

EXPANSIÓN

THE BEST GLOBAL MBA'S 2006

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A SPECIAL REPORT FOR MEXICAN MANAGERS
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RICHARD CHASE

THE SKY IS THE LIMIT. For Harvard MBA graduates, corporate opportunities abound.

Thinking globally

In the first international MBA ranking for Mexicans, Stanford comes out on top, and HBS is second.

BY FELIPE ABARCA Z.

It is a normal Saturday, like any other. On the spur of the moment, he decides to just get away from it all in his car, leaving the city behind him. As he listens to his favourite Cat Stevens CD, his cell phone interrupts the moment. It is his Supply Chain manager, informing him that the badly needed spares, required to kick start the production line, have still not arrived. This would not be so bad if production had not been paralysed for the past four days, and their main customer had not already called three times, demanding a prompt solution and threatening to take his business elsewhere. As he heads back into the city, he considers how Cat cannot soothe his worries this time. His new priority: an urgent meeting with the rest of the management team to resolve the emergency.

What sounds like an awful week end is in fact a real student MBA experience at INSEAD, the French business school. This is not a standard case study nightmare (at Harvard Business School, students are obliged to read approximately 800 case studies in two years). The situation could be real, or almost real, since it is part of the “Your first 100 days”, an elective program for would-be-entrepreneurs on the Singapore campus of the prestigious business school. In the style of *The Apprentice*, where Donald Trump is “God-CEO” and determines the destiny of ambitious young managers, this course is a true reality show. “The students are not solving a case, they are the case”, explains Patrick Turner, associate professor at INSEAD and the creator of this gem of a course.

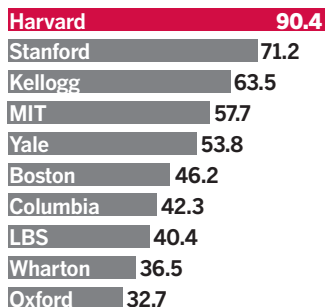
We chose this anecdote to reveal something of the evolution of international business education and of its flagship product, the MBA. This student experience reflects what it means to study an MBA in one of the best schools in the world. Certainly, to aspire to a masters with the famous MBA signature now means taking on considerable sacrifice, a vibrant career and salaries of over 100,000 dollars a year.

More than anything, what sets the young managers who embark on a top MBA apart is their desire to share a unique life experience, in the company of classmates who may well one day become the CEOs of global companies. The good news is that every day more and more Mexicans are taking the leap - and not only in the US. We have spoken to hundreds of them in Mexico and abroad. What is motivating them to take the challenge? The main drivers are globalization, stronger competition in the domestic labour market

MBA thermometer

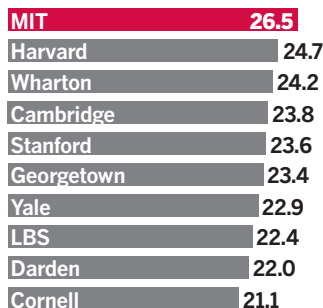
Which MBAs do most to power the career of a Mexican manager?

% of executives surveyed.
Multiple answers allowed.



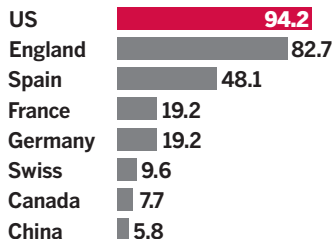
What salary premium would you be willing to pay an MBA from the following schools?

% of executives surveyed.
Multiple answers allowed.



Where would you recommend an MBA candidate to study?

% of executives surveyed.
Multiple answers allowed.



SOURCE: Customized survey carried out with management from 105 of the *Expansión* 500 Largest Companies in Mexico list

ONLINE MBA'S

Since the end of the 90's, especially up to the implosion of the dotcom era in 2001, online education was seen as a great area of opportunity and a means to democratize MBA programs. After the crisis, many projects fizzled out and even universities lost faith in this new channel. Nevertheless, one institution in particular, the Tecnológico de Monterrey, in Mexico, has had excellent results in South America, through its “Virtual University”.

One of the problems has been the level of commitment these programs have demanded, often leading to high desertion rates. But much has changed and nobody now speaks of 100% internet-based studies. The trend now is for blended programs, mixing online and classroom-based teaching. “Online education is becoming more professional”, says Brigitte Fournier, executive of *Noir sur Blanc*, a French public relations agency specialized in university education. “These programs have now improved and companies understand how to use this training format; its potential is huge”, she concludes.

Unfortunately, there are no rankings as yet for online MBA programs. Prestigious schools like the Spanish Instituto de Impresa are in on the act; IE offers the MBA for Global Communities program, structured around communities of businesspeople in different places around world. There is no short supply of these types of courses: Scotland's Heriot-Watt University for instance is about to target Mexico. It will soon be necessary to compile a ranking of this kind of MBA program!

and, above all, the yearning to broaden their professional and personal horizons.

