17th CEEMAN Annual Conference

Sep 24-26, 2009

How are Business Schools Dealing with Global Crisis: Educational and Institutional Challenges

Executive Programs (EP)

Workshop Summary
Workshop Speakers

- Dr Richard Lamming, Director, Exeter University Business School, UK
- Dr Bogdan Budzan, Director/Founder, Management Consulting Center, Professor of Management, IIB, Ukraine
- Dr Hans Wiesmeth, Dean, HHL - Leipzig Graduate School of Management, Germany
- Workshop moderator: Fedor Ragin, EMBA Director, International Management Institute of St. Petersburg - IMISP, Russia
Dr Richard Lamming:
Challenges for B-schools providing EP, responses

• Sustainability challenges
  • Investing in research
  • Co-operation with WWF (World Wildlife Fund)

• Economic/Financial challenges
  • New programs addressing the global change in E/F

• Social challenges
  • Integration of inequality and demography issues into EP

• Leadership challenges
Challenges for B-schools providing EP, responses

- Market challenges
  - 20% down in open market programs
  - Need for tailor-made programs
  - Need to link programs to research

- Pedagogical (“how we teach”) challenges
  - Learning experiences not “programs”, concepts not “techniques”, new teaching technologies

“eXECUTIVE PROGRAMS” not “programs for Executives”
B-schools Responses in Crisis: Sources of Inspiration

- International Institute of Business (IIB), Ukraine
- State University of Management (SUM), Russia
- International Academy of Business (IAB), Kazakhstan
- Management Consulting Center (MCC), Ukraine
Dr Bohdan Budzan:

How B-schools Should Respond

- Understand the environment
- Develop substantial and flexible programs full of actual cases
- Have professors who possess not only theoretical knowledge, but relevant practical experience
- Offer a revised portfolio of programs which differ in duration, timing and contents
- Offer more “philosophic” and global approach to the contents of EP
Dr Bohdan Budzan:

Case Study: EP by International Institute of Business for Anheuser-Busch Sun InBev Ukraine

• 8 top managers received full-time 2 days program “How to make effective decisions in the time of crisis”
• 40 middle managers received 8 modules for 2 full days over 8 months, featuring topics of general management, marketing, finance, managerial skills development.
Case Study: EP by International Institute of Business for Anheuser-Busch Sun InBev Ukraine

- IIB demonstrated the knowledge of the current market position of the customer and its real needs for the staff development
- It established direct contact with decision-makers
- It provided effective control to ensure the quality of educational process
- It ran in-process performance evaluation
- It maintained a close contact with the HR management of the customer
- It kept close relations with program graduates and management to get future contracts
Dr Hans Wiesmeth:

EP market in Germany as Seen from HHL (Leipzig Graduate School of Management)

- Open enrollment programs in Germany are still losing positions
- Tailor-made corporate programs are about to gain market share
- “Delayed” demand for EP in the open market (HHL receives many inquiries for Jan 2010)
- At HHL tailor-made in-company programs is a growing part of the portfolio regardless of the crisis
Dr Hans Wiesmeth:

Why EP are doing well at HHL

• HHL has a specialized subsidiary “HHL Executive” which provides EP to open market and corporations
• Privileged treatment of HHL’s customers
• Transparent marketing and responsibility in managing customers’ expectations
Moderator:

International Management Institute of St. Petersburg - IMISP outline

- Privately owned B-school in St. Petersburg, established 1989
- Niche, top segments, open & corporate markets
- Executive, MBA, EMBA programs, management consulting
- 30 full time faculty, 10 full time consultants
- Sales revenues 2008-09 academic year: 5.5 mln Euro (EP brings in 25% of SR)
Moderator:

EP Demand Shift as Seen from IMISP

<table>
<thead>
<tr>
<th>General Mgmt</th>
<th>Education</th>
<th>Long Term</th>
<th>Self-actualization</th>
<th>Specialized</th>
<th>Consulting</th>
<th>Short Term</th>
<th>Investment</th>
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Moderator:

EP Supply Change as Seen from IMISP

- Industry (EP) deconsolidated; early leaders’ market shares shrunk, their extensive growth strategies postponed; small EP providers quit

- B-schools EP portfolios being restructured; “anti-crisis” products come and fail; competitive strategies being re-shaped from differentiation to price-based
Moderator:

Response by IMISP

• No “anti-crisis” stuff in portfolio

• Unchanged market position and school’s brand perception: niche, upper segments

• “Personally branded” full-time faculty as key resource, regardless of cost

• Strong matrix as usual with more power to program managers (in competitive strategy and program design)

• Open market: focus on offering shorter programs (75-100 hrs) for smaller groups (10 students) targeted to specific categories of managers and entrepreneurs with built-in consulting and state certificates (universally “convertible”).

• In-company market: focus on 1st echelon businesses, offering programs as “cash replacement” tool for the managers that are to stay, extremely flexible in pricing, awarding certificates “convertible” within the corporate customers’ career paths only.
General Discussion Outline

• Crisis-specific challenges are relatively minor and can be dealt with in the short- or mid-term
• “Eternal” challenges are many and they require B-schools to re-think their EP strategies to provide more responsible and sustainable educational products to open markets and companies
Thank you