

CUTTING A PATH TO PROSPERITY



HOW EDUCATION PIONEERS

ARE BUILDING

BETTER BUSINESS SCHOOLS

FOR THE DEVELOPING

WORLD... AND WHY



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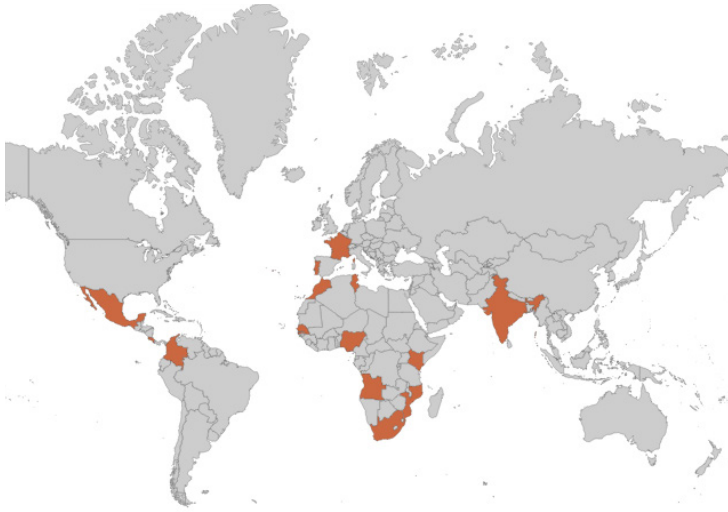
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FROM THE EDITORS

This volume is a collection of the time and efforts of many contributors from around the globe - as is shown on the map above. When GBSN set out to collect the stories that it contains, it was hard to anticipate what we could end up with. The result has been a fascinating collection of viewpoints. Each story showing a different approach to delivering management education for the developing world. Each voice sharing a new perspective on how to go about filling the gaps in management talent that hinder economic and social development.

Yet with each story that was added to the collection, a pattern became more and more clear. Certain challenges and opportunities appear almost universal. In Part III we explore the lessons learned from the stories and look at new ideas that will enable GBSN and our partners to take the next steps forward in this effort to address the challenges that so many business schools in developing countries face.

Whether you are already an education professional, or are just starting to look at how management education can help your business or development efforts, we hope the contents of this book will give you some useful food for thought.

In producing this book the Global Business School Network sought to bring together in an accessible way a sampling of the approaches that people have used to bring management education to developing countries. In doing so, we hope to inspire more "pioneers" to educate and empower people, and entire nations, through high quality, locally relevant management education.

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PREFACE

By Guy Pfeffermann,
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SINCE 2003

GBSN HAS WORKED

TO ADVANCE

MANAGEMENT EDUCATION

FOR THE DEVELOPING WORLD

A few years ago a pediatrician from Nigeria addressed an annual Global Business School Network conference in France. She literally brought tears to the eyes of the assembled business school deans and faculty. After years working in a large hospital, she resolved to quit her profession because of all the babies who died because of sheer mismanagement. "When oxygen was needed, nobody knew where it had been stored," she told us.

Clearly, resources are not enough to overcome challenges in the developing world. What are also needed are the leadership and management skills to use them effectively.

In Kenya, for example, health managers, doctors and nurses from 18 districts went through a leadership development program! The number of fully-immunized children under one, and women who

delivered with a skilled birth attendant increased sharply. Where the program was not offered, that coverage did not increase. Likewise, at RFM Hospital in Swaziland, after leadership and management training, child mortality related to severe malnutrition declined from 50 to 30 percent within six months, client waiting time went down and the average quality of care almost doubled relative to the pre-training baseline!.

The gains to be had from improved management go beyond the health sector. Agriculture, tourism, education, government, and companies big and small are all in need of skilled people to manage resources, budgets, workers, communications, supply lines and more. Perhaps one of the biggest areas of need is in the small business sector, where many aspiring youth are looking to make their livelihood. In Europe, the US and other mature economies, many business school students are employed at large companies,



If management skills are such important tools of private and public sector development, and demand for business education is booming, why are there so few quality business schools in the developing world?”

or plan to secure a job with one after graduation. In much of the developing world, such “formal sector” jobs are few and far between. Most people work in small (often very small) firms or in the “informal” sector of unregistered businesses. Here, creating and growing small, entrepreneurial businesses is the name of the game. Consequently, local business schools in the developing world are finding they need to incorporate entrepreneurship education in their offerings.

For these schools, building a curriculum is not just a matter of imitating their long-established counterparts. They have to be prepared to teach their students how to cope with far higher degrees of everyday uncertainty than is the case in traditional high-income countries. Furthermore, business education is the fastest growing higher education discipline in the developing world, and the supply of quality management education is lagging way behind soaring demand. Schools are looking for ways to increase their capacity and improve their offerings while still maintaining their relevance to local markets.

If management skills are such important tools of private and public sector development, and demand for business education is booming, why are there so few quality business schools in the developing world? Growing a full-fledged high-quality local business school is hard. It is made even harder because governments, aid agencies and philanthropists have not, until recently, focused much on business schools as tools

for development. There is a need for a wide spectrum of education in this field, including short practical courses in entrepreneurship, on-the-job mentoring, management training at the secondary and tertiary school levels, and the more traditional MBA.

These challenges and consequent opportunities for impact on social and economic development through management education inspired us to establish the Global Business School Network in 2003 while I was serving as the Chief Economist of the World Bank’s International Finance Corporation. We realized that a great amount of expertise in business best practice exists, but that in order for it to make a difference in the developing world it has to be channeled to the places that need it and shaped to address local realities. Ten years later, GBSN is an independent nonprofit with about 60 leading business schools from around the globe signed on to our mission of building management education capacity for the developing world. We work with our members to implement programs that foster cross-border knowledge sharing and partnerships to improve the ability of schools in developing countries to serve their students and local markets.

This book outlines the impacts of good local management education and the development opportunities to be reaped. It highlights some of the daunting challenges pioneers of business education face in the developing world and explains, in those pioneers’ own words, how they faced those challenges to find success. Far from

breeding financial crises, as some business schools have been accused of in recent years, the schools these pioneers established proved to be outstanding social enterprises. Some of these stories come from GBSN programs and partnerships, and some don’t. Each helps to show the challenges and opportunities that lay in our path ahead as we continue to build management education capacity for the developing world.

The book is divided into three parts. Part I considers why management education matters to social and economic development of emerging and frontier markets. Part II focuses on a number of innovative developing country management schools, the challenges they are struggling with and their impact on the lives of graduates. Part III looks at the lessons learned from these stories and sketches out effective options for moving forward to address the challenges of expanding management education for developing countries.

ⁱ USAID and MSH, “The Kenya Leadership Development Program – Linking Management Training to Service Delivery Outcomes” (2010):

http://www.msh.org/projects/lms/WhereWeWork/Africa/upload/Kenya-LDP-4pager_2010-10-05_email.pdf

ⁱⁱ Presentation by Drs Bitchong and Dwyer at ESCA Health Ministers Conference (2009)



This veterinarian in Nigeria used his entrepreneurship education to improve his business and open a pet food and supply shop alongside his practice

MANAGEMENT EDUCATION MATTERS

To people and to nations, management education matters. Learning the skills to run a successful operation, lead a team and “get things done” can transform people. Those people then are able to impact and empower their communities, which strengthen nations as a whole.

There are direct impacts, like more jobs, healthier families and better economic security. Then there are indirect impacts, like the trickling of management knowledge from students into their social and professional circles, and the improved security of a nation when more people are employed, educated and healthy.

Direct impacts can be measured in a number of ways, and we'll talk more about that later in this section. However, the impact of quality, locally relevant management education on a person's life is hard to quantify, although it is easy to see. In Nigeria, a woman named Olivia turned a struggling juice shop into a thriving business thanks to the business education she received at the Enterprise Development Center, which is chronicled later in this book. Her story is one of a passionate entrepreneur who just didn't know how to run a business. She didn't understand customer service, marketing, bookkeeping or how to manage her staff. After her course she implemented many changes, small and large, that have allowed her to open a new facility, expand her staff and manage a growing special event catering service. She is now better able to provide for herself and her family,

providing jobs for others and strengthening her community.

Good management can mean more than just creating jobs and helping businesses thrive. It can also mean that vital professionals in the healthcare, engineering and agricultural sectors are able to sustain themselves and better serve their communities. An African veterinary doctor shares how he thought that coming from a science background “it should be medicine, medicine, medicine,” and had no idea that there were other elements of management that would allow him to be successful. Thanks to business courses that he took, he started a business selling animal feed, medicine and supplies alongside his medical practice and improved his customer service.

“Those who are in medical and veterinary services, also in engineering, are very heady. They always think they are doctors – they know it all. But unfortunately you find out that they are the ones that fail in business if they don't consider [the need] for very good human relations, which is a key thing in business, management and enterprise management,” he says.

A woman who runs a private high school in Abuja shared how her training completely revolutionized her thinking. “I didn't think there was any management course that could teach me how to run a school,” she says. But she learned to create an operating manual and reconsider the school's fee structure based on the competitive environment. A more sustainable business model and more efficient operations will help to

IMPACTS OF

MANAGEMENT EDUCATION

ON PEOPLE IN

THE DEVELOPING WORLD

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ensure that education is accessible in her community.

In Nairobi, an entrepreneur who started an errand running company went back to school for a masters in entrepreneurship and now employs 50 people, is a market leader in his sector and has expanded his business to include selling and maintaining the motorbikes that his courriers ride.

While it is easy to see the importance of creating jobs, sustaining professional services and supporting education, there are other ways that management education makes a difference. These indirect impacts can be tougher to measure, but they are important nonetheless. An architect in Africa says the most interesting part of her education is that now she is able to walk into her friends' businesses and make them see the way things should be done. This then strengthens the business commu-

nity as a whole and helps everyone be more successful. "Huge impact," she says. "You can teach people around you. In order to do good business, you need people around you to improve and take off what you have learned, and impact back into the society."

This kind of impact on the broader society is another way that management education matters. It further demonstrates the importance of quality, local business schools in developing countries. By developing talent in the community, schools are able to impact not just the businesses that hire their graduates or the people that are hired by them, but also their friends, colleagues and families.

The importance of good management, and the impact of quality management education, is evident when you look at the collection of studies that compare management practice with the economic success of

nations. Collectively, these studies paint a vivid picture of nations struggling economically and socially because of a lack of strong management talent to drive growth and change.

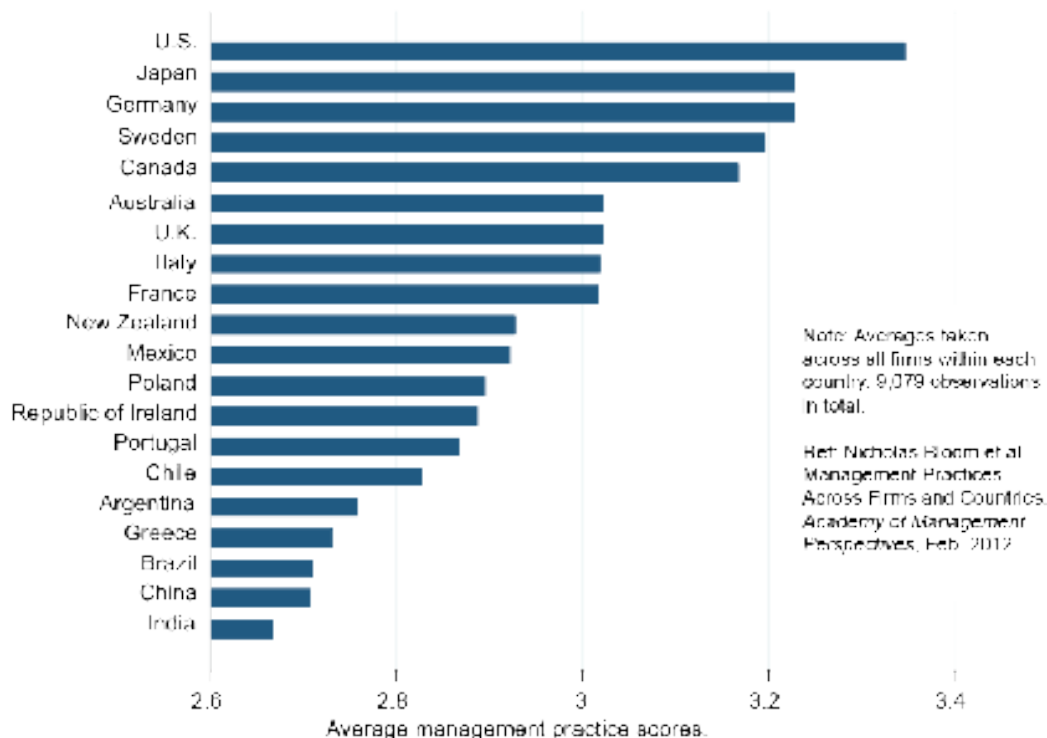
During the last few years a team of researchers interviewed executives in thousands of firms in twenty countries, including hospitals and schools, about the quality of management in these organizations – the most comprehensive such research ever undertaken. As a result of these interviews, firms were ranked according to an index of management quality on a scale of zero (worst) to five (best). The researchers found that when they sorted the twenty countries by levels of affluence (gross domestic product per person), the two rankings – quality of management and affluence – matched exactly, as shown in Figure 1.

In other words, there is a clear relationship

Figure 1

Management and Development

Management Practice Scores in Manufacturing Vary by Countries, and are Strongly Linked to the Level of Development





BUSINESS EDUCATION

BEARING FRUIT

OLIVIA'S JUICES:

A NIGERIAN WOMAN'S

STORY OF SUCCESS

IN THE SMOOTHIE BUSINESS

Before I went to EDC I had a lot of challenges. I came out from school, and was not really trained on how to do business. I am passionate about what I am doing, very passionate. But there were lots of things I didn't know.

The location of my business was bad. My customer service was zero. I wouldn't greet customers or say 'thank you', it was as bad as that! I didn't take details of my customers. I didn't have a relationship with my customers - it was that bad.

I didn't have any bookkeeping. I was recording my daily sales and I was recording what I bought from the market. Those were the only two things I did. I had a bank account, but maybe in a whole month, I didn't go to the bank. The money that was there, the little money from sales, I was using it back on myself and my family. There was no separation between the business account and my personal account. Everything was just muddled up.

I did not know how to manage my staff. Even though I had just one person, I didn't know how to manage her.

When I took the course a lot of things surprised me - a lot. Before EDC I did not have a structure. Now I have a structure. I contact my customers by SMS. They come, and they refer people.

Now, my bookkeeping is excellent. We put the day's money in the bank every evening before the bank

closes, no matter the amount. Initially I wasn't paying myself a salary. Now I have separated the business from my personal account. If I borrow from the business, I must pay back; if the business borrows from me, it must pay back by the end of the month.