The investment in a top MBA can exceed 150,000 dollars, not taking into account the opportunity cost of two years of lost wages. There now exist 13 month courses, designed to reduce the cost of freezing your professional career. It is the biggest investment you can make in yourself and it may even involve family upheaval, if one is married and moving to another country. Given the importance and complexity of deciding to take an MBA, we decided to publish Mexico's first Global MBA ranking. Global rankings already exist - there are 17 different influential studies published worldwide. This ranking and its methodology set themselves apart by being specially tailored to guide Mexican managers.

THE INVENTORS OF THE MBA

It is very difficult to measure the return on investment of an MBA program, although some rankings do so (and some schools claim to deliver the best returns). An analysis of some sort can be made; some estimate 5 years for the return on your investment in a good quality MBA because they tend to be more expensive. Nevertheless, the



GILBERTO CONTRERAS

CHICAGO BOY. Jaime Chico Pardo, CEO of Telmex, is just one of the many Mexicans trained in Chicago.



GILBERTO CONTRERAS

SUCCESS GUARANTEE. The Spanish school ESADE can count on Jaime Guardiola, CEO of BBVA-Bancomer, as one of its ambassadors.

most important benefits are intangible. In Mexico, as in the rest of Latin America, the American flag still flies highest when choosing an MBA program (see tables). The US is also the preferred option by far for top Mexican recruiters. The US which pioneered the MBA (the first program was launched in 1901 at Tuck, Dartmouth University) counts the largest number of schools in our ranking (27) and has seven of the first 10 places. It is generally considered advisable to stick to a top 10 school, especially if it is an Ivy League University.

In our first global ranking, Stanford comes out on top and counts with renowned Mexican graduates such as Lorenzo Zambrano, one of its most important donors. Stanford, situated in Silicon Valley (one of the most technologically dynamic areas in the world) is one of the most research-heavy universities. Now, speaking of legendary schools, Harvard Business School takes second place in our ranking but continues to enjoy unparalleled recognition. The so-called H Bomb, which refers to the value of Harvard's network and the value of its global brand - just ask any cab driver if he has heard of it- gives instant credibility to their graduates. Major Mexican business leaders such as Gaston Azcarraga have obtained their MBA there. In third place there is a tie between the prestigious Kellogg and Wharton, followed by London Business School (the first European school in the list) and MIT in fifth, Insead in seventh, Columbia and Berkeley in eighth and finally Oxford in tenth position .

We decided to keep our ranking to 50 schools because the variety on offer can make anyone dizzy, and is only equalled by the variety of reasons that induce hundreds of Mexicans to choose an MBA every year. One of the first obstacles to overcome is the feared GMAT test (Graduate Management Admission Test), which measures verbal reasoning and quantitative skills, and is taken in English. Almost all schools require the exam, with the best ones demanding very high scores (for which one needs to practice). There are other requirements, such as essays and letters of recommendation, and some candidates even visit the schools.

The most common choices are Harvard and academically demanding schools such as Stanford and Sloan MIT. Some candidates prefer to go "where things are happening", like the financial markets of New York and London, where the best paid jobs are. Traditionally, consultancy and financial firms offer the most lucrative jobs, something recent MBA graduates are very sensitive to, since many have to finance their studies themselves and often find themselves in debt.

FOR ALL TASTES

The variety on offer is remarkable. There are all kinds of programs: from smaller ones for those seeking a family envi-

ronment (very much in the Latin American style), to large courses where one meets a broader variety of people. A minority of candidates base their selection on the availability of scholarships (irrespective of academic quality), or opt for family friendly cities with a good quality of life, or for cities that are congenial to building a business.

Tomás Tejero's story is an interesting one. He developed a business plan at London Business School, together with two Mexican classmates. He obtained financing from a third classmate, after high scores in a series of business plan competitions. He went on to launch the business in Chicago, Illinois, setting up "Mi Viejita", supplying dehydrated Mexican products. The international network of contacts that students develop can be critical as they develop their become business lives and professional careers, but only a few schools have a structured and cohesive alumni base. Before deciding on a MBA, you should always investigate this carefully.

However, the 100,000 dollar question is whether any of these criteria make sense for you. It depends a lot on one's objectives. If you want a career in Mexico or Latin America, it is probably best to choose a good MBA in the U.S. But is it worthwhile to return to Mexico if you have invested in a program in Harvard? The ideal would be to try and recover your investment in the US... but not necessarily. In Mexico you pay less tax and property is cheaper. Then again, fewer companies in México will go knocking on the door of a Harvard graduate. On the other hand, there is less professional com-

GLOBAL SCHOOLS WITH THE BEST IMAGE...

