Strategic Alliances

Dan LeClair, director of knowledge services
AACSB International

About AACSB International and **efmd**

- Introduction
- Collaboration
  - Conferences and seminars
  - Data and information
  - GFME

Overview of Presentation

- General trends, motivators, and enablers
- Some types of strategic alliances
- Student exchange agreements
- Joint (integrated) program alliances

General Trends

- Globalization of business and managerial labor market

- Increasing mobility of MBA degree

- Intensifying competition

- Proliferation of program types

- New applications of technology

- Growing influence of political initiatives

General Motivators

- Enhance international education
- Build global brand
- Leverage complementary strengths
- Gain access to foreign markets
- Achieve other strategic objectives
- Increase revenue or decrease cost
- Deepen or consolidate relationships

General Enablers

- Standards

- Funding

- Technology

- Relationships among b-school leaders

- International conferences

- Regulation and accreditation

- Language programs

Some Types of Strategic Alliances

- Licensing/franchising use of name brand
- International study programs
- Faculty exchanges
- Student exchanges
- Course delivery agreements
- Joint "integrated" programs ("super alliances")
- Research collaborations
- Executive non-degree education
- Custom programs

Student Exchange Agreements

- Formal (contracted) arrangements for (home) students to study at partner institutions (host) to satisfy degree requirements, including electives at the home institution. Agreements include two of more institutions and may be formed as a consortium.

IIE Study: International students (temporary visa) studying in the US in 2002-2003 by field of study

Total	586,323	100.0%
Business and Management	114,777	19.6
Engineering	96,545	16.5
Mathematics and Computer Sciences	71,926	12.3
Other and Undeclared	94,868	10.0
Humanities and Fine/Applied Arts	50,171	8.6
Social Sciences	45,978	7.8
Physical and Life Sciences	43,549	7.4
Health Professions	28,120	4.8
Intensive English Language	17,620	3.0
Education	16,004	2.7
Agriculture	6,763	1.2

Europeans tend to…

- Be more flexible (e.g., accepting credit)
- Place more emphasis on experience rather than course content in study abroad
- Seek higher level of international expertise in students
- Require students to take international course in their major field
- Be more likely to offer specialized degrees in international business
- Value international expertise of faculty more highly
- Build more international linkages
- Provide stronger financial support

ERASMUS: An Interchange Project

- Created in 1987 with 11 countries to support, promote, and stimulate cooperation among European universities
- Now under SOCRATES, the European education program, with 30 countries and over 1000 participating institutions
- Supports
  - Student and faculty mobility (and organization to support)
  - Intensive programs
  - Joint development of curricula
  - ECTS
  - Thematic networks
  - Preparatory visits

11

Student Exchanges Success Factors

- Desirable locations
  - Attractive or unique, safe and affordable, provides potential career opportunities
- Compatible partners
  - Mission, reputation, industry relations, student quality, delivery methods, calendars, flexibility
- Solid agreements (specific, realistic, flexible, growth)
  - Purpose, definitions (e.g., unit of exchange), selection of participants, numbers/goals, responsibilities of host and home, finances, length, and other legal statements
- Services (see table)
- Funding (see table)

EU Study: To improve the conditions of student mobility, has your institution significantly improved any of these services in the last two years? (choose all that apply)

Welcome and orientation services	77.6%
Language training	60.3%
Counseling services	59.6%
Social and cultural activities	57.9%
Academic tutoring	57.4%
Accommodation facilities	56.9%
Information on study opportunities in other inst.	56.4%
Job opportunities	13.3%
Other	5.2%

EU Study: Apart from ERASMUS grants, are there other stipends for student mobility? (choose all that apply)

Yes, from the national authorities	50.5%
Yes, from the institution's own resources	39.9%
Yes, from other international sources	33.3%
Yes, from the regional/local authorities	27.8%
Yes, from the private sector	21.3%
Yes, from charitable/religious bodies	9.7%
No	17.3%

IIE Study: International students studying in the US by primary source of funds 2002-2003

Source of Funds	UG	Grad
Personal and Family	78.4%	50.7%
US College or University	9.3	38.3
Home Government/University	2.5	2.8
US Government	0.3	0.8
Private US Sponsor	3.3	1.5
Foreign Private Sponsor	4.7	1.9
Current Employment	0.3	1.2
International Organization	0.1	0.4
Other Sources	1.1	2.2

15

Distribution of International Students in US

- Leading countries of origin
    - India (74,603); China (64,757); Korea (51,519)

- Decreases
    - Indonesia (-10%); Thailand (-14%); Malaysia (-11%)
    - Middle East (-10%)
        - Saudi Arabia (-25%), Kuwait (-25%), UAE (-15%)

Source: IIE Online Survey 2003

Challenges

- Competition from other host countries
- Economic and political stability
- Financial support
- Scheduling and time constraints

Challenges (continued)

- Visa application process
  - 46% reported some declines in international enrollments between fall 2001 and fall 2002. 59% of those institutions attribute declines to new visa application process
  - 45% reported declines in the number of newly admitted students for fall 2003 compared with fall 2002. Steep declines reported for Saudi Arabia (-29%), Pakistan (-28%), and UAE (-23%).

18

Joint Degree Alliances

- Curriculum and requirements jointly developed by one or more ("super alliances") partners
- Students from each participating school study parts of the program at other institutions – study and examinations recognized automatically
- Students earn one or more nationally recognized degrees from partner school(s) and/or "degree" awarded jointly by the partners

Exercise

- Is your school interested in developing international joint degree alliances?
- What are the key reasons?

Example

OneMBA (www.onemba.org)

- Initial partners: CUHK (Hong Kong); Getulio Vargas (Brazil): ITESM (Mexico); RSM (The Netherlands); UNC-Chapel Hill (US).

- 21 month executive program

- Degree from home and joint certificate

- Each partner can dictate own pricing (ranging from $35K to $60K

Example

Global eManagement Program (GeM)

- Initial partners: CBS (Denmark); RSM (The Netherlands); GSU (US); Norwegian School of Economics and Business (Norway); University of Cologne (Germany)
- Executive program
- Global and technical orientation
- Home degrees with joint certificate
- Partners have changed over time

Example

The European MBA

- Partners: University of Mannheim (Germany); Warwick Business School (UK), and ESSEC (France)

- One-year full-time MBA program

- Promotions focused on all schools being accredited by AACSB International

Example

interMBA

- Partners: Strathclyde Business School (Scotland); Universiteit Nyenrode (The Netherlands); Euro-Mediterranee GSB (France)

- One year full-time MBA

- Four months at each institution

- May add fourth partner, likely to be in Eastern Europe

Example

International Masters in Management

- Partners: Tias B-School at Tilberg University (The Netherlands); Purdue (US); CEU (Hungary); ESCP-EAP (France)

- Dual degree (Purdue and one of the European schools)

Example

Rochester-Nyenrode Executive MBA

- Partners: University of Rochester (US); Universiteit Nyenrode (The Netherlands)
- 18-month program leading to dual degree
- Starting its 19th class this fall
- Building online component

Example

Trium (www.triumemba.org)

- Partners: NYU (US); LSE (UK); HEC Paris (France)

- 16 month program leading to single jointly-awarded MBA

- Six intensive modules held in London, Paris, New York (2), and two locations depending on business issues

27

Joint Program Success Factors

- Select strong, compatible partners
- Global orientation with local relevance
- Local marketing and promotion
- Strong partner commitment
- Deep coordination of partners
- Financial support

28

Joint Program Challenges

- Program differentiation
- Faculty resources
- Rising costs (local affordability)
- Accommodating organizational change
- Exit strategies

Discussion