This is what I got from EDC. I have created a brand. Now I have a label on my boxes called Olivia's Juice. People will see it, see my phone number. They call me from many parts of Lagos.

Now I have two people in production. I have one marketing executive, someone who goes out to get events for us. I am still going to employ more this year. By April this year, we are going to get another outlet; I am already working on it. And I am still going to employ more people. There are times I employ ten people at once when there are events because of the volume of what I am going to do.



between average quality of management in a country and the poverty or prosperity of its population.

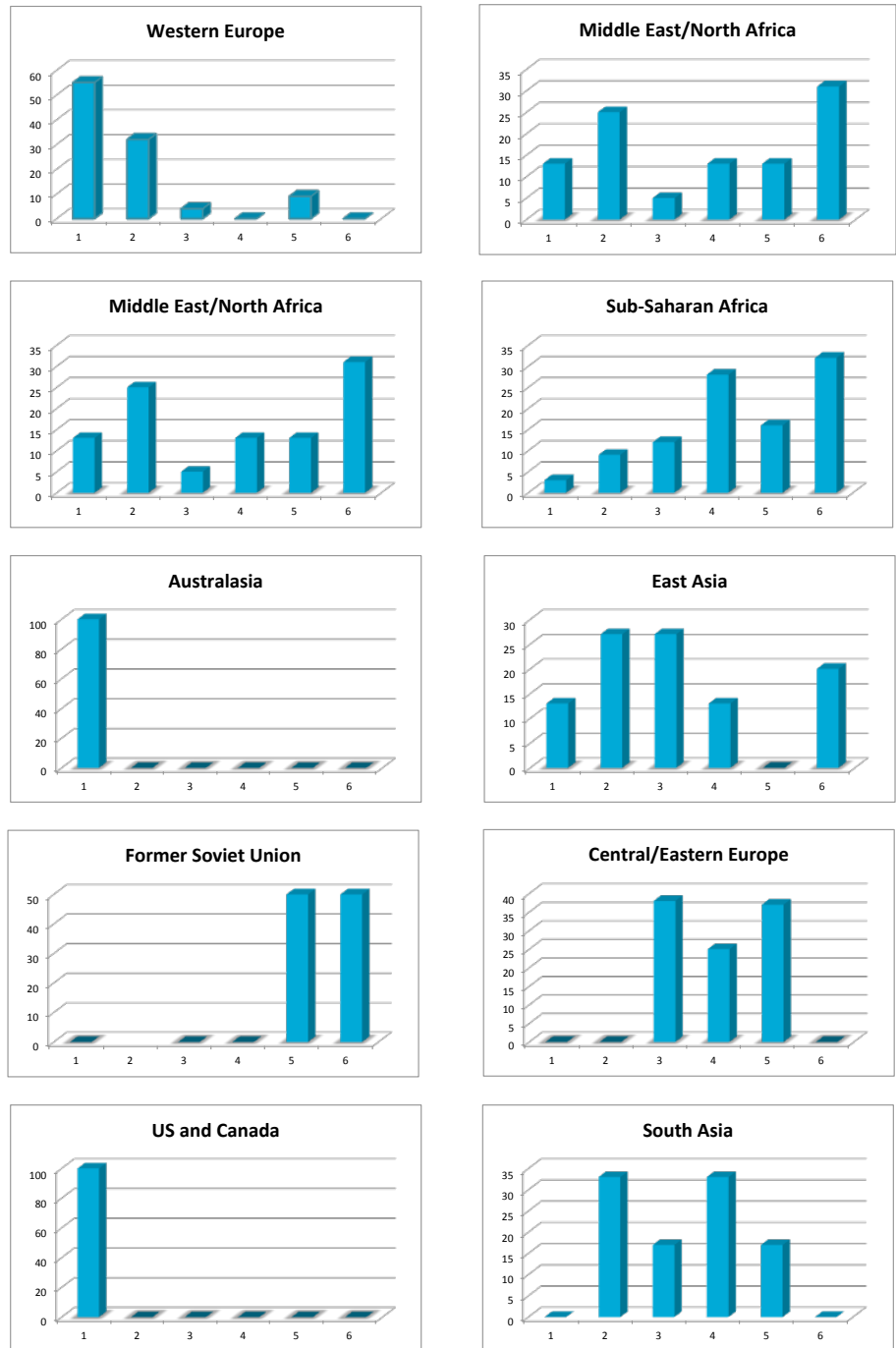
Of course, correlation does not necessarily mean causation. Fortunately, the same research team ran a randomized management experiment on 28 textile plants in India.ⁱⁱ The firms with improvements in management saw improvements in productivity. This experiment makes it possible to capture causality, and the results show that improvements in management practices drive substantial productivity gains. The research suggests that continuing such improvements over 20 years would generate 5 additional percentage points to India's annual economic growth – a momentous improvement over current performance. Extrapolating the Indian experiment to the multi-country research underpinning Figure 1, there is a strong presumption that efforts to improve the quality of management can substantially raise a population's standard of living.

Recent research by the same group also indicates that efforts to improve management quality can improve health outcomes.ⁱⁱⁱ In a study of 1,194 hospitals in the US, the United Kingdom, Canada, Sweden, Germany, France and Italy, they conclude that "hospital-specific management practices are strongly related to a hospital's quality of patient care and productivity outcomes. This research shows that improved management practices in hospitals are associated with significantly lower mortality rates."

The quality of management education varies among regions of the world. The World Economic Forum's annual Executive Opinion Survey asks executives how they assess the quality of management or business schools in their respective countries.^{iv} Figure 2 shows the responses by regions, ranging from most positive (1) to most negative (6). The vertical axis shows the percentage of countries within each region whose executives placed the average quality of business schools in the various quality categories (from 1 to 6). So, for example, executives in the US, Canada, Australia and New Zealand find the average quality of management schools in their countries to be most positive. At the other end of the

Figure 2

The World Economic Forum's annual Executive Opinion Survey asks executives how they assess the quality of management or business schools in their respective countries.^v These charts show the responses by regions, ranging from most positive (1) to most negative (6). The vertical axis shows the percentage of countries within each region whose executives placed the average quality of business schools in the various quality categories (from 1 to 6).



spectrum, executives in all countries of the former Soviet Union have a poor opinion of the average quality of management schools.

The survey indicates, unsurprisingly, that management schools tend to be better

in more prosperous regions. According to executives, in Sub-Saharan Africa only 4 out of the 32 countries surveyed are endowed with good-quality management schools. In contrast, 7 out of 25 Latin American and Caribbean executives are satisfied with the

quality of local business schools.

More micro research corroborates the link between relevant management education and developmental outcomes. As noted, a study using a quasi-experimental design focused on the impact of a leadership development program in Kenya.^v The study tracks measurements of health service indicators from 2008 to 2010 in districts and facilities where the a Leadership Development Program (LPD) was delivered to 67 teams and a comparison group where LDP was not delivered. The study shows strong positive impact of LDP both at the district level and for individual health facilities. The study tracked health indicators such as fully-immunized children under the age of one, women who delivered with a skilled birth attendant; and pregnant women who had four or more antenatal care visits. Strikingly, the average coverage rate for these selected health indicators improved from 54 to 67 percent where LDP had been delivered, while coverage remained unchanged at 45 percent in districts where LDP had not been delivered.

Small and medium-sized enterprises (SMEs) are the biggest contributors to employment across developing countries, accounting for 80 to 85 percent of all new jobs. Their productivity, however, tends to be low, and growth mediocre. Various studies conducted in Sub-Saharan Africa and Latin America show that appropriate management education/training can help to put SMEs on a growth path^{vi}. One of the most effective such programs is the Certificate in Entrepreneurial Management conferred by Lagos's Enterprise Development Center. The vast majority of firms owned or managed by graduates accelerated turnover, used more technology and increased direct and indirect employment. Shorter courses designed for borrowers of microfinance institutions in Peru and Tanzania also had positive impacts^{vii}. Small managerial talent pools are also a major constraint on the development of local social enterprises and of non-governmental organizations.

Many studies focus on the difficulties which developing world SMEs experience in trying to secure loan or equity funding, but only scant attention has been paid to

management skills. According to interviews conducted by the African Management Initiative, the paucity of management talent represents one of the biggest constraints for deal-flow and for the performance of investee companies.^{viii}

Last but not least, entrepreneurship education is critical to job creation in the developing world, where there is an urgent need to test effective training models and to find ways of scaling up their reach to young and low-income persons. As noted, new "formal sector jobs" (i.e., stable jobs in companies) are few and far between in much of the developing world. Therefore self-employment and enterprise-creation loom much larger than in traditional industrial countries, and effective and affordable entrepreneurship education is of critical importance to local business schools.

Good business schools impart competencies that are relevant to the effective management not only of businesses but also of facilities and services in the public, and not for profit sectors. Among these are leadership, teamwork, strategic foresight and strategizing, and sound business planning. These schools hone problem-solving skills, the ability systematically to appraise major challenges, quickly identify root causes, and weigh the advantages and drawbacks of different solutions.

Developing world business schools face particularly tough challenges, notably in attracting and retaining high-caliber faculty, in funding their activities, and in delivering courses that are relevant to local issues. They also face challenges in adapting international best practice to local conditions. While core disciplines are relevant worldwide – for example, finance and accounting, human resources, organization, etc. – local realities are often very different in the developing world than in the home countries of established business schools. Participant-centered pedagogy such as the "case method" is well-suited to adapting the teaching to widely differing local conditions, but these methods require highly-trained faculty.

Where educational standards are low, laws are often unenforced, public institutions are



Small and medium-sized enterprises (SMEs) are the biggest contributors to employment across developing countries, accounting for 80 to 85 percent of all new jobs."

weak, and electric power supply is erratic, local business schools need to teach how to manage in conditions of great uncertainty while at the same time instilling high ethical standards. In short, good developing world business schools can be effective tools for development, but only when they are able to overcome these challenges.

The next section will show how a number of business schools have done just that and are helping their societies to grow and thrive.

ⁱ Nicholas Bloom, Christos Genakos, Raffaella Sadun, and John Van Reenen, "Management Practices Across Firms and Countries", Academy of Management Perspectives, February 2012.

ⁱⁱ Nicholas Bloom, Benn Eifert, Aprajit Mahajan, David McKenzie and John Roberts, "Does management Matter? Evidence from India", Journal of Economic Literature, August 2012.

ⁱⁱⁱ Nicholas Bloom, Rebecca Homkes, Raffaella Sadun and John Van Reenen, "Management in Healthcare – Why good practice really matters" McKinsey&Company (2011).

^{iv} World Economic Forum, "The Global Competitiveness Report 2012-2013", Table 5.05.

^v USAID and MSH, op.cit.

^{vi} Asli Demirgüç-Kunt, "Generating Jobs in Developing Countries: A Big Role for Small Firms", World Bank blog (2011):

^{vii} Lars Ivar Oppedal Berge, Kjetil Bjorvatn, Bertil Tungodden, "Human and financial capital for micro-enterprise development: Evidence from a field and lab experiment" (2011).

^{viii} African Management Initiative, "Catalysing Management Development in Africa: Identifying Areas for Impact" (2012)

PIONEERS LEADING THE WAY

FROM POST-WAR FRANCE TO THE ARAB SPRING,

PIONEERS CUT NEW PATHS TO ADVANCE MANAGEMENT EDUCATION



There have been a number of pioneers throughout the years who have found ways to establish successful institutions to teach management and business in its various forms with the goal of improving the economic outlook for their country. In this section, we share some of their stories. While they are quite varied in scope, region and time period, they share similar themes. You'll get a glimpse of the inspiration, dedication and innovation necessary to overcome the challenges that lay in the path of business schools in developing countries. The stories also show a number of different strategies for bringing business education to a developing nation, from a foundation with a philanthropic mission to an industry-driven initiative to develop workers, from to a school's own desire to expand its reach to a government's desire to boost entrepreneurship.

The establishment of these schools has had tremendous impact on the lives of the students and communities they serve. These stories detail how pioneers identified a problem and went about addressing it by establishing something that had not existed before. They each tackled the important issue of providing high quality and relevance to local markets. They each had to find ways to be financially viable. They each had to be entrepreneurial themselves and deliver a product that people actually wanted.

These stories are the words of founders or current leaders of institutions that have in some way cut a new path in their efforts to provide management education.

There are some important overarching lessons learned along the way that we will detail at the end of this section. But each author also shares unique challenges and strategies to building management education capacity for the developing world. We share their stories so that you can benefit from their innovation, and their insights. Whatever your interest in business education - as an employer, educator, entrepreneur, funder, service provider, student, development professional or government official - we hope you'll find useful information and perhaps even some inspiration in the stories.

After taking a look at what has been done in the past, we will share some ideas and initiatives that are looking forward to use the lessons of these pioneers, as well as innovations in technology and teaching methods, to further advance management education for the developing world.



Giving Entrepreneurs the Support They Need

Enterprise Development Center

Lagos, Nigeria

Peter Bamkole, Founder of EDC

The Enterprise Development Center of the Pan-African University, a sister Institution of the Lagos Business School, provides training and support services to entrepreneurs in Nigeria. Their model has been replicated throughout Nigeria and in some African countries to help thousands of entrepreneurs.

In January 2003 I resigned from my job as the Head of the Commercial Department of the Lagos Water Corporation (LWC) and started the Enterprise Development Center, with Pan-African University. The goal was to help growing / established entrepreneurs move their ventures to the next level. EDC was an entrepreneurial organization in its own right because all that was given as seed capital by the University was the commitment to pay my salary for one year.

There was no office. I was given a desk with the research associates. It was a far cry from my desk at LWC where I hold a meeting with 20 people sitting round my desk! I spent the first five to six months writing the business plan. The mission statement was simple, "to build a network of entrepreneurial leaders through commitment, continuous learning, process improvement and business integrity."

If you notice there are three basic legs in this mission statement. The overall purpose was to build this network of entrepreneurial leaders. But they must commit to these

“

The small businesses wanted to be in class with someone who understood their challenges from a practical perspective, rather than from an academic point of view.”



Student Entrepreneurship Dialogue at Lagos Business School during Global Entrepreneurship Week.

three things: First they must commit to building their own capacity, their staff and indeed their organization. So right from the onset, we knew we were not going to be transactional in our dealings with these entrepreneurs. It had to be a lifetime commitment.

Second is business process improvement. Having built capacity, if the entrepreneur cannot step back and allow the organization run, then that organization cannot last.

The third one, which is the biggest challenge in most developing economies - and Nigeria is not an exception- is the issue of business integrity. Lagos Business School and indeed the University is known for ethics and professionalism. We wanted to differentiate the entrepreneurs in our network through their understanding and commitment to business integrity in all their dealings. It was the only way to build an organization that will outlive them.