The schools that stand out in different areas, according to Mexican employers:

Strategy	Harvard	Stanford
Finance	Harvard	Stanford
Marketing	Kellogg	Harvard
HR	Michigan	Harvard
Operations	MIT	Harvard
Technology	MIT	Stanford
Leadership	Harvard	Kellogg
Entrepreneurship	Harvard	MIT
International Business	Harvard	Kellogg
Social Responsibility	Harvard	Kellogg
Corporate Governance	Harvard	Yale
ONG Management	Harvard	Stanford
Small company management	Harvard	MIT

SOURCE: Customized survey carried out with management from 105 of *Expansión* 500 Largest Companies in Mexico list.

petition in Mexico and salaries in the best jobs can reach comparable levels. "Here you do not get paid for potential but for experience and results", says head hunter William Gaber, Vice-President of Korn/Ferry International in Mexico. "Furthermore, MBAs are not for everyone and not all businesses value them the same way", he concludes.

Nevertheless competition among business schools is stimulating the demand for MBAs. Several business schools are landing with force in Mexico. It may be that Mexico does not have the student potential India or China, where several schools have already set up campuses (an interesting option if you want to conquer the dragon), but it is nevertheless one of the main emerging markets.

Knowing how to operate in Mexico is key for schools, given the ties forged with the US through by NAFTA and the

country's` proximity to the US. To achieve this, schools rely on local high-profile ambassadors. For example, Chicago counts on Jaime Chico Pardo, the CEO of Telmex, the Spanish ESADE has Jaime Guardiola, CEO of the BBVA-Bancomer financial group and Wharton has, among its 300 Mexican graduates, Julio Quesada, head of Banamex Citibank's investment and corporate banking arm. Anything goes when it comes to positioning a school - including awarding renowned personalities such as television tycoon Emilio Azcárraga with an Honoris Causa MBA, as Madrid's Instituto de Empresa did in July. **E**

METHODOLOGY

The ranking measures the market value and educational experience for a Mexican manager of a full time MBA in a foreign business school.

1. MARKET VALUE

This is determined by adding the standard indicators for Academic Quality and for Return on Investment.

a) Academic Quality (global value 70%):

a.1) 50% of the value is based on schools' average GMAT score. This selection exam is given in different parts of the world including Mexico. For more information go to <http://www.gmat.com>

a.2) 50% of the value is based on the Financial Times ranking of publications by business schools academics. Where such data was not available, we applied the same GMAT-based value and discounted it by 20%.

b) Return on global investment (global value 20%):

A value was drawn based on schools' immediate post- MBA salary level.

2. EXPERIENCE FACTOR (global value 10%)

The remaining 10% was determined as follows:

a) 50% was based on the percentage of foreign students in the full time MBA program.

b) The other 50% was based on the the number of countries represented by students in the full time MBA program.

3. VALUE IN THE MEXICAN MARKET

Finally, to adjust the ranking to reflect the value a foreign school has in the Mexican market, we adjusted the score obtained in parts I and II above to reflect the opinions of top Mexican headhunters and Human Resource Directors of 105 of *Expansión's* 500 Most Important Companies in Mexico. This was achieved by adding a bonus equal to 35% of a school's rating in the local MBA thermometer (see page 161).

