year, Insead Rs 25 lakh, IESE Rs 42 lakh ELIGIBILITY: Work experience, interview. GMAT scores for NUS. USP: Breaking into the big league.

higher value for money. But if you are aiming for job in a Fortune-500 company outside India, the US is the place for you to get that MBA from. Ravi Desai did his bachelors and masters at Carnegie Mellon University in Pittsburg before he returned to do his MBA from ISB. "I wanted to work in India," he says.

Sahil Sachdev studying at the Kelley School of Business, Indiana University says: "No country teaches business education like the US. US B-schools are a more likely option to jump-start a global career." In recent years, premier Indian B-schools such as the IIMs have been drawing global recruiters in large numbers

INDIAN ALTERNATIVE	
ISB, HYDERABAD	GLIM, CHENNAI
LINEAGE: Tie-up with Kellogg, Wharton and LBS for visiting faculty.	LINEAGE: Set up by faculty from Yale, Michigan and Kellogg.
ELIGIBILITY: GMAT and interview.	ELIGIBILITY: GMAT/CAT/GLIM test and interview.
COSTS: Rs 15 lakh, with lodging.	COSTS: Rs 4.5 lakh without lodging.
BEST PLACEMENTS: Wipro, Birla Soft, Satyam and Mckinsey. 351 offers (35 overseas) for 251 students.	BEST PLACEMENTS: BT, Infosys, TCS, Citibank and Cognizant. 132 offers (6 overseas) for 117 students.
AVERAGE SALARY: Rs 10 lakh a year.	AVERAGE SALARY: Rs 5.5 lakh a year.
HIGHEST GLOBAL: Rs 78 lakh a year.	HIGHEST GLOBAL: Rs 26 lakh a year.
HIGHEST DOMESTIC: Rs 21 lakh a year.	HIGHEST DOMESTIC: Rs 17 lakh a year.

Next, the cost factor plays a key role. Compared with US B-schools, Indian institutions offer a substantial cost advantage, making them more attractive for those wanting to build their careers here. "I wasn't very sure if I could take on a liability of Rs 50-60 lakh a year for an overseas MBA," says Gopinath. His one-year MBA at GLIM will cost him about Rs 4.5 lakh, not counting the lodging expenses. "The biggest hurdle in studying overseas is the cost. Their value proposition is not better than that of premier B-schools in India," says Sriram.

But costs alone cannot be the defining factor, especially if you are dreaming of a dollar salary, says Shukla. He does not get any financial aid for his education at MIT but is confident that the long-term returns from his MBA degree will outweigh his investment in his education. For Sachin Arora, Ben Fisher ISBM Scholar at the Pennsylvania State Smeal MBA Class of 2006, a foreign MBA costs more but the return on his investment is higher than that of an ISB student. "Imagine giving \$0 for an education and landing a \$100,000 job. Some Smeal students have got such deals," he says. Arora receives \$45,000 a year in the form of tuition waiver, insurance costs and monthly stipend from his university. Funds tied up, B-school rankings should determine the final decision.

PICTURE SPEAK



TALKING POINT: GLIM students in an animated group discussion

Foreign B-schools, especially in the US, used to specialise in specific streams. If Kellogg was known for marketing, Wharton's strength lay in finance. Now these specialities are increasingly getting blurred.

The collaborative B-schools in India too offer a little bit of everything. "GLIM draws the best faculties from global B-schools so that we get the best of all worlds," says Gopinath. With top Indian B-schools attracting the best talent it is only natural that in the years to come they will also climb the charts. Until then, MBA aspirants dreaming of dollar salaries will continue to flock to foreign campuses while the collaborations with global B-schools will cater largely to those looking for Indian careers.