Once we came up with this mission statement, it drove every action of ours and indeed our programs and service offerings. Enterprise development was still new in Nigeria when we started but we wanted to be the best. We wanted to benchmark ourselves with the top players, not just in Africa, but around the world.

Our network was limited but we found a partner and ally in Global Business School Network (GBSN). The project that we presented was how we could strengthen EDC to offer better services to small business: The first goal was to build our own capacity, while the second was to develop products and services for the entrepreneurs

that we were about to support. Through its network GBSN organized a 4-week study tour for me and Yinka David-West (our academic director). We visited top schools / enterprise centers in Europe and North America and came back with lots of ideas. We looked at their business models, programs, service offerings etc.

After our tour we decided to start a monthly network meeting for entrepreneurs. We had no space of our own - so we rented restaurants each time. Interestingly, entrepreneurs just like everyone else, like to go out for a meal and drink. So capitalizing on "Thank God It's Friday" we decided to try the last Friday night to get entrepreneurs together for networking. We had a meal and we had key person from the business community to come and talk and engage our entrepreneurs. We brought like minds together and people found value in that. From a handful, the network started growing and today, it has become a movement where we collaborate with Federal Ministry of Trade and Investment, the Small & Medium Enterprise Development Agency of Nigeria (SMEDAN) and Etisalat (a telecoms company in Nigeria) to take these mega networking meetings involving over 300 entrepreneurs and 30 big companies to various cities across Nigeria.

How EDC Works

From our perspective, enterprise development is synonymous to a 3-course meal. Imagine a very hungry person being offered a starter such as soup or salad; it opens up the appetite with the natural expectation of "The Main Dish" thereafter.

But imagine that the main dish never showed up. You will certainly become more hungry, perhaps angry and definitely not satisfied. This is what happens when you just train small businesses without supporting them. Training for us is like the appetizer - the soup or the salad. We must provide the main dish otherwise they will still be hungry and definitely dissatisfied. The value added services that we provide is the main dish for us. The hand holding, the mentoring, the advisory services, the expert-in-residence, the visit and monitoring, All that which helps them transform their newly acquired knowledge and skills into positive behavioral changes is the "out-of-classroom" main dish that truly makes the difference.

The dessert is the Access to Finance. After all the innovation and organic growth, access to finance is the sweet after the main dish. Although we are not capital providers, we work with our entrepreneurs in finding funding opportunities for growth.

Offering a Certificate: Just Good Business

One critical area for most enterprise development centers is funding. When we visited those in the US and UK the largest part of their income was coming from grants, from the Small Business Administration or through training grants provided by the government. We didn't have that possibility. We had to think very quickly how we could provide a fee-for-service of some kind. That led us to the development of training programs, because people value and will pay for them. We had

different modules of 2 to 3 days each but it was GBSN that first suggested that we should develop it into a certificate program. Prior to starting the certificate program, we used to have classes with 10-12 people, and we marketed the modules individually, which meant marketing 12 times. But by bringing the modules together in a certificate program, we only have to market once.

Before we started the certificate program it became obvious that out of all the schools and enterprise centers that we visited Wharton's SBDC was the closest to the model that we wanted to run. So, we needed to spend more time there to properly understudy them as well as compare notes. Again, GBSN helped us with making this happen - Yinka David-West and I spent over 6 weeks there.

On reflection, I think my early exposure (and that of Yinka) greatly deepened our horizon as we put together our own products and service offerings. The learning point, therefore, for growing centers like ours is for the leadership of such centers to be open and willing to new innovation, be ready to learn from others but not copy and paste. It goes beyond writing a business plan. Sustainability was also a key driver to all that we do - so the certificate program had to be robust and different from what is currently on offer.

Building a Curriculum and Faculty

There were challenges between maintaining quality and ensuring applied knowledge. The small businesses wanted to be in class with someone who understood their challenges from a practical perspective, rather than from an academic point of view only. I also know that you cannot talk about the applied without understanding the principles behind them. It has to be a careful blend of theory and practice, and it has to be done in a way that it provides value to the recipient.

Again, GBSN proved to be a true partner. We started developing case studies, and with the case studies we developed modules for developing the competence of entrepreneurs. We realized that technically

students may be good at what they are doing, but in many cases they are not good at managing the enterprise. We needed to focus on their entrepreneurial management capacity. We started with four core areas: human resources, operations, finance, and sales and marketing but today we have 13 modules including leadership, strategy, ICT, etc.

When we started developing curriculum to teach them these skills, we realized most of the case studies available were not appropriate. They were good, but the connection with small business was limited. Therefore we had to resort to writing local case studies on small businesses. We wanted them to be local, but also to be of international standards. Through GBSN we were able to source international experts who assisted in the process of writing case studies and meeting international standards. These cases are all now listed with www.ecch.com, an international source of business cases. One or two of these cases actually won awards somewhere down the road.

In developing the curriculum, writing the case studies, we used mostly the faculty from Lagos Business School at Pan-African University. That was the only way we could do this very quickly since they were used to writing cases and developing curriculum. I have no doubt that that contribution was very good for us. That also ensures that the quality of the final output was good.

However, in order to differentiate LBS programs from ours, especially as we were teaching under the same roof, we used professionals from the business community rather than business school lecturers to facilitate our programs. That also meant that we did not carry a huge "teaching overhead". We paid per delivery which translated majority of our cost of teaching into a variable cost. So if we don't deliver programs, we don't earn, and if we don't earn, we don't pay out. If we are teaching you about business law, we will get a good commercial lawyer that owns a law firm. Even if he is not very good with multimedia, we will help him/her prepare the slides and coach on teaching style. He/she will naturally be giving practical, on-the-street

advice while in class. Same applies to a facilitator teaching tax: we would look for a good tax consultant, preferably one that works regularly with small businesses. As of today, maybe we have not more than 10% business school faculty that come to teach. Our own faculty members have evolved, made largely of owner/manager professionals working with small businesses. Some of us within EDC teach - roughly 30% of the programs.

Corporations and Government Get On Board to Scale Impact

Three to four years down the road everyone was getting excited about EDC - it was working. GBSN thought of replicating the EDC model in other universities across Africa. Six universities in four African countries were selected eventually: in Ghana, Kenya, Rwanda and Tanzania. It was largely successful because the model was simple: a center within the University system, providing capacity building and support services using a mixture of professionals and enterprise development staff.

By the 5th year, Goldman Sachs Foundation (GSF) was trying to empower 10,000 women across developing economies. Four months after submitting our proposal to GSF and



From the beginning we were clear that we wanted to be private sector driven. But truly you cannot have impact within a society if you do not work with government.”

conducting an impact assessment for those we had trained on our certificate program, EDC, Pan-African University became the Goldman Sachs *10,000 Women* partner for Nigeria.

From the beginning we were very clear that we wanted to be private sector driven. But truly you cannot have impact within a society if you do not work with government. That is the reality at the end of the day.

We were working in one location. After a while, a number of our entrepreneurs were coming from the north - so we opened another location in Abuja. That helped us in reaching more people than we would otherwise have done. Much credit goes to the GSF support, especially in the early days of opening in Abuja. However, there was no way we could have scaled nationwide with the kind of resources and limitations we faced. So, we thought of scaling up through model franchising.

This was at the time when we had received a grant to implement a national program for the federal government - GEL (Grooming Enterprise Leaders). The program provided us with the opportunity to work in the 6 geopolitical zones in Nigeria, with 24 other enterprise centers.

These centers are not owned by EDC, but we formed a network similar to GBSN, the difference being that instead of members

being business schools, they are the enterprise centers. Together, we learned from one another, though EDC became the focal point. We became a platform for any organization that wanted to deliver across the country. When the British Council wanted to train trainers that will deliver creative enterprise program across the country, we called on our network members and it was a win-win situation.

Each time there is something interesting happening around enterprise development, I share it with all of them. Everybody is now part of this BIG family. We come together for the mutual benefit of one another, but most importantly for the entrepreneurs that we serve. The network enabled us to build "enterprise development infrastructure."

It took us five years to train 500 businesses - Yes - five years! Meanwhile, on one government project, we trained the same 500 in one year. On the YouWIN! project (another government supported project), in 2 years, we have trained over 11,000 business owners in the 36 states and the Federal Capital Territory. Only government can provide these kind of numbers and help us reach more entrepreneurs in such a short period. That is why I am convinced now more than ever, that far reaching impact can only be achieved through collaboration with government.



Scaling Up Private Education Across a Nation

Institut Supérieur de Management

Senegal

Amadou Diaw, Founder of ISM

ISM is a private business school in Senegal that has led the way for private education that meets local demands.

Having completed his graduate studies in France, Amadou Diaw returned to Dakar in 1985 with the idea of creating a business school in Senegal. As was typical of many developing countries at the time, the education system was state-dominated and hostile to innovation. Seven more years elapsed, during which Amadou Diaw became the executive director of the country's employers' association. The strong

The founders of ISM.



personal relationships he built with the business community would later serve the business school well.

At last, in the context of World Bank-supported structural reforms, the government made it possible for private players to enter the education sector. ISM was founded in 1992 when Fondation Excellence – a group of friends who shared a vision – decided to work together with very limited funding to start a business school that would meet local demand. At that time, three public sector institutions were offering business and economics degrees, none of them suited to demand by the local labor market.

Making Private Education Work

ISM is wholly private, and does not receive any subsidies or enjoy tax exemptions from the government. From day one, operating costs were met by student fees. ISM started life in a rented villa with a few part-time faculty and 25 students drawn from local businesses. Later bank loans funded a modern building as well as IT equipment.

Today ISM has some 12,000 alumni, 70 percent of them women. The plan is to reach 20,000 by 2020. Over the past 20 years 1,500 young African students received scholarships to attend. As the formal labor market is shrinking, ISM is focusing increasingly on entrepreneurship education, with an emphasis on social enterprise.

Finding Faculty and Partners

As for other developing world schools, sourcing faculty is a major challenge. During its first ten years, ISM employed part-time faculty drawn in part from Senegal's diaspora (mainly from France) and partly

Management Education in Senegal

The success of private education was fuelled by the 1994 devaluation of the currency, which doubled the cost of studying in France or other foreign countries. It was also a result of the increasingly dysfunctional state of public universities. ISM's success had a powerful demonstration impact, encouraging the existence, today, of some 125 private schools, most of which teach business. One of four students are in private education institutions, which account for 70 percent of graduations.

- Amadou Diaw

from Dakar's Ecole Normale (a higher-education teacher training school). The first full-time faculty were hired in 2003, and at about the same time ISM established a doctoral program, the plan being to grow a permanent teaching corps. This was also the time when ISM worked with GBSN on a case writing program, as a result of which ISM produced the first teaching cases of local companies. ISM also began to send a number of faculty to GBSN's "Teaching the Practice of Management" case teaching program (today run by the Association of African Business Schools, of which ISM is a member).

Senegal's historic relationship with France was an asset to ISM. Many faculty and students lived and traveled there frequently, spawning numerous international academic connections that led to partnerships. ISM also wove ties to US business schools, including Wharton and Georgetown University. They have exchange programs

with nearly 40 European schools and universities. Courses are in French and English, and learning a third language (Chinese, Japanese, Korean, Portuguese, Indonesian, etc.) is mandatory.

Scaling Across Senegal: Fostering Entrepreneurship in Senior Faculty

As in many African countries, quality higher education institutions operate mainly in the major city. ISM's strategy is to extend quality management education to provincial cities. When a ferry boat sank in 2002, killing almost 2,000 persons – the main link between the southern Casamance province and the rest of Senegal – ISM responded to the tragedy by establishing a nucleus in Ziguinchor, the regional capital.

Today, Group ISM comprises seven such nuclei. These nuclei are served by rotating faculty and subject to the same

examination standards as the main Dakar campus. Several of these provincial nuclei are headed by senior ISM faculty who were born and raised in the respective regions, so strengthening local community support. For example, ISM, in partnership with Wharton's Lauder Center, helped to design development policy in the city of St. Louis in Northern Senegal.

According to Amadou Diaw "locals feel the schools belong to them." In fact, four of the nuclei are owned outright or almost wholly by these senior faculty. Conferring equity ownership of satellite schools is a highly innovative incentives system.

Of course, challenges remain to be overcome: maintaining credibility for private higher education; forging ever closer relationships with enterprises across Africa; and further increasing internationalization, among them.



Giving Post-War Europe an Economic Boost

INSEAD

France, Singapore

H. Landis Gabel, Professor at INSEAD

INSEAD is a leading business school founded in post-war France. They opened a campus in Singapore in 2000.

France was not a developing country in the mid-1950s. Ten years after the end of World War II, it was perhaps “an emerging market” at least by the criterion of GDP, but its institutions, especially its educational institutions, were mature irrespective of the war’s impact on its economy.

Without doubt, Singapore was a wealthy country in 2000 in terms both of GDP per capita and its educational institutions,

although business schools were a scarcity.

Starting From Scratch

INSEAD was started in the late 1950s without any links to a university, national ministry of education, or any other government body. It had no major sponsoring corporation and no government financial support. It was not accredited, and it did not have the right to offer an MBA degree for years after it started to do so. Finally, from its first years, INSEAD as a private fee-paying school was expensive in a country and on a continent unaccustomed to such things.

The founder of the school, U.S. Army Brigadier General George Doriot, recognized the need for a European equivalent to the Harvard Business School (HBS) in the 1920s. His first attempts with local and international partners were rebuffed. His final appeal was to the Paris Chamber of Commerce. With its financial support, he started the Centre de Perfectionnement aux Affaires (CPA) in 1930 in Paris.

The CPA had no permanent faculty; rather, the teachers were experienced businessmen. Students were experienced, albeit younger, businessmen and engineers. Classes were held on weekends. Financial

support came from the Paris Chamber of Commerce, the French government, and tuitions. Harvard provided pedagogical materials and not an insignificant amount of legitimacy.

Twenty-five years later, in the 1950s, General Doriot began to push for a follow-up to the CPA. The new school in his imagination would retain much of the CPA’s concept and structure: post-university, case method instruction from practitioners, and the cachet of Harvard. What took it beyond the CPA was to be its international focus. It would be Pan-European, with a bi- or tri-lingual language requirement. The school would have a dual mission: to train businessmen for Pan-European business and to ensure that they thought about and understood the concept of Europe. Finally, there would be a near-Paris suburban campus for a year-long residential program rather than a central Paris location for weekend classes.



U.S. multinational companies were entering the growing European market, demonstrating to many Europeans the value of formal business school education. At the time of a suddenly visible vacuum in management education for transnational business, INSEAD was there.”

INSEAD students head to class



Some Keys to Early Success

Clearly visible are five critical factors leading to INSEAD's success. The first was the background and character of the founder, General Doriot. Although he was French, he was a professor at Harvard Business School. HBS was the source of legitimacy as well as of pedagogical methods and materials, even if it did not provide financing. Doriot had a big academic reputation, and a reputation as a business entrepreneur, in addition to political contacts in Europe and the US.