BEST GLOBAL MBA'S

MARKET VALUE

RK 06	Business School	Country	Durat. months	Places	GMAT average	ACADEMIC QUALITY			Global			
						Stud./ Total ¹	PhD/ Total	Resear. quality ²	Tot. Cost US\$	Salary US\$/year	Pay-back years ³	Employ. in 3 months ⁴
1	Stanford University GSB	US	20	378	712	11 %	100 %	3	137,020	104,917	11	93 %
2	Harvard Business School	US	18	895	707	16 %	98 %	1	132,220	94,308	9.4	93 %
3	Northwestern University, Kellogg	US	22	533	700	24 %	96 %	9	101,156	96,690	9.1	95 %
3	University of Penn., Wharton	US	18	794	714	21 %	98 %	2	108,366	101,604	11.2	92 %
5	London Business School	UK	21	325	680	17 %	87 %	9	148,802	106,857	9.8	96 %
5	MIT, Sloan	US	22	372	710	13 %	100 %	17	151,268	99,589	12.1	91 %
7	Insead	France	10	882	702	25 %	98%	7	73,500	102,060	15.1	90 %
8	Columbia Business School	US	20	517	709	15 %	98%	5	102,360	89,091	7.3	95 %
8	UC Berkeley, Haas	US	21	247	702	23 %	100%	6	124,062	95,529	9.2	97 %
10	University of Oxford, Said	UK	12	225	676	52 %	90 %	45	62,850	112,000	5.3	87 %
11	Yale School of Management	US	22	239	703	26 %	98 %	26	91,160	82,500	11.0	73 %
12	University of Chicago GSB	US	21	549	701	na	98 %	4	81,500	95,000	13.0	93 %
13	IESE Business School	Spain	19	223	674	38 %	98 %	48	106,324	107,925	3.6	93 %
14	Dartmouth College, Tuck	US	21	245	699	24 %	96 %	14	102,300	91,000	9.6	93 %
15	IMD	SWI	10	90	680	27 %	95 %	58	68,425	113,000	3.9	94 %
16	New York University, Stern	US	21	393	700	28 %	99 %	12	88,200	83,439	15.1	80 %
16	University of Mich., Ross	US	20	419	692	39 %	100 %	7	87,776	85,000	11.3	75 %
18	Emory University, Goizueta	US	16	146	681	40 %	90 %	17	100,868	83,823	5.9	96 %
19	University of Virginia, Darden	US	21	304	680	49 %	81 %	62	111,487	91,740	11.1	93 %
20	Ohio State University, Fisher	US	21	261	665	51 %	72 %	26	91,614	84,935	5.5	95 %
20	U. of Texas at Austin, McCombs	US	22	257	672	39 %	85 %	26	98,976	84,025	11.0	90 %
22	Georgetown Univ., McDonough	US	20	251	658	47 %	60 %	62	103,420	87,816	8.8	88 %
23	Instituto de Empresa	Spain	13	219	685	26 %	82 %	84	77,708	65,000	5.8	91 %
24	U. of N. Dame, Mendoza	US	21	122	662	51 %	78 %	32	93,065	80,000	4.1	93 %
25	SDA Bocconi	Italy	14	115	660	35 %	71 %	62	61,000	84,500	4	77 %
26	University of Rochester, Simon	US	18	122	659	40 %	89 %	48	98,106	81,734	8.5	88 %
26	University of Toronto, Rotman	CAN	16	257	642	53 %	nd	17	54,798	75,689	4.4	93 %
28	Cranfield Sch. of Management	UK	12	65	660	56 %	70 %	88	64,800	91,800	5.3	93 %
28	HEC School of Management	France	16	180	650	24 %	82 %	88	75,559	86,845	10.9	65 %
30	Georgia Institute of Technology	US	22	136	657	37 %	82 %	62	83,956	74,000	10.6	94 %
31	Manchester Business School	UK	18	69	625	52 %	84 %	74	80,550	83,607	4.8	93 %
32	Brigham Young Univ., Marriott	US	16	118	660	50 %	96 %	58	52,000	75,500	6.0	92 %
33	University of Iowa, Tippie	US	21	63	656	52 %	66 %	62	33,808	68,026	3.5	nd
34	Esade Business School	Spain	18	113	650	45 %	59 %	92	89,018	72,931	5.7	92 %
35	Southern Methodist Univ., Cox	US	22	76	644	57 %	72 %	74	98,380	77,979	17.1	90 %
36	Thunderbird, Garvin	US	16	249	602	38 %	96 %	58	92,712	72,300	14.4	47 %
36	University of Florida, Warrington	US	24	63	675	40 %	93 %	nd	34,498	66,800	4.9	90 %
38	U. College Dublin, Smurfit	IRE	11	37	615	47 %	84 %	84	42,100	83,000	4.9	97 %
39	Indiana University, Kelley	US	21	192	646	40 %	69 %	nd	79,858	82,487	7.3	85 %
40	Intl. University of Monaco	Monaco	10	32	650	100%	88 %	nd	44,500	60,000	4.5	100 %
40	Vlerick Leuven Gent	Belgium	11	54	634	27 %	98 %	nd	26,250	78,000	3.2	100 %
42	ESCP-EAP	France	18	12	630	62 %	93 %	92	70,400	65,000	8.9	63 %
43	Gisma Business School	Germany	11	50	620	60 %	100 %	nd	36,800	80,000	2.8	85 %
44	Universidade Nova de Lisboa	Portugal	11	45	645	75 %	91 %	nd	33,419	64,303	4.8	33 %
45	University of Arizona, Eller	US	21	63	641	58 %	95 %	nd	78,362	58,343	8.0	30 %
46	Inst. d'Etudes Politiques de Paris	France	9	34	600	30 %	53 %	nd	40,190	88,680	2.8	50 %
46	Queensland U. of Tech, Brisbane	AUS	12	99	610	86 %	74 %	nd	37,222	66,800	nd	85 %
48	Ecole de Management Lyon	France	12	26	595	48 %	nd	nd	43,297	85,000	nd	81 %
49	University of Bath	UK	12	36	580	22 %	95 %	nd	52,926	88,505	5.8	99 %
50	MIP Politecnico di Milano	Italy	14	72	600	30 %	90 %	nd	43,900	45,000	6.4	85 %

1. Selectivity: Students accepted as a proportion of total applicants; 2. Index of faculty papers published in principal academic publications, as reported in the Financial Times; 3. Return on investment (assuming that students do not receive any income while completing their MBA and maintain their salary post-MBA while recovering investment).

RETURN ON INVESTMENT				EXPERIENCE FACTOR				
Main recruiters	Countries where alumni reside	Local		GLOBAL VALUE		LEARNING EXPERIENCE		
		Recruit. choice ⁵	Salary ⁶ increase	Foreign students	Countr.	Teaching method.	Electives	Main elective courses
McKinsey, Bain	US/CAN 66%, EU 11%	71 %	24 %	39 %	50	CS	±100	Entrep.; Finance
na	na	90 %	25 %	32 %	na	na	na	na
McKinsey, Boston CG	na	63 %	20 %	26 %	41	C,CS,TE	192	Strategy; Finance
McKinsey, Boston CG	EU 8%, West. EU 7%	37 %	24 %	42 %	63	CS	220	Management; Marketing
McKinsey, Barclays Cap.	UK 61%, US 12%	40 %	22 %	91 %	57	C,CS	80	Finance; Strategy
McKinsey, Bain	US 79%, Asia 8%	58 %	26 %	32 %	8	C,CS	161	IT; Inovation; Entrep.; Finance
McKinsey, Boston CG	UK 22%, France 7%	13 %	19 %	87 %	71	C,CS	90	Strategy; Marketing
McKinsey, Lehman Bro.	na	42 %	20 %	30 %	nd	C,CS	45	Entrep.; Finance
Yahoo!, McKinsey	US 83%, China 3%	33 %	19 %	37 %	39	C,CS	82	na
McKinsey, Macquaire Bk.	West. EU 55%, Asia 16%	33 %	21 %	92 %	48	C	25	Finance; Entrep.
IBM, Standard & Poor's	na	54 %	23 %	23 %	na	na	na	na
McKinsey, Lehman	US 86%, UK 4%	8 %	17 %	32 %	43	na	77	Finance; Economics
Boston CG, McKinsey	Spain 40%, UK 16%	15 %	19 %	75 %	44	CS	70	Management; Finan. Management
Boston CG, McKinsey	US 88%, China 4%	10 %	16 %	28 %	29	CS	70	Strategy; Finance and economics
Dupont, Firmenich	Switz. 22%, UK 11%	-	28 %	98 %	44	CS	8	Leadership; Entrep.; Venture capital
Citigroup, Lehman Bro.	na	-	-	28 %	nd	TE	115	Entrep.; Accounting
McKinsey, J&J	na	-	-	31 %	nd	CS,S	na	Consultancy; Finance
IBM, Home Depot	US 96%, UK 1%	-	-	35 %	27	C,CS	62	Finance; Marketing
JPMorgan, Boston CG	US, 93%, Others 7%	12 %	22 %	26 %	27	CS	101	Consultancy; Entrep.
P&G, Ford	US 80%, Southamer. 1%	-	-	40 %	18	C,CS,TE	+100	Investment management; Strategy
Dell, IBM	US 76%, Japan 2%	-	-	22 %	17	C,CS	81	Marketing; Finance
Citigroup, Booz Allen Ha.	US 56%, UK 2%	19 %	23 %	26 %	31	C	93	Strategy; Finance
BBVA, Telefónica	Germany, Spain	10 %	14 %	88 %	50	CS	65	Entrep.; Financial Management
IBM, Johnson & Johnson	Mexico, CAN	-	-	30 %	15	C	47	Finance; Consultancy
J&J, Janssen Cilag	Italy 52%, UK 8%	-	-	50 %	35	C	26	Strategy; Marketing and inovation
Citigroup, Xerox	US	-	-	51 %	16	C	57	Finance; Strategy
CIBC, RBC Finan. Group	CAN 90%, US 6%	-	-	45 %	32	CS	77	Risk management; Entrep.
Credit Suisse, CHEP UK	UK 59%, Germany 4%	-	-	62 %	16	CS	10	Leadership; Org. behavior
GE, Johnson & Johnson	France 34%, UK 14%	-	-	82 %	50	C,CS,TE	80	Finance; Strategy
IBM, Honeywell	US	10 %	-	31 %	19	C,CS,S,TE	63	IT Operations Management
Barclays C, British Tom	UK, China	8 %	16 %	86 %	25	C	28	Mkt and strat.; Account./ finance
HP, American Express	US, Brazil	-	-	9 %	8	CS	85	Finance; Org. behavior; HR
HNI, NWA	US 90%, Czech Rep. 2%	-	-	54 %	8	C,CS	72	Finance; Marketing
CH Werfen, GE	Spain 40%, Mexico 9%	-	-	75 %	33	CS	60	Finance; Marketing
Frito-Lay, American Airl.	US 100%	-	-	37 %	11	C	89	Strategy; Entrep.; Finance
Intel, Johnson & Johnson	US, Asia	17 %	20 %	43 %	34	CS	50	Internat. develop.; Marketing
J&J, Ryder Systems	na	-	-	19 %	8	C,CS,S,TE	55	Decis. sciences; Global manag.
United Drug, AIB Bank	Ireland, UK	-	-	51 %	13	CS	25	Entrep; Finance
Cummins, Target	US 88%, Korea 5%	-	-	35 %	16	C,CS	95	Entrep.; Finance
ABN Amro, Alpstar Gva.	Monaco 30%, Switz. 20%	-	-	100 %	15	C	16	Finance; International marketing
McKinsey, KPMG	China 10%, US 6%	-	-	85 %	28	C	5	Business in Europe; Entrep.
Vodafone, Publicis	France 42%, UK 21%	-	-	58 %	6	C	12	Marketing; Management control
ATEL, Cencosud	Germany 29%, US 11%	-	-	75 %	20	CS	15	Strategy; Finance
Verlag, Microsoft	Portugal 89%, Germany 4%	-	-	4 %	2	CS	14	Management; Banking y finance
AMD, BN Santa Fe Railw.	Angola 2%, China 2%	-	-	29 %	9	C	8	Entrep.; Finance
Sabinsa, U. Européenne	France, Algeria	-	-	43 %	7	C	nd	na
Suncorp Metway, Flight C.	India, China	-	-	77 %	25	CS	54	Entrep.; Philantropy studies
Bk Sao Paolo, Biomerieux	UK, Brazil	-	-	54 %	11	C	32	Inter. bus. strategy; B2B Business
na	UK 56%, Japan 11%	-	-	75 %	11	CS	15	Social respons.; Manag. compet.
McKinsey, Bain	Japan, Turkey	-	-	45 %	13	C	20	Luxury goods manag.; Finance