The second critical factor was timing. US multinational companies were entering the growing European market, demonstrating to many Europeans the value of formal business school education. At the time of a suddenly visible vacuum in management education for transnational business, INSEAD was there.

Third, the school was innovative. A residential one-year, case-based, tri-lingual, international course, for university graduates and experienced managers in their 20s, was novel. Its curriculum differed from French commerce schools in offering courses in organizational psychology, statistics, market research, and a business simulation.

Fourth, the school had a pioneering mission, which was remarked upon by many of the earliest students: to make a better Europe through the instrument of Pan-European business.

Fifth and finally, INSEAD was independent. The fact that it was not integrated into the French educational system was advantageous in that the French educational establishment saw no threat from it. To the establishment, management was not a discipline. INSEAD offered no recognized diploma, and its focus on international business was out of the mainstream.

Independence implied freedom from any single major benefactor, and this in turn meant that the school always faced financial hardship. Yet ironically, this served it well in the long run because it meant that the school had to find support from many business leaders. It had to be practical and

close to business to get that support.

As an interesting historical aside, in 1960, the Ford Foundation donated \$120,000 to INSEAD with the objective to train instructors of management coming from developing countries. Four went through the program, but it was then closed for lack of available candidates.

Building a Faculty

The first teachers were a mixed bag of European HBS alumni, consultants wealthy enough not to demand high salaries, industry practitioners, some maintaining their other jobs, and existing and former CPA faculty. Most were relatively young; almost all were part-time rather than permanent. They were not academics, and indeed INSEAD was not what we now think of as an academic institution. That came later.

It was another decade before INSEAD realized that it could – and would have to – build a permanent faculty composed of trained academics. So in the 1960s they sponsored a few outstanding INSEAD MBA students to do doctoral degrees at Harvard on the promise to return as INSEAD professors.

This story of building a faculty is typical of business school startups, and INSEAD's story, like that of many others, includes an episode of faculty pruning. To the extent that a school is successful and increases its student quality and prestige, it often finds that some of its first generation of permanent faculty are below the standards of their successors.

Perhaps less typically, INSEAD experienced repeated internal conflict over the balance between the relatively academic MBA program and less academic short-duration executive education programs. On one hand, executive education programs had high margins, they justified faculty recruiting, they provided contacts that could be turned into lucrative consulting jobs, and they sometimes led to research projects. They also forced faculty to work across academic disciplines. On the other hand, as the faculty was slowly becoming more academic, there

was a growing fear of corrupting corporate influence in the day-to-day lives of the faculty.

Ambivalent about the balance between MBA and executive education, INSEAD aggressively expanded both. Early general management executive programs started around 1970, including ones with Stanford and Columbia. These links with highly academic institutions blunted faculty fear of becoming a trade school. In 1972, INSEAD launched the world's first program customized for specific corporate clients, and that new market proved an enormous success.

A Campus in Asia

INSEAD's history in Asia dates back to the early 1970s, well before it became fashionable for business schools to look east. Activities in the '80s and '90s were run out of rented facilities with fly-in, fly-out faculty from France. In the mid-1990s, however, the school's leadership began to contemplate a greenfield campus in Asia. A short list of sites included Malaysia, Hong Kong, and Singapore. Of those three, only Singapore met the school's demands for independence and for diversity. The Malaysian government would not permit independence. It insisted on national employment quotas. Hong Kong would allow INSEAD independence, yet the school feared that with a Chinese location, it could not avoid becoming a "Chinese business school."

INSEAD Singapore was to be a full parallel to INSEAD France with the same program offerings and a resident faculty that might eventually approximate the size of that in France. In fact, a second campus could open a new domain for faculty recruiting. Yet INSEAD would have one faculty body, with one quality standard and one process of recruiting, evaluation, and promotion. Each academic department spanned both campuses, and professors were expected to move back and forth to teach if needed.

The Singapore campus graduated its first cohort in 2000, and in the subsequent decade, the campus has proven a great success with a resident faculty that has

grown to more than half that of France.



Helping An Emerging Economy Transition and Thrive

ESCA Ecole de Management

Morocco

Thami Ghorfi, Dean of ESCA

When we first set out to create ESCA Ecole de Management in the fall of 1992, our aim was to support the change the Kingdom of Morocco was undergoing at the time in terms of the opening and liberalization of its economy, and the related economic and social development.

The 1990s started with the Gulf War crisis. At the time, Morocco embarked on a program of major reforms: reform of investment incentive measures, tax reform, banking reform, reform of corporate law, and reform of the Casablanca Stock Exchange. Privatization was accelerated. At that time in its history, Morocco required managers and entrepreneurs to boost its development.

This is the context in which ESCA Ecole de Management was born. The goal was simple: to root a higher management education institution at the heart of an organizational performance culture.

Setting up ESCA Ecole de Management was a major challenge. It was essential to define what its added value would be and give it an explicit positioning: the *Grande Ecole for the Enterprise*. The context of economic opening prevailing at this stage in Morocco demanded new competencies from young business school graduates. Competition was tougher, and as a result companies need a new 'brand' of managers, equipped

with the most up-to-date management techniques and methods, while at the same time able to show initiative, a strong working capacity, reliability, boldness and creativity to contribute to the development of those companies that will employ them.

The School's whole concept was built on the desire to meet these expectations by offering a program for young secondary school graduates selected for their motivation and capability to work at a sustained pace.

One should point out that in Morocco the custom was to send out one's children to other countries to study management (France, Belgium, Canada, etc.). The point was not to offer an alternative to studies abroad, especially since that trend was very powerful and deeply ingrained. To join a school such as ESCA was very often a venture that involved the family as a whole. One had to be very persuasive sometimes to convince parents and students that the job market was changing. Opportunities were shifting from state institutions and other such administrations to companies. Parents had reference values that were out of date, and it was necessary to argue the interest of leaving the safety of potential life employment to take up opportunities as they were arising thanks to the development of the Moroccan economy.

We realized that young people need role models to project themselves into the future. Accordingly we ask a CEO to sponsor a cohort every year. These prominent personalities have been, and still are, a role model for our students. They share with them their values and their views about the corporate world, they help them strengthen their ambitions.

Setting up a Governance Structure

As the Moroccan saying goes 'Stairs should always be swept from the top', so a rigorous approach needs to be applied to the school's governance. To be a private institution is an asset in terms of flexibility in the decision making process and in the absence of bureaucracy. In an emerging country, to head a higher education institution is in some ways to be 'commissioned to

operate a public utility'. On that basis, we set up right from the creation of ESCA a *Scientific and Pedagogical Council*, composed of recognized CEOs, with the mission to provide and recommendations to the Executive Committee on the school's strategic options.

Establishing Clear Expectations

The student assessment process is a key process that we had to master. The Moroccan culture is very permissive and allows much room for negotiation and discussion. Families often consider that since they pay for their children's studies, they may expect indulgence on many accounts. It is our duty to explain what rigorous academic ethics can bring in the long term to the profiles of those we educate. To uphold rules of rigor and equity, we often explain that we serve students on a set menu basis rather than 'à la carte'.

Managing the School's Growth

In a dynamic and growing market, there is obviously a great desire to capture market share. For every new program launched, we have observed an identical five-step approach:

1. Analysis of opportunities,
2. Definition of the relevant innovation,
3. Launch,
4. Validation,
5. Consolidation.

This was done in order to avoid growing too rapidly. The market can indeed prove to be seesawing, and demand may be very high, but with little funding to support it.

Likewise, we have been approached many times over the last fifteen years by state authorities or investors to open new campuses in other regions in Morocco. Many institutions have chosen to develop a network of campuses in many cities throughout the country. At ESCA, we have decided otherwise: we exclusively operate in Casablanca, the economic metropolis in Morocco and the Maghreb. During the same period, we decided to internationalize the School to follow the trend in the



Asking a question in class at ESCA in Morocco

management education industry.

Balanced and Long-Lasting Partnerships

In Morocco, a business school can only rely on its own resources. Neither the State, nor regional or local communities, nor professional organizations can contribute. This demonstrates the importance of building quality partnerships.

As years have gone by, ESCA has developed relationships with many companies, not always to find employment for our graduates, but rather to install permanent interaction between the company and the school. We have set up a two-way system whereby companies are approached to welcome students for internships every year, an invaluable source of practice opportunities, and companies are invited to sit on defense panels for the various reports and be included in the program. Over twenty years the attitude of companies has changed: to welcome trainees in their organizations was once for some almost a charitable gesture. Trainees were long considered as a burden, as they were bound to hinder the smooth running of the company's activities. The change came from the evidence that young students could listen, understand and act effectively to improve the organization.

In addition, we have established cooperation agreements with business schools on four continents to support our international strategy. The criteria for selecting such partners include the quality of the institutions, their international openness, and their reputation in their own

regions. Above all we look for capacity to hold a balanced dialogue and to imagine operational projects in various fields.

Over the years we have built a strategic alliance with Grenoble Ecole de Management, a leading European institution that demonstrates great innovation in management teaching. This alliance has helped lay the foundation for research in geo-economics and geo-politics in both institutions. ESCA and Grenoble are thus cofounders of Alliance Géopolitique du Management, an international network of universities whose aim is to promote, and capitalize on, geopolitics, and to make this discipline an indispensable competency for any future manager. Likewise, we were cofounders of the INSEAM network, established to serve the development of high-potential competencies in Africa.

Thanks to these partnerships our students are offered opportunities to take exchange semesters or years in various countries, including China, Peru, Canada, South Africa, Germany, USA and elsewhere. Faculty also visit our various partners and collaborate with international colleagues, benefitting from experience in different contexts.

As early as 2003, ESCA Ecole de Management structured its programs in order to comply with the EU Bologna LMD System (Bachelor-Master-Doctorate). The point was to harmonize programs and to give them international legibility. Morocco is strongly tied to the European Union and the decision to adopt the LMD system allowed credit transfers and their equivalents to anywhere in the world. This option has also led us to set up a Master's level program

taught entirely in English, in a completely Arabic and French-speaking environment. The international culture of ESCA was reinforced as a result.

Developing Leaders That Contribute to Modernization

ESCA Ecole de Management's Mission Statement reads as follows:

ESCA Ecole de Management educates managers with entrepreneurship spirit, who are responsible and able to manage in a complex environment and to improve corporate performance in an emerging economy.

ESCA Ecole de Management fosters intellectual production to contribute to the development of management knowledge and to support change in managerial practices in a transient society.

Independent and internationally oriented, ESCA Ecole de Management aims to prepare leaders carrying values to modernize society.

The mission of a business school in a developing country, as is the case for ESCA, is not only to train executives able to take up responsibilities in organizations. Our graduates must be able to contribute to a change in mentalities and later on, in the behavior of those organizations in which they operate. An emerging country is de facto an area where governance needs to be improved, where rules must be applied and people must be helped to acquire adequate and efficient behaviors.



Establishing a Foothold in Africa

NOVA School of Business and Economics

Portugal, Angola, Mozambique

José A. F. Machado, Dean of NOVA SBE

Nova SBE, a leading business school in Portugal, established a presence in Angola with their Nova Angola Business School in 2010 and has a presence in Brazil and Mozambique.

NOVA created the Angola Business School for several reasons. The first being a common history, language and culture that is shared on three continents as a product of the 16th century maritime expansion. Portugal's limited size and weak international brand value in the areas of higher education made expansion a practical move, especially in light of NOVA SBE's ambition for an international standing.

About a decade ago, NOVA SBE realized that it could not fulfill that ambition based on academic quality alone. The academic quality landscape was too flat; we needed our own unique and non-imitable flags sticking from it. The Portuguese-speaking world – with countries of global or regional importance like Brazil, Angola and Mozambique – and Africa in particular, seemed like obvious choices for expansion and differentiation.

The strategy did not include designing products catering exclusively to African students. Rather, NOVA went to Africa with the ultimate goal of heightening its prestige in Europe and elsewhere. We moved to Africa to position ourselves as a knowledge center on Africa's economic and business issues. This strategy required a very credible commitment to Africa. NOVA's presence could not be like that of several other schools', which is occasional, short-term and profit driven. We had to be in Angola for the long haul, making every effort to leave a lasting footprint in the African landscape.

Starting an operation on a different continent, in a country that had only recently emerged from a devastating civil war, posed huge practical problems.

Partnering with Local Schools

Partnering with local schools offered the immediate advantage of having a local base

of resources such as facilities, administrative support and faculty. But there were several points on which we did not see eye-to-eye with our potential partners, which for us were non-negotiable.

Three stood out. Firstly, we did not want to offer degree granting programs; secondly, we believed that our programs should be offered in the mornings, when students are still rested and attentive; and finally, we wanted to run programs with the same procedural rigor as our Lisbon operation, in particular, regarding punctuality and attendance. From our standpoint, daytime classes for working students had the added benefit of requiring the involvement of employers in their employee's personal development, which in itself, was a brand new concept in Angola.

All things considered, we decided to launch NOVA ABS by ourselves. This raised the immediate question of how we were going to resource the operation.

Securing Seed Capital

Launching a school on our own, however small, required significant physical resources - premises, administrative staff and an expatriate director-general in one of the most expensive cities in the world. Additionally, there was the need to raise public awareness for our project. Given the risks involved in this African venture, and considering the financial constraints

A NOVAFRICA Program is providing an impact evaluation of mobile banking operations in Mozambique.



at home, NOVA SBE was in no position to put forth the initial capital needed. We overcame this hurdle by partnering with local companies that paid in advance for three years of programs for their executives.

From very early on NOVA ABS had to cater to the needs of the business community. Business people got involved in the governance of NOVA ABS. This was a welcome change in Angola's panorama of higher education.

The School's Positioning

NOVA ABS's positioning was probably the most critical choice. In particular, we had to decide whether or not to offer degree-granting programs such as an MBA or specialized Masters.

Obviously, there was a strong demand for degrees associated with the NOVA brand, whether at undergraduate, masters or at the doctorate level. However, in Angola there are plenty of institutions willing to supply degrees, though not always with acceptable levels of quality. Too many institutions appear to prosper by exploiting the eagerness of Angolans to get higher education.

Thus, the market for degree programs was a little too slippery for our taste. NOVA had a reputation to maintain, and could not be seen offering inferior quality degrees to those at its home base. In addition, it was simply not feasible due to a lack of both faculty and also of a critical mass of students with the appropriate level of pre-masters training.

There was also the deeper issue of identifying the kind of business education that would best serve the needs of social and economic development in Angola. Conversations with Angolan companies convinced us that the Angolan economy urgently needed practical managerial skills, more than extra academic diplomas. It needed academic degree holders to be prepared for useful careers in Angolan organizations, especially at the middle management level. Therefore, executive training seemed to be the answer. Accordingly, NOVA ABS started as an

executive education institute with open enrollment and company programs. For instance, we offered a six-month program in general management that ran at the academies of several banks, a buoyant industry in Angola, and executed a training program for the public sector.