4. Students employed three months after finishing MBA, as a proportion of total students; 5. Preferences indicated by principal headhunters and Human Resource Directors in Mexico (multiple answers given); 6. Salary premium willing to be paid by principal headhunters and Human Resource Directors in Mexico; 7. CS: case studies C: classes S: simulations TW: team work.

El Dorado

The most prestigious schools in Central and South America are focusing on Mexico for its enormous potential

BY FELIPE ABARCA Z.

No one can claim that the Adolfo Ibañez University, INCAE or the University of Chile are household names. When discussing good MBAs, you would stake your house on the top Mexican schools, such as the EGADE, ITAM or IPADE, and, of course, on the main schools in the US and Europe. These are all safe and reliable. Nevertheless, the above schools do not have a monopoly on quality programs. There is a group of distinguished business schools that hail from several different Latin American countries (see chart); each in its own way, they are approaching Mexico determined to stake a claim in the new “El Dorado” of management education. Geographic proximity, a shared culture and language and the internationalization of Latin American universities have all contributed to this process.

THEY ARE COMING FROM THE SOUTH!

One of the schools penetrating Mexico with the most force is undoubtedly INCAE. The school was founded in 1964 by “ambassadors” of Harvard Business School itself and naturally adopted the case method. INCAE was first established in Nicaragua but moved to San Jose, Costa Rica when civil war erupted. Its international perspective has induced it to offer courses in a range of countries, including Venezuela, Peru and the rest of Central America.

126,000
dollars, the cost of the Executive MBA at Kellogg School of Management in Miami.

But INCAE has gone even further. Since last year, it offers executive education programs – the other profitable form of tuition applied by the largest schools

- and is launching its International Executive MBA (IEMBA) in January of 2007, in Villahermosa, Tabasco. They are not