We decided to focus the bulk of our efforts on middle management training. Most European schools in Angola go for the top executives segment, which is certainly more lucrative in the short-run. This positioning may be adequate for an occasional presence on the Angolan scene, but cannot sustain a regular presence, as the market segment has insufficient depth.

In retrospect, executive education offered two important logistical advantages. First, it could be run on a modular basis, using mostly flying faculty. Second, executive education is much more flexible than regular academic programs. This last point is of critical importance. We knew very little about the Angolan reality; what content should be stressed or what approaches would work best. In the first months, formats and content changed almost daily as a reflection of a very steep learning curve. The strict focus on acquisition of competencies that is typical of good training programs, as well as the modular format, enabled quick adjustments to be made without significant costs.

Feedback at the Home Base

NOVA ABS is part of NOVA SBE's strategic project, which also included being present in Mozambique and Brazil. Consequently, it was very important that our African operation was not perceived by our home base, NOVA SBE's faculty, as the fiefdom of a few. We wanted the school, as a whole, to be engaged and have a sense of ownership. In addition, we wanted NOVA SBE in Lisbon to change on ABS's account.

At NOVA SBE, teaching and research go hand-in-hand, thus, the presence in Africa had to seed these two dimensions. The academic curricula now included modules of "Doing Business in Africa" and "Geopolitics," where students regularly participated in research and humanitarian projects in



Conversations with Angolan Companies convinced us that the Angolan economy urgently needed practical managerial skills, more than extra academic diplomas."

Africa. The school had also recruited two experienced researchers to create and spur a research center, NOVAFRICA—NOVA Africa Center for Business and Economic Development. The center would be devoted to producing distinctive expertise on economic development in Africa, with a particular focus on Portuguese-speaking Africa. The center's research is meant to reach all interested stakeholders through policy recommendations, operational and strategic advice to companies and organizations, consultancy, and capacity building. In Lisbon, NOVAFRICA promotes an annual international conference and organizes a series of research seminars.

All in all, these initiatives have successfully brought not only ABS and Africa, but more generally the multidisciplinary academic debate on the role of individuals, organizations and institutions in the process of prosperity creation, to the forefront of NOVA SBE's life.

The Future

NOVA SBE's beginnings in Angola through NOVA ABS were humble, but driven by a desire to make a difference. The great question for the future is whether we can leave the desired lasting footprint by focusing exclusively on middle-management education. We do not think so; we feel that our roots must go deeper.

NOVA SBE intends to gain depth along

several axes. First the school, that is now more knowledgeable and confident of the Angolan context, must develop a long-lasting relationship with the top local school. Without such a relationship, it will be impossible to reach enough students to have a significant impact, and NOVA ABS will have a hard time creating a body of local instructors.

That process has already started with the training in Lisbon of Universidade Agostinho Neto's faculty in the program "fellows@NOVA." Here, Angolan professors visit NOVA SBE for a semester, where they shadow courses, participate in research seminars and develop curricula for their school.

Second, NOVA ABS aims to be perceived as the supplier of talent for organizations operating in Angola. This entails developing programs and initiatives that both educate and screen the most promising young people geared towards management careers. This path may lead to the future set up, in formats yet to be decided, of a small-scale undergraduate program under the NOVA SBE umbrella brand.

Third, NOVA ABS, through NOVAFRICA, must become a trusted partner of the government, international agencies and private organizations. This partnership is essential to conducting multidisciplinary projects on the role of individuals, organizations and institutions in the process of prosperity creation.

The final axis is the consolidation of NOVA's "South-Atlantic-triangle" strategy. This strategy is rooted in the global importance of the Portuguese-speaking countries: 4.6% of world GDP and 2% of all international trade. Portuguese is the most spoken language in the southern

hemisphere. NOVA's intent is to be recognized as the international school of the Portuguese-speaking countries. That is, a knowledge partner both for individuals and organizations worldwide with an interest in research, consulting or capacity building in the Portuguese-speaking countries, or those in these countries who wish to open up to the world.



A Dynamic New Business School in an Old University

Gordon Institute of Business Science (GIBS)

South Africa

Jonathan Cook, Executive Director of GIBS

GIBS was established in 2000 as an industry-focused, world class business school embedded within the long-established University of Pretoria, which already had a graduate school of management.

Professor Nick Binedell, founding director and current Dean of GIBS, developed the concept for GIBS on a single piece of paper after a conversation he had in 1998 with the vice chancellor of the University of Pretoria. After stepping down from a six-year tenure as the Director of the Wits

Business School, Binedell began jotting down thoughts that eventually turned into the first plan approved by the University of Pretoria in 1999. Binedell proposed that GIBS should be based in Sandton, Johannesburg, which was quickly becoming South Africa's business hub. Binedell also proposed that the business school should have a reasonable degree of autonomy, that it should be a business school for the 21st Century, and that it should seek to be world class from initiation.

After the University of Pretoria approved the concept, it took the next 15 months to secure the university's approval and capital funding, select the campus location, brief the architects, build the new campus, recruit staff and faculty, and finally launch the GIBS MBA.

One of the keys to the success of GIBS has been the high level of independence granted to the school by the university. Academic programmes and senior academic appointments are subject to the standard university processes, but in all other respects GIBS is run independently under a board appointed by the university. There is a contractual arrangement for GIBS to pay an annual rental fee to the university, but the rest of the finances are run through an independent account. This degree of independence has enabled GIBS to respond quickly and innovatively to requirements in the business world.

Initially, GIBS was opened alongside the Graduate School of Management, which was based on the main university campus in Pretoria. The University of Pretoria thus found itself in the unusual position of having pioneered the oldest (Graduate School of Management) and the youngest (GIBS) business schools in the country. Programmes of the schools

Jonathan Cook leads a class discussion at GIBS in South Africa



were subsequently combined within the structures of GIBS.

Building Partnerships With Big Business

Still in the early stages, Professor Binedell recruited Professor Karl Hofmeyr to establish partnerships between GIBS and big businesses. These programmes paved the way for a successful partnership concept – where GIBS forms mutually beneficial relationships with companies. This positioned GIBS as “the business school for business.”

Professor Binedell and his first colleagues then went about identifying top teachers from elite schools around the world to supplement the faculty he was able to recruit in the first year or two. Over time, full time faculty began taking over the bulk of the academic teaching, with adjunct faculty playing a major role in the non-academic, executive and company specific programmes. Visiting faculty played a gradually reducing role in MBA electives and short executive programmes.

Action-driven learning was, and remains, a major component of the programmes delivered by GIBS. This philosophy is aimed at ensuring that companies and individuals gain a significant return on their education investment. Overall, South African companies responded well to both GIBS and its programmes. By the end of 2002, GIBS was ahead of itself, with 30 partner companies and having received a significant number of requests for proposals.

Innovations in Business Education

In July 2001, GIBS initiated a Global Executive Development Programme (GEDP). The local module of the programme took place at the GIBS campus in Illovo, Johannesburg. Delegates visited Silicon Valley and London as part of the global module. The GEDP has continued annually since, with locations for the global module changing from time to time, in reflection to changing business opportunities. At time of writing, the first module in Latin America was being planned.

Another early GIBS’ innovation was the establishment of the GIBS Forums. Rather than simply forming an alumni association, which would have had very few members in the early years, the GIBS Forums were informative evening sessions introducing the local business community to topical issues that were presented by high-profile business and public-sector leaders. Over the years, speakers included many CEOs of South African and international corporations, several cabinet ministers, authors, thought-leaders, artists and explorers.

To further distinguish itself from its counterparts, GIBS created a number of distinctive elements within its MBA programmes, one being the compulsory global module. During this module, students visited successful firms in Asia, South America, North America and Europe. This allowed students to benefit from international experience, to obtain a comparative perspective and enjoy exposure to best practices in other industries and companies.

Fostering Change in the Marketplace

By the end of 2003, GIBS had established its position as one of the leading providers of customized, high-level programmes in South Africa. GIBS has secured over 43 partnerships with an array of South African business and a variety of programmes, ranging from mid-level management to board-level programmes. At this time, GIBS was attracting between 1,500 and 2,000 executives through its doors weekly, while the market for company specific programmes had become more competitive. Other leading South African business schools responded by significantly increasing resources and upping their approach to compete more vigorously with GIBS.

As growth and innovation continue to shift to new dynamic and complex markets, fresh opportunities and challenges have arisen. The demand on GIBS grows to develop fresh insights that ground teaching and programme design in a reality beyond what a traditional business school curriculum would offer. The locus of energy in economic growth and innovation has been

shifting from developed economies, which have traditionally supplied the models and methods for global business, to the dynamic engines of growth in Asia, in Latin America and increasingly in the rest of Africa. GIBS’ geographic position in Africa has led to a strategic focus on the role of general managers in dynamic markets in both research and teaching. GIBS graduates need to be prepared to run companies that are globally competitive and can thrive in conditions of uncertainty, high complexity and vibrant competition.



Forging a New Frontier for Business Education

Strathmore Business School

Kenya

George Njenga, Dean of Strathmore Business School

Strathmore Business School was the first business school serving East Africa and has become a leader in business education on the continent.

At the turn of the century there were no business schools in East Africa. What we had were faculties of management and commerce, yet these were not business schools. Most people who wanted a business education left the country for business schools like MIT and Harvard. The distinction between the two is an important one. Business schools offer entrepreneurial and participant-centered learning. The classroom learning experience is founded in a realistic understanding of the current business environment, not library textbooks or archaic management theory. The other model is one that operates by professors lecturing for hours on quantitative analysis or financial management. Students are

expected to regurgitate these theories in an exam room and only then are they deemed fit for the business world. An entirely different model was spreading through US universities and in South Africa. These schools offered more than isolated theories. They offered their students an opportunity to see these theories applied in practice.

A business school begins when you start understanding the contextual interactions between theory and practice. Theory cannot make up the majority of the curriculum. A true business school is an institution that allows people to come together to learn how to solve their business problems, while recognizing the theory behind these solutions. Students must participate in providing these solutions by engaging and learning from one another, studying relevant case studies and learning from faculty members who respect their students' business experience. And so my dream was to build a business school for East Africa.

Building Strathmore Business School

I resigned from my position as head of the accounting department in 2004 to begin a business school. The Strathmore administration urged me to follow the path of many other public universities and begin an MBA program within the existing structure. After much thought, I rejected that suggestion because I was deeply committed to starting a business school and breaking away from the typical mold of management studies. At the time, the board had very little faith that this endeavor would be possible, but facilitated funding for Harvard Business School, where I could study business school models while also

Management Education in East Africa

According to the African Management Initiative, there are less than 100 business schools in Africa, serving one billion people. Only nine of these schools meet international standards. The majority of these schools are based in North or South Africa. Only 11 business schools exist to serve 146 million people in the East African community – one business school for 11.1 million people. Conversely, India, a place with a slightly larger population than Africa, has over 1,500 business schools – one school for 800,000 people.

- Nazeer Aziz Ladhani

earning a degree in non-profit management.

At Harvard, I met several professors that agreed to support the idea of a business school in East Africa. While back at Strathmore, one of my colleagues related a story about a prominent faculty member at IESE who claimed it would be impossible to start a business school in Africa without an additional three to five years of preparation. In disbelief, I requested Strathmore to fund me a business education there - IESE. After four weeks at IESE, I knew my dream was possible. We signed an MOU with IESE and began to lay the framework for Strathmore Business School.

The next step was to present a budget and a business plan to the university administration. One of the biggest challenges we faced in this endeavor was convincing the board that the school would succeed. Having only half of the board's support, the school was at risk of being written off if any of the programs failed. I decided to look outside the university for backing and support. Ideas and theories alone would not be enough to convince

the board members. I needed tangible evidence to convince them it was a worthwhile project. So, I went to several influential CEOs to present the concept of Strathmore Business School. At the time, there was an acute need for a high quality business school that incorporates both local and international business contexts. These executives immediately saw the value of my proposition and helped convince the board to support the school.

After successfully convincing the board, we applied for a 39 million Kenya Shillings loan, but the interest rates were over twenty percent. In the end, Strathmore University lent the money at a much lower rate, but before they gave the funds we had to sign an MOU between the university and the business school.

From the beginning we understood that the business school would have to be an autonomous institution, financially and operationally. We finally got approval and signed the MOU and at the end of 2006, and constructed the first structure. Simultaneously, I started an advanced management program in partnership with IESE business school. We started construction of a very small business school, which took 8 months, and in February of 2007 we moved to the new building. Since then we have been financing ourselves without any capital. I've been setting up programs then expanding solely from the returns on the programs. Our return rate has been between 2 and 10 percent. In 2008, we built the real business school. As I write this, I am sitting in the best business school facility in Africa, which cost over 5 million dollars.

In order to teach practical business education with sound theory you must do three things: hire professors with market experience, use high quality case studies



BUSINESS EDUCATION

BUILDING JOBS

HOW AN MBA

HELPED A CONSULTANT

GROW THE

ECONOMY IN AFRICA

My name is Geoffrey Otieno and I am a consultant based in Kenya. I consult mainly in strategy and business development for corporate bodies, as well as for family businesses.

After receiving my undergraduate degree in business administration from the University of Nairobi, I became a business manager with Microsoft. I left Microsoft to join the Nokia Corporation, where I actually was part of the team that helped establish Nokia in Africa. When we split into Nokia Siemens Networks, I decided to go into consulting.

I was working full time at a multi national consulting firm when I realized I needed to create time to do the MBA; it was becoming more and more important in my consulting world every day. It was clear that I needed to up my game to attract more multinationals into the African continent. I completed my MBA from Strathmore Business School in 2012. Choosing Strathmore and their MBA program was one of the best personal investment decisions I've made in my life.

As I did my MBA, my business also grew. Now, there are four of us who are doing the actual consulting. When we acquire big jobs, we recruit more associates to help. We actually choose the best in the field; people who have experience doing what we do and who share a similar vision with us. The business has created employment, because it's not only for the consultants, but it supports other businesses as well.

Some of the courses that we learned in the very first semester opened up my mind into thinking. Instead of supporting businesses to just enter Africa, why not try and run one to see what it really takes to grow an American business into a fully flagged operation. So, I met the CEO of Sproxil, an American company, and convinced him that he needed to come to East Africa. I'm glad to say now Sproxil is fully-fledged and running in Kenya. We are going into Tanzania and Uganda in a few weeks. It's employing people; we already have three people employed by Sproxil, and it's growing.

In the community, it's helped us achieve our social responsibility. Based on what we've done, we've managed to set aside some funds, which we're using to build boreholes for a community in western Kenya, so that they can get water into their homes.

In my second year at Strathmore, because of a number of other issues that I had learned, I managed to land big clients, like Citibank, and that made a whole world of difference to what I'm doing today. Earning my MBA changed my way of thinking, my way of approaching business and my way of approaching clients. I learned how to run the consulting business in a more profitable way. Before that it was all about lets get in a client, let's help them setup, let's help them win the market, but with the MBA I learned there's much more. Had I not done the MBA, I would not be consulting for the kind of clientele I'm doing today.

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When Strathmore Business School began, every professor had an experienced teaching coach from an established business school.”

and create an environment attractive to executive level students. Finding professors who have experience in the market and who are also willing to go into academia, is rare. Academia can rarely match the salary of a successful business owner, making it difficult to recruit faculty at the beginning. This is partly because the value of business professors is quite high. Getting case studies produced by top universities such as Harvard, Ivey and Wharton, are very expensive, yet essential. Finally, carefully create the classroom environment to facilitate participant-centered learning, while ensuring small classes. This increases the overall costs of the program, but is a vital component to attracting executive-level students. You cannot mix high-level business school students with first year undergraduate students. A business school must operate on a completely different basis.

In the developed world, a good dean is typically one that is published, internationally renown and brings a long history of professional achievements to the university. I think we need to redefine what it means to be a good dean. A good dean should ensure a quality business curriculum, a happy faculty, and secure students of a high standard. I have learned that professors want to have a good experience with their students. You need good quality control and high standards to ensure this. A school needs a strong reputation to attract a good dean. This is a vicious circle, as a good dean



George Njenga in his classroom at Strathmore Business School in Nairobi, Kenya

can create an environment that attracts strong professors and students, who can change the reputation of the school. Most of the professors came to Strathmore because of their good will towards Africa, and stayed because they enjoyed their experience teaching here.

It is important for a business school dean to understand that the infrastructure, software, and professors, must be first-rate. Faculty members are who define the quality and type of learning that happens. When Strathmore Business School began, every professor had an experienced teaching coach from an established business school, which significantly grew the capabilities of our faculty. As the business school developed teaching capabilities improved, and the university began to take notice. Now, many professors across disciplines use the case method at Strathmore. We are transferring our capabilities to the rest of the university.

Management for Africa

Africa is not only about good business opportunities; it is comprised of many institutions that currently lack management capability. Business schools must broaden their focus to consider the real needs of Africa.

Healthcare management education is one of the most fundamental and widespread needs. After considering the needs of the region, I decided to start the first African healthcare management masters program. Next year Strathmore will roll out the first healthcare management MBA. The model needed for these programs is slightly

different. Those working in the healthcare sector typically cannot afford the cost of an MBA program, therefore the programs must be offered at lower rate. Due to lowered program costs, we have not made any returns or even covered our costs, yet the program results are well worth the price. The program has been extremely successful. Today, we have outside funding from the German Government and NGOs, like USAID and MSH. With this extra support Strathmore has implemented one of the most successful leadership programs for healthcare executives called the Leadership for High Performing Healthcare Organizations. We are starting to see medical institutions buy into the importance of management and hope to continue influencing the sector.

In 2005 twenty-seven African schools were brought together by a grant from the IFC to discuss the state of management education. It was then I realized how truly bad management education was across the continent. In 2006 I joined the board of the newly launched Association of African Business Schools, which only included six universities. It has now grown to 27 business schools across the continent, and we are now seeing this business school orientation spread across Africa. We are also beginning to secure partners across the world both in Africa and with large schools like Princeton, Wharton and Copenhagen. These business schools are working with institutions in Africa, as they now see potential here. I never thought that this day would come. All I wanted was to give the people of Africa the chance to have a good business education that meets international standards, but the effect has been incredible and the answer from the market has been enormous.



Breaking New Ground With an Industry Driven Business School

Indian School of Business

India

Pramath Raj Sinha, founding Dean of ISB

ISB was established as an independent, world class, international institution in an environment where business education was not producing the managers and leaders that industry demanded.

The Indian School of Business opened its doors in Hyderabad in 2001. In early 2012 the school opened its second campus at Mohali in Punjab. The school now has approximately 780 students, and around 150 faculty of which more than 100 are classed as visiting faculty. Its MBA programme was ranked 20th in the world in the Financial Times rankings in 2012, and has been ranked as high as 12th.

ISB has been highly successful as an institution, though it should be added that the road over the past eleven years has not been entirely smooth. The primary goal, to establish a world-class business school in India, was met as expected, but key parts of the programme took longer than planned. It proved much more difficult than at first thought to recruit high-quality permanent

faculty. It was also hoped at the outset that ISB would be attractive to foreign students wanting to learn about business in India. In fact, numbers of foreign students at ISB remain low, and most of these are Indian expatriates.

The Germ of An Idea

The Indian School of Business was initially conceived by Rajat Gupta, then managing director of the management consulting firm McKinsey & Company. He brought together a group of Indian business leaders who shared a common conviction. They believed that in order to become an economic force, India needed high-quality management education to support its businesses and enable their international growth and expansion. The current system, which produced graduates with no practical experience and no experience of international markets, was threatening to hold India back.

None of this group had any experience in founding a business school, let alone running one. The initial idea was to found a graduate management school at an existing institution such as the Indian Institute of Technology at Delhi, but the founders were quickly discouraged from this idea. The amount of red tape that would have to be cut through was simply too great. They resolved instead on the more risky idea of developing a new institution from scratch.

Perhaps surprisingly, money proved to be one of the least of the new project's problems. The founding group, who by 1997 had been constituted as a governing board, all made substantial donations themselves, and encouraged other business leaders to do likewise.

Finding Academic Partnerships

Much more challenging was the problem of how to structure the new organization. A number of pro bono projects run by McKinsey staff helped to create an understanding of the scale of the project, but some sort of academic partnership was essential. Lacking suitable partners in India, and with the need to develop education programmes with an international focus firmly in mind, the founders turned to overseas business schools for help.

Approaches were made initially to four top American business schools. After discussions, it was decided to initiate partnerships with both Wharton and Kellogg. The deans of both schools were enthusiastic about the project. A third institution, London Business School, joined the partnership a little later, and two more American institutions, MIT's Sloan School of Management and the Fletcher School of Diplomacy at Tufts University, have since become partners with involvement at the Mohali campus.

The partner institutions gave the founders invaluable support; indeed, the project could not have been carried through without them. They advised on everything from the design and layout of facilities and systems for the new school to faculty recruitment, and they recruited visiting faculty both from their own ranks and from other business schools. They also designed the entire MBA programme from start to finish. One early concern was the length of the programme. American business schools usually offered two-year MBA programmes, and there was concern among academics that a one-year programme would be of lower quality.

The research available to the founders, however, showed that Indian students preferred a one-year programme as it

The campus of the Indian School of Business in Hyderabad.



lowered the opportunity cost to themselves. The challenge then was to design a high-intensity programme that would equal the best two-year programmes in terms of quality. In the end this goal was achieved, and the resultant MBA programme at ISB had only slightly fewer contact hours than most two-year programmes. At the same time as the development of the MBA programme, a team led by Gay Haskins from London Business School began working up an executive education programme.

Foundation and Development

With support assured for programme development and faculty recruitment, the founders' next task was to find a location for the school. The initial plan was to locate in or near Mumbai, India's most important financial and business centre, and a site was even identified. Then India's famous politicking came into play. Local politicians and authorities began piling on restrictions, to the point where the board finally had enough and began looking elsewhere.

A list of criteria were drawn up, including proximity to an international airport, costs of construction, costs of living, availability of infrastructure and supportive local government. More than fifty sites were eventually whittled down to three, in Chennai, Bengaluru and Hyderabad. Of these, the most attractive was Hyderabad, in large part because of the direct support offered by the dynamic chief minister of Andhra Pradesh, who was determined to turn Hyderabad into a high-tech modern city. He saw that ISB could serve as a magnet that would attract Indian and multinational firms to the city.

Problems and Challenges

As mentioned also, the road has not always

Management Education in India

In the late 1990s more than 7,000 young Indians graduated each year with MBA degrees, but there were concerns about the quality of many of these degrees. Few faculty teaching in India had international experience. Students were familiar with the big names of Indian business, but few could name a single Fortune 500 company. The other issue was lack of experience. Indian business schools almost universally operated on a 'pre-experience' model; Students graduated with MBA degrees but without a single day's practical management experience.

- Pramath Raj Sinha

been an easy one. One problem which existed from the outset and has never really gone away is the resolute opposition of some parts of the civil service, especially the All-India Council of Technical Education (AICTE), which accredits business schools among other institutions. AICTE set itself against the ISB project on a number of issues, the most prominent being ISB's decision to offer a one-year MBA programme. AICTE typically also places restrictions on class sizes, hiring faculty and the introduction of new courses. Early on, the board decided not to apply for AICTE accreditation because these restrictions went against the ethos of what we were trying to do. AICTE then publicly blacklisted our programme because it was not accredited by them. (It should be added that we were not the only Indian business school to fall foul of AICTE and several highly-ranked institutions offer programmes that are not accredited. At the time of writing this article the Indian Supreme Court has ruled that the AICTE, in fact, does not have the power to approve MBA programmes.)

The board then took the courageous decision to go ahead with the one-year programme, even though without accreditation the programme could not be called an MBA and this might harm the school's brand. Board members argued, however, that once the quality of the facilities and educational experience became apparent, students and others would see the ISB Post-Graduate Programme (PGP), as it now had to be called, as the equivalent of an MBA. That indeed proved to be the case, and ISB PGP certificates are as highly prized as MBA degrees. AICTE continues to issue periodic threats to close ISB down. On the other hand, we received accreditation from the AACSB in 2011, the first Asian business school to achieve this.

The second serious challenge right from the beginning was recruiting faculty. The original idea was to recruit high-quality tenured business school faculty, particularly Indian expatriates, to form a core faculty group at ISB. In practice this proved to be impossible. Indian expatriates were enthusiastic about the project, which they saw as being of potential benefit to India, and willing to lend support in many ways. They were quite happy to come to ISB for short periods of time, but one thing they were not willing to do was move there permanently. This was not just a matter of money, or even standards of living. Many were deeply embedded in their own European and American institutions and were not sure how a move to ISB would help their career tracks. Many also had families, and were worried about the impact of such a move on spouses and children.

Fortunately for us, we were able to make the visiting faculty model work. For much of the school's history the overwhelming majority of faculty have been visitors, and even today they outnumber permanent faculty by about two to one. ISB faculty come to Hyderabad

or Mohali for concentrated periods of six weeks, deliver courses and interact with students, then return to their home institutions. This gives students personal contact with many leading scholars in their fields, and ensures a very high quality of course content and delivery. Although in recent years steps to build a cadre of permanent faculty have begun to bear fruit, it is likely that ISB will continue to employ many visiting faculty in future.

An apparent disadvantage has in fact turned into a very powerful advantage. We have been able to get some of the world's best to come and teach at ISB – without having to hire them permanently. As mentioned, visiting faculty were a powerful force in establishing our reputation quickly. But they also enabled us to scale up in a way that would not otherwise have been possible. In our first year of operation, with a couple of exceptions, every course was taught by visiting faculty. We simply could not have got off the ground without their support, let alone expanded as rapidly as we did.

Lessons Learned

The past eleven years offer a number of lessons, some specific to the running of ISB, others perhaps more general and of use to other business schools in similar circumstances.

The first lesson was the value of independence. ISB chose in the end not to tie itself to any other existing institution in India and to go it alone (with, of course, the help and support of its non-Indian partners). This was a matter of necessity being the mother of invention, but time has taught us how important that independence is. ISB has been able to concentrate on creating its own brand, developing its own programmes, building its own facilities and campuses without the restrictions that might have come with a partnership within India. The decision to remain independent of the government and not seek accreditation from AICTE has paid off.

The second lesson was the power of ambition. The founders of the school thought big. They did not settle for second best.

They demanded a world class international business school in India and they got it. No corners were cut, no facilities were downgraded. ISB's mission was to produce future leaders of Indian and world business, and in order to do so the school needed to be perceived as one of the best.

The third lesson comes out of the 'business model' we used when setting up ISB. We believed that the value of higher management education lay in its effects on students. We saw ourselves as working in partnership with bright, high-achieving young people who wanted to transform their own lives. Corporations and recruiters were our 'customers', and we put a great deal of effort into building relationships with them, on the grounds that if we trained people and they could not find jobs, the effort had been wasted by both parties. This collaborative way of thinking was essential in shaping the school.



A Business School Pays it Forward

IPADE Business School

Mexico, Costa Rica, Colombia

IPADE is a renowned business school with over 45 years of experience in the development of high managers and entrepreneurs in Mexico. The school has always been known for its willingness to cooperate and help those in need, a lesson learned from the founding partners, IESE and Harvard. Today, IPADE is known for being an invaluable strategic partner for new business schools in Latin America, including Costa Rica's ESDE and Colombia's INALDE.

Expanding Executive Education to Costa Rica

German Céspedes, Executive Director of ESDE

Three years ago I was asked to help start an executive education program with IPADE in Costa Rica. After receiving my MBA from IPADE I understood the impact this type of education can have in transforming lives and was eager to help their cause.

I worked with IPADE to establish a program unlike any other in Costa Rica. We are the only business school focused on executive education program for CEOs and general managers. Costa Rica may only have 5 million people, but we can still make important changes and influence the business environment through the type of training we offer.

Our program reaches out to the business community and offers leaders the opportunity to improve themselves and get back in the classroom. What we offer is unique—there is no homework or exams. We bring people together to share their knowledge and experience in the local business environment, relying on each professor and case to draw out lessons and perspectives from the participants. For many of the participants, it is their first time in over 20 years to be in the classroom.

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Costa Rica may only have 5 million people, but we can still make important changes and influence the business environment through the type of training we offer.”

They are self made and learned through experience, so most appreciate the opportunity to keep learning.

We don't just want better business, but better people running better businesses. IPADE's understanding of this value and their vision for transformational leadership makes them an ideal partner.

A New Business School in Bogota

Alfonso Dávila Ortiz, Founder of INALDE, Colombia

In October 1984 I began the adventure of creating an independent business school in Bogota. Because of its prestige, I immediately looked to IPADE for support and advice. The work plan was very clear from the start. We began with an Executive Officers Management Program aimed for the most high-level entrepreneurs and managers in the country, and taught by prestigious faculty. Several promotional groups were set up to pitch the project to high-level companies in the country, as well as among senior management.

The challenges we confronted were diverse. The most difficult task was choosing a candidate for dean. It required a person with a strong managerial profile, business experience and an academic calling. We faced social and political challenges. The prevalence of organized crime forced us to take extra security measures when selecting participants. It was also a challenge to encourage the use of case method among the faculty. We had to retrain our professors to use participant center learning teaching methods and struggled to find the right space to fit our needs as a school.