BEST LATIN AMERICAN MBA'S

Business School (alphabetical order)	Countr.	Programs	ACADEMIC QUALITY						INTERNATIONAL RELATIONS		
			Select. %	Total	FACULTY			MBA	EXCHANGE	DUAL DEGREE	
					Full Time %	Foreign PhD. / Doc	Full time PhD. / Doc.				Foreign Masters
Florida Int. Univ.	US	FT/PT	42%	96	81%	76	79%	nd	Dom. Rep.	IE	-
Fund. Dom Cabral	BRA	FT/PT	75%	33	55%	12	27%	3%	-	-	-
IAE Univ. Austral	ARG	FT/PT	21%	45	73%	25	51%	11%	-	IESE, Wharton, LBS	-
INCAE	CR	FT/PT	79%	45	96%	42	89%	64%	El Salv., Peru	Duke, IE	CaseWR, Thund.
Kellogg Sch. Manag.	US	FT/PT	24%	237	62%	228	na	na	-	LBS, IESE	-
Adolfo Ibañez Univ.	CHI	FT/PT	77%	48	90%	33	67%	19%	Miami, Peru	-	FIU, Thund. ESADE
Univ. Católica	CHI	FT/PT	66%	63	48%	29	29%	41%	Ecu., El Sal.	Chicago, NYU	Texas-Au., HEC
Univ. of Chile / Ec. Bus.	CHI	FT/PT	82%	50	72%	32	8%	8%	-	Tulane, G. Wash.	Tulane
Univ. of Chile / Ind. Engin.	CHI	FT/PT	66%	56	48%	27	43%	27%	-	ESADE	HHL Leipzig
Univ. de los Andes	COL	FT/PT	78%	56	61%	28	43%	34%	-	ESSEC, Tulane, IE	Tulane, FIU
Univ. of Miami	US	FT/PT	63%	112	100%	108	96%	-	-	-	-

going it alone: “We are partnering with Egade, who are contributing a large amount of professors”, says Esteban Brenes, Dean of INCAE. Among other things, INCAE is a world class leader in sustainable development and competitiveness.

The University of Chile is also coming up from the south; since 2004, it offers a Masters in Finance in Monterrey, jointly with the University of Monterrey. “We have had excellent results and we will continue offering specialist programs”, says Carlos Maquieira of University of Chile. “But I do not want my competition to know more than that”, he ends.

SUN, SAND AND STUDIES

Imagine: you are organizing an MBA case study session with your team mates. The venue? South Beach. About a year ago, a series of prestigious international universities, including Kellogg School of Management, started to put Miami on the map. This is not because of its beaches or weather, but because of its market potential and, in particular, because of the host of regional headquarters based in Miami.

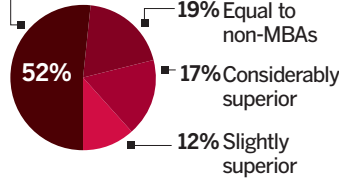
This trend has been encouraged by the shortage of world class universities in Florida. With its strategic location, as the capital of Latin America, and as a city with a great Latin-

Thermometer

Companies who employ MBAs

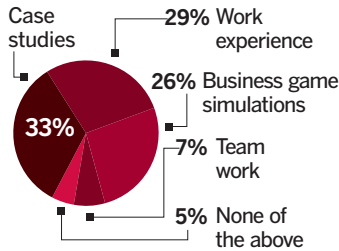
% Alumni performance

Consistently superior



What is the best methodology to train managers?

% Alumni performance



SOURCE: Customized survey carried out with management from 105 of Expansión 500 Largest Companies in Mexico list



ESPECIAL

CENTRAL AMERICA ON TAP. Nicaragua’s INCAE will be offering its Executive MBA in Villahermosa Tabasco as from January.

American diversity, Miami has proven to be an excellent tourist venue - and is now becoming an academic destination. Nowadays this blend seems perfectly complementary, creating a new category which can be duplicated by other chic tourist cities: academic tourism!

Nevertheless, setting up a university in Miami is no easy task. It took Kellogg five years to comply with all the Florida state requirements. Another institution which recently set up in Miami is the Adolfo Ibañez University which is offering an Executive MBA program. The prestigious Columbia University may well also be opening soon in Miami.

However, don’t worry if you are not near any of these schools. Education seems to know no boundaries. INCAE now plans to start offering its programs in the Houston area. Our MBA special indicates just how many excellent options there are, in a host of different countries. In the end, as the leading Mexican companies are demonstrating, business has gone truly global. **E**

JOINT MBA		LABOR MARKET POSITIONING				
University-Country	Accreditations	Abroad Alumni	Alumni in Multinat.	Career man. serv.	Foreign alumni assoc.	Differentiation and strengths
HHL Leipzig-Ger.	Aacsb	na	na	Yes	No	Prestige in Florida and excellent contacts in Latin America.
-	Amba	na	62	No	No	From Belo Horizonte, one of the leading schools in Brazil.
-	Aacsb, Equis	59	122	Yes	Yes	IESE’s strongest sister school.
U.Adol.Ibañez-Peru	Aacsb, Equis	73	34	Yes	Yes	Leading school in Latin America and one of the most international.
-	Aacsb	na	na	na	Yes	The excellent Kellogg is targeting Mexico from Miami.
INCAE-Peru	Aacsb, Amba	120	350	Yes	Yes	Prestigious Chilean school that has just settled in Miami.
-	Aacsb	245	na	Yes	Yes	Competitive Chilean school, in the process of becoming international.
Tulane-US	Amba	30	180	Yes	No	Becoming international, it has been in Mexico for some years.
-	-	30	24	Yes	No	Excellent Chilean school but still only in Chile.
-	Equis, Amba	3	28	Yes	No	Top business school in Colombia.
-	Aacsb	na	na	Yes	No	One of Miami’s most important schools.



AFP PHOTO / JOHN FRUJINI

BETWEEN THE LECTURE HALL AND OCEAN DRIVE. Kellogg School of Management: from windy Chicago to the sunny capital of Florida.

Books to the beach

Kellogg and Adolfo Ibañez land in Miami to attract Latin American students.

BY CLAUDIO MENDONÇA / MIAMI

Mexico City's executives would no doubt envy the suntan of some MBA students in downtown Miami, a city which now counts six business schools with MBA programs. Those fortunate students, chosen by their companies to complete an MBA, can go to class, swim in the sea or go shopping. Some live on the coast, while others commute weekly, travelling back to Mexico at weekends.

This was not always the case. For years, Miami was chosen mainly for its beachside tourism, and sometimes for business. And there were almost no alternatives for studying an MBA, other than the established local schools, the University of Miami and the Chapman School of Business at Florida International University (FIU).

Never before has Miami offered Global Top 10 MBA options. Since last January, the renowned Kellogg School of Management, from the Northwestern University, instructs 42 students in the center of Miami. "Florida and especially Miami are considered the access door to Latin America, thus it is the only logical that they be the headquarters of the program", says Julie Cisek Jones, Assistant Dean of the Executive MBA program of Kellogg.

Why Miami? Aside from being the strongest business conduit between the largest market in the continent and the rest of the region, the cost of living is lower than that of New York or Los Angeles and is more comparable to the costs prevalent in emerging markets such as Caracas. And the most important reason: there is a juicy potential student market.

On the coast live hundreds of executives working in multinational companies, of which at least 30, such as Kraft Foods, Volkswagen, Burger King, Hewlett Packard and FedEx, manage their Latin American operations from Miami. "In multinational MBAs, the key players are no longer the US, Europe or Japan. It is more important to know how to do business emerging markets, which have become key players", says Alejandro Ruelas-Gossi, Director of the Business School in the Chilean University Adolfo Ibañez, which also offers courses focused on India and China.

A BROADER OFFERING

But this region-specific approach has its price. Kellogg charges more than 120,000 dollars for its two year program, twice as much as its local competition in Miami. In spite of these costs, half of their students come from emerging countries like Mexico, Chile, Colombia, Peru, Paraguay and Central American countries. They are managers in top companies willing to foot such a bill, such as Citigroup, Deloitte & Touche, DHL, Dole, Ernst & Young, MTV Latin America and L' Oreal.

The Chilean Adolfo Ibañez is also opening its doors, launching the Spanish-language Multinational MBA program. The course, which will last 15 months and cost 49,450 dollars, will target multinational executives based in Miami, company directors and business owners from Latin America and even Europeans and Asians working in regional subsidiaries.

The traditional local schools now face a great challenge. "Competition among MBA programs in the US is fierce; we

want to offer something no other school offers", says David Green. Graduate Business Recruiting Director at the University of Miami, which already has 115 MBA students. Their Mexican students come from companies such as American Express, Bimbo Group and Mabe.

How to live along side the prestige of Kellogg? Considering the 126,000 dollar cost of an Executive MBA, the logical step for the competition is to apply aggressive price strategies. While a traditional MBA in the University of Miami costs 61,400 dollars and demands that you live in Miami for two years, in this same institution you can opt for a Masters in Science in Professional Management, lasting 10 weeks and costing 43,488 dollars (including books, meals and some travel and hotel expenses). If you take three extra modules of two weeks each, costing a total of 30,700 dollars, you can finally upgrade to an MBA.

FIU is executing an alternative price-based strategy. Aside from the traditional courses, this school offers masters in International Business and an international MBA jointly with the Instituto Tecnológico de Monterrey, Instituto Tecnológico Autonomo de México (ITAM) and the Universidad Anahuac. By attending only two semesters of classes in Miami, at a cost of 31,500 dollars, Mexican students can obtain a US MBA.

How effective will these strategies be? This will all depend on the response of the consumers, who in this case are not necessarily 100% Mexican or Latin American. The only thing for certain is that, in the end, this competition will benefit everyone, students, schools and companies alike. **E**



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C+: 30%

EXPANSION

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Expansión's 2007 MBA Special will be published on August 22.

If you would like to participate in the next international ranking, please contact Expansion's Research Editor, Luis Felipe Abarca, at fabarca@expansion.com.mx. Felipe will gladly answer your queries and will advise you of all necessary requirements.

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