In the end, collaboration with IPADE was fundamental to overcoming these challenges. Their support did not end after three months of working with us, but lasted

Management Education in Tunisia

Africa is a continent filled with opportunities. We are living in a world where we are bound to live together and to contribute to the overall development. If you want to fight terrorists you need to educate the people, because when someone becomes a terrorist, you see a face of despair. If you provide people with a decent way to live and give them a better understanding about what's going on in the world, believe me he will never go to become a terrorist.

- Mahmoud Triki

for ten years. This partnership planted the seed of transformation of management and senior leadership that the program is now known for in the region.



A Young Country Looking to Broader Markets

Mediterranean School of Business

Tunisia

Mahmoud Triki, Founder and Dean of MSB

The Mediterranean School of Business is an English-speaking business school based in Tunis, Tunisia.

The strategy of the Mediterranean School of Business is based on innovation and making a difference for the country. Tunisia occupies a strategic position. We had great potential of becoming a regional hub of academic excellence and contributing to educating other parts of Africa. Tunisia can also aspire to lead other countries on how you can integrate into the world economy.

In order to have the desired impact, we needed to innovate compared to the standards of the prevailing educational system, which was based on the French traditional system, to meet local needs. Tunisia is one of the youngest countries of the region with more than 50% of the population

being under the age of 30. Because of the limitation of the capacity of the country to create new jobs, we decided to target the needs of all potential employers around the world for qualified managers. Therefore, it was important to offer "a global education".

Another important aspect of our programs in addition to globalization is the focus on entrepreneurship. This is very important because we want our graduates to be "job creators", not "future job seekers". To me, creating jobs is not necessarily creating a new company; you can work for a big company and be a job creator by developing the business.

Looking to the Best for Ideas and Talent

To achieve this, we based our strategy on the collaboration of ideas gained from meetings with some of the top ranked business schools around the world. I went to individuals at these institutions and said, "we want you to help us develop a regional hub of excellence." Knowing we could not attract permanent faculty for the long term,

we devised a program where we could capitalize on attracting short term visiting faculty to teach executive education. That's why we began our activities with the launch of an Executive MBA.

In fact, our courses were organized over a 4-day period. The faculty comes for only 5-6 days to teach the course, making it easier for professors to fit in their schedule. Next, we had to make it attractive to them by recruiting the best participants. We attracted people from different regions, having over 20 nationalities represented. Patiently start with one program, executive education, and devise a model that attracts the best. We ended up offering an executive MBA according to international standards.

Some universities and professors in Europe and America are interested in Africa. I, in turn, am interested in sending students to take a part of their program in Europe, North America or Asia. There is a mutuality of interests. One of the major problems for African business schools is the lack of competent faculty. Many of those who go to foreign business schools stay, because they are attracted by career opportunities offered to them. They never come back home to contribute.

Five years later we decided to enter the full time programs, because we began gaining full time faculty. Now we have full-time undergraduate and Master's programs.

Innovation and Vision

I started an English-speaking school for several reasons. First, I wanted to differentiate from others in the local market. Second, I wanted to offer global education according to international standards. Third, because of the greater access to elite faculty and good bibliographic excellence. Some people questioned why we didn't make the school bilingual. But I knew it had to be English and only English. Since we started the government has started a school in English, and now many other schools in the country are thinking of starting a school in English. This is one of the ways that we have been innovators in Tunisia.

Our focus is one, innovation in our teaching methods; two, differentiating ourselves because we are an English-taught school; three, the quality of our faculty; four the global approach; and five the way we are building our school. We are moving from establishing the initial individual relationships to institutional relationships.

Looking into the future, we hope that my vision will belong to a consortium of great

business schools. I hope our students will have the opportunity to finish part of their studies in any of our partner institutions up to an entire year. I also hope that our partner institutions will encourage their students to come and spend up to one year of their studies at our school. We hope to create a multi-cultural environment and unique learning environment, and also to contribute to the development of the world economy.

Students head to class on MSB's Tunis campus.





LESSONS LEARNED

What these stories tell us about developing world management education

THE STORIES OF

PIONEERS CUTTING NEW PATHS

PROVIDE UNDERSTANDING

AND INSPIRATION

TO CONTINUE THE JOURNEY

1.

Visionary champions breed success

All of these stories are told by or about a pioneer in business education. It takes the vision and drive of an entrepreneurial innovator with a passion to make a difference for an effective, sustainable institution to come to fruition. Whether we are talking about General George Doriot's establishing INSEAD in post-war France, Peter Bamkole working to help struggling entrepreneurs in Nigeria or Mahmoud Triki striving to establish a global business presence for the evolving Tunisia, the evidence shows that it takes a leader with a mission, vision and personal drive to make success possible.

2.

Integration with the business community is key

If business education isn't serving the business community, it won't work. By working closely with business professionals, each of these schools found ways to ensure that their students got relevant, applicable information that would help them in very practical ways once they completed their education. In addition, the involvement of the business community is critical to the sustainability of the schools themselves, as without their support the schools would not have students, experienced faculty, or jobs for their graduates.

3.

Independence is a primary factor in the ability to innovate

The schools we detail here are primarily private institutions that work outside of the traditional educational bureaucracies of their countries. This is not a coincidence. Problems abound in developing countries for business schools, including corruption, antiquated ideas about education and degree-granting, resource limitations and red tape galore. By decoupling education from government, educators can respond more effectively to the market conditions. They can develop curricula that are appropriate to their students and the business community. They can ensure sustainability through financial success as opposed to constantly worrying about government budgeting and the whims of officials. And they can prove new concepts that conservative governments may be reluctant to bet on.

4.

Young schools in emerging markets can innovate more easily than established ones

Each story reveals the importance of a fresh take on the needs and capacities for a particular market. Stale models won't work in a dynamic developing world, so nimble new schools have an advantage. Even established schools took a novel approach, providing independence and flexibility to their new business schools to allow them to thrive.

The challenges in developing management talent faced by businesses and schools in developing countries require innovative thinking. The models of funding, infrastructure, pedagogy and certifications that have been established in the developed world are not always applicable. The educational pioneers we have heard from thus far have shown us this quite vividly.

5.

Partnerships matter

Schools can use the pedagogy, reputation, structure and teaching tools of other more established schools without getting actual funding from them to help them build their capacity and reputation. In fact, every school we detail owes its success at some level to the support of other institutions. The influence of more established business schools and other pioneers in the field can help new and emerging educators avoid mistakes others have made, guide curricular and administrative decisions, and provide critical mentoring.

6.

Schools need a bold mission

A thread that runs throughout these stories is that of a mission to impact the community in some way. Each story has at its heart a mission to make people's lives better by fostering economic development through management education. These stories are not of people looking just to make their fortunes or to promote their name. They are of people driven to help improve their societies by ensuring they have the management and leadership talent they need to generate prosperity. Not one of them thought small, they focused on a bold, transformative goal and went for it.



THE PATH AHEAD

BUILDING CAPACITY TO MEET THE GROWING

DEMAND FOR SKILLED MANAGERS

The world is changing, economically, socially, and technologically. Demands for talent are evolving. The ways that people learn and work are different than ever before. We need to think differently in order to keep up. In this section we discuss some of these demands, and ways that educators, governments, development professionals and businesses are working together to address them.

The innovative schools featured in this publication are testimony to improvement during the last decade in the ability of the developing world to educate high-quality managers. Other schools have advanced, each responding to their chosen mission and market demand. These schools demonstrate that models of high-impact management education exist in many developing countries.

They are, however, still few and far between. Indian data provide a sobering backdrop, as they illustrate the magnitude of the challenge. A recent report sampled 32,000 Indian MBA students who completed their studies in 2011 from over 220 business schools, out of a national total of almost 3,000. The survey shows that graduates of top Indian business schools are highly employable, but that employability drops off sharply beyond the leading 15 or 20 schools. Graduates of all but the top schools lack the skills required for business consulting, marketing, sales, customer service, human resources management, and operations. The depressing conclusion is that while companies are desperate to hire well-trained talent for the fast-growing Indian market, several thousands business

schools educate students who do not meet employers' expectations.¹ India's situation is far from unique. The number of African business students is increasing sharply, yet only a small minority of business schools meet standards required by employers.

On the positive side, the number of top-quality Indian business schools has increased from a handful a decade ago – mostly Indian Institutes of Management – to about 20 today, with the advent of the Indian School of Business (whose story is summarized in the previous chapter) and others. Also, technological progress is opening up new seemingly unlimited frontiers to quality education.

The emergence of pioneering schools and rapid technological progress suggest complementary strategies around which action plans can be designed to grow the managerial talent pool of the developing world:

Strategy #1: Sustaining the development of successful local pioneering management schools (“nurturing success”)

Strategy #2: Scaling up access to locally relevant business education in order to attain nationwide inclusiveness (“toward inclusiveness”)

Nurturing Success

Even the most successful business schools in the developing world are facing serious challenges that they must overcome in order to respond to fast-growing demand for managerial and entrepreneurial talent.

Business, non-profit and public sectors alike have a need for improved management. Areas like food security, entrepreneurship, health care and education are strategically important for economic and social development are all dependent on skilled managers to be successful. Educators

in developing countries are responding to these needs with innovative programs that develop management skills for specific sectors. A great example of this is Nairobi's Strathmore Business School's healthcare management training program. Other examples include Universidad de los Andes's School of Management in Colombia, which offers a Masters in Environmental Management; South Africa's Stellenbosch Business School with an MPhil in Development Finance; and the Asian Institute of Management in the Philippines and their Masters in Development Management.

In order to address these development challenges, local business schools must continue to modernize their pedagogies. Local relevance is served by strengthening the schools' capabilities to produce and teach cases and to incorporate experiential learning into their curricula, such as student consulting assignments. The use of simulation games can also be a powerful tool for instilling problem-solving skills, independent thinking as well as the ability to operate effectively as part of teams. There is also a need for many developing world schools to strengthen their administrative services in areas like alumni relations, career support and recruiting efforts.

Networks and associations of business schools can be powerful tools for developing world schools to acquire and nurture best pedagogical and administrative practices relevant to local needs, especially when networks bring together schools from affluent countries as well as developing countries. The wonderful thing about diversity is that benefits do not accrue solely to the latter; more and more schools from affluent countries feel a need to enhance their fine-grain knowledge of developing countries and to strengthen their relationships with local business schools and other stakeholders.



GBSN's new Collaborative PhD program aims to prepare faculty to teach for developing world business schools

A very major constraint to sustained growth, which these schools are facing, is the difficulty and high cost of attracting, training and retaining high-quality faculty. The cost of studying for a doctorate is high, and brain drain often undermines efforts by developing world schools to grow their high-quality faculty.

Finding Qualified Faculty

In a 2012 survey by the Global Business School Network (GBSN) of developing world business schools, deans and directors from throughout Latin America, Asia, Africa and Europe reported that training or hiring more PhD-level faculty was a high priority, with some reporting needing over 100 new faculty in the coming decade. However, most PhD programs in the US, Canada and Europe only produce a handful of students each year, and the numbers are even smaller in the developing world. This shortage of PhD-level faculty drastically limits the number of entrepreneurs, accountants, marketers and managers trained and ready to move their countries forward.

Continued on page 36

PLANNING A LOCALLY RELEVANT BUSINESS SCHOOL

Q. What specific education needs do you plan to address?

A. The AKU Graduate School of Management is specifically intended to be more than a business school, offering programmes and expertise that will cover management issues across all sectors: private, public and social/ not-for-profit and those which promote engagement and understanding between professionals in the three sectors.

One area of focus for the school is management education in rural areas, which responds to the urgent need to strengthen management capacities and expertise in the most underserved regions within developing and emerging economies. The Management School could play an integral role in building capacities and developing new approaches to promoting income generation and economic empowerment, and on strengthening social service delivery in rural and marginalized communities.

Q. How is the final design likely to differ from existing models?

A. GSM will offer an unparalleled regional presence and focus on East African issues, but with an international reach to connect East Africa to the world and the world to East Africa. We will also focus on developing and emerging economies as the desired destination of GSM graduates rather than solely the source of its students.

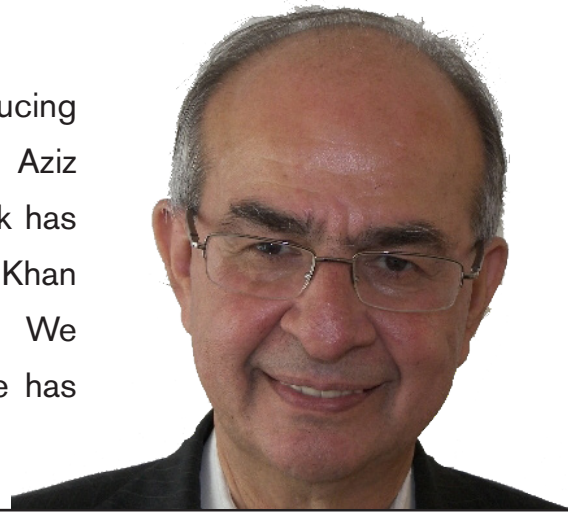
It will have a strong emphasis on interdisciplinary learning and research, in conjunction with existing and planned AKU faculties and other graduate professional schools focused on sectors and fields of high priority for developing and emerging economies in East Africa and globally, including: health, education, media and communications, tourism, etc.

Q. Which do you expect to be the most significant challenges you will face in implementing the final concept?

A.

- Competition – attracting the best faculty, students, partners, and resources available globally – in a burgeoning and highly competitive marketplace for business/management education.
- Critical Mass – creating a vibrant intellectual community from scratch, with many part-time/continuing professional education learners and multiple campuses.
- Convergence – avoiding silos and fostering collaboration with other AKU entities through the design of programme architectures, governance systems, organizational structures and faculty profiles.
- Sustainability – establishment of a high quality institution will require significant capital and operating resources, while the ability to charge fair fees is constrained by the affordability of the market.
- Pedagogical Content and Case Development – a major barrier to improved graduate professional education in developing/emerging economies lies in the dearth of pedagogical materials, training and resources that reflect global best practices while providing content relevant to developing/emerging market contexts. Insufficient emphasis on practice-based, student-centred learning – and on ethics, professionalism and social responsibility – is a weakness of graduate professional education in the regions, well documented across many disciplines.

What would a business school aimed at producing real development impact look like? Nazeer Aziz Ladhani of the Aga Khan Development Network has been working on that question with the Aga Khan University Graduate School of Management. We asked him about his goals, plans and what he has learned so far.



Q. How do you plan to measure impact?

A. While acknowledging that, in many instances, impact can only be indirectly attributed to GSM programmes and activities, in designing the broader indicators, consideration will be given to tracking:

- Student profiles and cohort diversity;
- Career progression of alumni;
- Degree of change (e.g. measured in terms of improved efficiency, growth, profit, and/or client satisfaction) within organizations in which GSM alumni work or with which the school has provided programmes, research or advisory services;
- Increased diversity of leaders and change agents within priority sectors, with particular attention to expanded professional opportunities for women and the replacement of expatriates at the management and executive levels by local talent;
- Number of new and innovative projects, enterprises, or products either led by GSM graduates or otherwise fostered by the school, which provide developmental benefits to the region – with particular attention to those addressing needs and opportunities in rural areas;
- Improved policies and/or regulatory frameworks within a given sector as a result of public sector capacity building programming; stakeholder dialogues; research; or advisory services; and
- Enhanced quality of educational and training opportunities in the field of management as a result of GSM pedagogical content development and dissemination, faculty training and other public service activities.

Q. What are the most important lessons for others who want to start a locally relevant business school?

A. There are a number of lessons that AKU has learned in the development to date of the GSM; Foremost among these are:

The mission of the school needs to be completely clear from the outset. This has major implications for the design and development of the type of school and programmes. For GSM, the mission is based on the conviction that leadership and management capacity are essential elements in fostering social and economic growth, and therefore components such as the focus on rural areas becomes of higher importance.

The type of school needs to be contextually based and locally relevant – there are no package solutions. To understand what is locally relevant, it is important to take a broad-based view of your desired operating context: What are the existing barriers to economic growth and development? What is the development trajectory over the next 20 years – and the demographic projections? Where are students/ employers currently going for education, research or training? Based on this detailed assessment, a school can be envisioned that responds to the needs of the economy and ensures a long-term positive impact for development in the region. At the same time, a comprehensive understanding of management education needs and trends internationally is critical, for the school must also enable its students and faculty to participate in global knowledge networks -- and to prepare its graduates to succeed in a globalized economy.

The approach to planning and establishing an institution in a developing economy is very different to that in the developed world. There is a significant lack of accurate information and secondary data – a necessary input to formulate detailed strategic and business plans. It is important, therefore, when validating a hypothesis not to rely solely on existing data but to conduct primary market research; engage in wide consultations with stakeholders, such as industry, academics, other business schools, potential students; and leverage a certain degree of intuition.



African entrepreneur Ismaila Faal was so desperate to find high-quality, practical management training for his staff that he even considered starting a training college himself. Faal is the cofounder and COO at Reliance, a microfinance institution in Gambia, a small country in West Africa. Gambia has no business schools, no management training market and no decent training colleges. It has a university, but lectures are largely academic, with little opportunity for practical on the job application. Even if Gambia did have a good business school, it is unlikely that Faal, whose young company provides micro-loans to people at the base of the pyramid, could afford to send its 150 young employees – all under 30, many in their first job – on expensive executive training courses. But Faal knows that if he doesn't invest in his people, particularly middle management, then his company simply will not grow. "The major strategic challenge we have right now is finding and building skills at the middle management level," said Faal. "It's holding back our growth."

Faal's experience echoes that of hundreds of thousands of small and medium-sized enterprises across Africa. SMEs have the potential to drive job creation in developing countries, but in order to deliver growth beyond the scope of their small founding teams, they desperately need to strengthen middle management. Our research at the African Management Initiative indicates that existing management education and training options in Africa are either too expensive, inappropriate for an SME context or simply do not exist at all. Africa has only 100 business schools – 1 per 10 million people – compared to over 3,000 in India. Of those, only a handful do a good job of

helping students translate theoretical learning into actual improved on-the-job performance. Africa's private management training market is fragmented and opaque, with patchy quality. And it's not just SMEs who need more accessible training – young managers and future managers need to develop the kind of practical skills required by employers to help avert a looming youth unemployment crisis. At AMI, we identified a few pockets of excellent management and entrepreneurship training, such as the Pan-African University's Enterprise Development Centre in Lagos, or the Goldman Sachs *10,000 Women* programme. But offline programmes sometimes cost almost as much per classroom hour as an MBA, and usually require long-term donor funding. They are hard to scale. It's the Ferrari model, in a market that really needs a reliable Toyota Corolla.

At AMI, we are working to revolutionise management education and training in Africa. We believe high-quality, practical and relevant management development should be accessible for the hundreds of thousands of SMEs and young managers who will never set foot in a business school. This kind of revolution would strengthen small and medium sized businesses, drive job creation and prosperity, and ensure that young managers and future-managers have the right skills to succeed in 21st Century Africa. Technology can help make that happen.

AMI is partnering with leading African business schools to develop the first Massively Open Online Course (MOOC) designed by Africans for Africans. We aim to bring high-quality, practical training to hundreds of thousands of young managers, knowledge workers and small



A REVOLUTION IN MANAGEMENT EDUCATION FOR AFRICA

business owners across the continent for free, by combining online content with an innovative peer learning model and optional paid-for offline support.

MOOCs are sweeping the United States. Platforms such as Coursera, Udacity and EdX have attracted more than 3 million learners over the last few years by offering world-class education online, entirely for free. These organizations typically feature top professors from leading universities and deliver courses to hundreds of thousands of people at a time from around the world. While leading players are still experimenting with the long-term business model, the approach has huge potential for Africa. Imagine if anyone, anywhere could learn from Africa's most engaging business teachers, most effective business leaders and most insightful business coaches. Yes, the technology will have to be adapted. Our MOOC, for example, will feature shorter video segments than a typical US-style MOOC, with a low-bandwidth audio-only option. It will be optimized for mobile and low-cost tablets. Our content will also be adapted to reflect the specific requirements of African businesses and the complexities of African business environments (as far as these can be generalized). But the vision is entirely possible. Two of Africa's leading business schools have already signed up to offer content and put their brands behind our course. Learners will earn a certificate of completion.

“

There is an Africa that you don't hear about very much... this is the Africa that is changing, the Africa of opportunity, the Africa where people want to take charge of their own destinies.”

- Dr. Ngozi Okonjo-Iweala

We often hear the questions – Will online work in Africa? Surely we need face-to-face teaching to really make a difference? In our view, it's not an either-or. We will encourage all our learners to work through the online material with a buddy, and to immediately apply what they have learned to their job or business. Even better, our users will form peer study and discussion groups – based on our guidelines and offline exercises and material. And because we know that some people still learn best in a more traditional setting, we will offer a facilitated version of the MOOC, where skilled coaches will help groups of managers and entrepreneurs translate the world-class content into on-the-job performance improvement.

We also know that a course – whether online or offline – will not be enough. To really help managers and entrepreneurs improve their performance, we need to encourage repeated practice. Our long-term vision is to develop the existing AMI Virtual Campus into an online learning and coaching platform that will help managers and entrepreneurs build their portfolio of skills and competencies, ultimately contributing to a network of people committed to lifelong learning and to transforming Africa through excellent management.

AMI is currently seeking funders, sponsors, technology partners, channel partners and advisors. We will be launching a micro-pilot shortly, with the full course launching in late 2013. To learn more or to get involved, please contact AMI Director Rebecca Harrison at rebecca@africanmanagers.org.

Currently, students and faculty in developing countries have two options when pursuing a PhD. They can either attend local doctoral programs that tend to fall below international standards, or leave to pursue a degree from an institution in an advanced country, which often contributes to the aforementioned “brain drain.” In the GBSN survey, business school leaders reported that while they are using multiple avenues, including in-house training, recruiting from other schools and sending current junior faculty abroad to earn doctoral degrees, they are still not able to fill their classrooms with the expertise they need.

Furthermore, the current approach to doctoral level training in the developing world does not address the underlying, systemic causes of the shortage. In many cases universities in developing countries lack the funding and capacity to produce their own doctorates. In a study produced by the European University Association, schools in Asia, Africa and Latin America were found to face significant systemic barriers to producing the needed number of PhDs.¹ This is partly because many schools don’t have the senior level PhD faculty needed to mentor junior faculty in their doctoral work. Barriers also include financial constraints, quality of incoming students, and certain government rules and procedures: The GBSN survey found only limited collaboration among schools to address the challenges in training PhDs and few offering or using online courses or other modern technologies as a tool.

In short, as its markets expand, the developing world is not producing enough PhDs to meet its needs and the supply of well-trained local graduates is increasingly lagging behind employer demand. Universities struggling to train and recruit faculty to provide high-quality, locally relevant business education need a new solution.

GBSN’s is spearheading a collaborative PhD initiative that offers an innovative and cost-effective approach to overcoming this fundamental challenge. See the box on the next page for more details on this program.

Tracking Success

As the leading schools continue to diversify their offerings, improve their pedagogies, and nurture faculty talent, they will provide tangible evidence of what can be accomplished in difficult markets. Low-cost tracer surveys can demonstrate how the programs offered by these schools help to change lives for the better as students find good jobs, or start-up or grow small enterprises. Employers and students now see tangible evidence that local business schools dispense high-quality education at lesser cost than studying abroad. Where demand for talent is strong, market forces will put pressure on second-tier schools to emulate pioneers. This is what is happening in many developing countries. For example, in India The Great Lakes Institute of Management was founded by a returning Diaspora faculty and is making great strides in building a modern, locally relevant business school that produces graduates that fill employers’ needs. Several new Kenyan business schools are emulating the examples of USIU’s Chandaria School of Business and Strathmore Business School, which were established to raise the bar on management education in Kenya.

Taking it Public

Most of these new schools are private, and this raises the larger issue of capacity building within public universities. In the developing world, until quite recently, few government universities offered business education that met employers’ needs. There are many reasons for this. To academia, business education is a fairly new discipline, and except in the United States public

universities are often quite divorced from the world of business. Business faculty normally require higher salaries than most other professors, because of the alternative employment opportunities they find in the private sector. This poses complex problems to university regulators and administrators. These issues are of national importance when it comes to growing the managerial talent pool, because the vast majority of students attend public universities.

During the last decade an increasing number of developing world universities have grappled with these issues, and many have found ways to improve the quality and relevance of business education. In all cases the solutions involved granting business schools a greater measure of autonomy within the university system. Autonomy enables business schools to charge tuition fees, which are usually shared between the school and the university to which it belongs. An increasing number of public sector business schools have made progress on this front, often spurred by the example of “pioneer schools” like those described here. Greater autonomy can be gained by setting up independent specialized centers focused, for example, on executive education, entrepreneurship or NGO management. There are many examples of such centers throughout the developing world, which function much like private sector schools.

What public universities can and cannot do ultimately depends on national policy. In most developing countries a thoroughgoing reform of the institutional framework governing university education is needed in order for public business schools to catch up with market demands. In India, for example, the national institutional framework is such that neither the Indian Institutes of Management nor the Indian School of Business, which together are at the top of the rankings, are permitted to award MBA

A Global Collaboration to Train PhDs

GBSN's Collaborative PhD Initiative will allow students in developing countries to access, at a moderate cost, internationally competitive doctoral level training from top-level faculty members around the world. This approach relieves the developing world business schools of the full financial burden of hiring and maintaining experienced PhD-level faculty in house and gives them unprecedented access to world-class expertise that will enable them to develop their institution's internal capacity.

By maintaining residence at a local institution, students are more likely to remain in their home countries to teach, and to focus their research on locally-relevant issues. Degrees will normally be awarded by home institutions, reducing the likelihood of brain drain. The Collaborative PhD Program is a tremendous opportunity for business schools and funding partners to make an investment that makes a lasting, measurable difference in people's lives, while meeting their own long-term needs for skilled, ethical managers.

efficiency has not been documented more broadly, and their role is not yet fully appreciated. More generally, donors have spent enormous amounts of money on often short-term technical assistance and very little on faculty development and other forms of capacity building. A signal exception is long-term public and private donor support to the African Economic Research Consortium (AERC), a successful institution which over the last 15 years helped to generate hundreds of African PhDs in economics.

As another form of public-private partnership, the public sector can itself establish business schools and guarantee autonomy, including private management. The Republic of Congo's government is proposing to follow this path toward establishing a high-quality business school for the Central African region. Lastly, international networking organizations include public and private business schools, which, engage in collaborative exchanges and programs.

Toward Inclusiveness: Technology

So far, the discussion has focused on better business schools for the developing world, but growing the managerial talent pool transcends the realm of business schools. Rapidly evolving technology is sending shock waves through education systems worldwide, causing massive "disruptive innovation."

Educational content available on the internet and the spread of new delivery modes are changing the education ecosystem worldwide, and hold the potential to bring relevant business skills to millions of underserved persons. Business schools are adjusting to these shocks in multiple ways, experimenting and seeking their way.

Three interrelated trends are having the most impact: the improvement of online

degrees. Conversely, the vast majority of public universities are greatly inhibited in their ability to innovate, because of regulations that restrict their ability to introduce innovative curricula and pedagogies and to remunerate faculty according to their alternative job opportunities. Therefore, emulation of pioneer schools will be limited until regulatory "space" is created that accommodates the growth of high-quality business schools within public universities.

Public-Private Partnerships

Public-private partnerships offer a fruitful potential avenue for strengthening business education in the developing world. They can take many forms. The private sector

has demonstrated its capacity to grow successful business schools in the developing world. While these schools' revenues from student and participant fees normally meet operating costs, most of them lack funding for physical capital such as expanded buildings, and often also the up front investment required for faculty development programs. The public sector – governments, bilateral official aid agencies, and International Financial Institutions, such as the World Bank and the regional Development Banks – has the capital that the pioneer schools lack. Up to now very little official funding has been made available to private business schools in the developing world, perhaps because their development impact on national

education, the adoption of new technology by major universities, and the mobile delivery of education. The first two are creating massive changes that will affect all of higher education, but in developing countries mobile delivery may have the most potential for disruptive innovation.

The first trend – improved online education – means that the supply of digital educational offerings is growing at an exponential rate. In Africa, for example, sales of cloud-based e-learning products are increasing at nearly 40 percent a year, albeit from a low base. Worldwide, the growth rate is 7.6 percent, with revenues exceeding US \$35 billion.

While some online providers in the industrialized world offer top-notch educational opportunities, many of these providers in developing nations have yet to prove their quality, relevance, integrity, and value to employers. But it is only a matter of time before we see higher quality among players in this part of the market. And demand for these online offerings will continue to grow as computer access becomes almost universal in advanced economies and increases quickly in the developing world.

The well-established business schools are adopting some form of online education, whether courses are entirely virtual or are delivered in a blended format, which includes face-to-face interactions with faculty. In a recent survey by the Global Business School Network more than 80 percent of responding business schools (from developed and developing countries) say that technology is changing the way they deliver education. They know that technology can help them reach more students at a lower cost—but they're still figuring out how.

New technology allows schools to provide courses on screens that closely simulate face-to-face delivery across geographies.

Technology also powers the “flipped classroom,” in which students view videos and online materials for their homework; when they come to class, they discuss material they have already learned off-site.

As broadband access continues to improve, the growth of online educational programs represents a challenge to management schools in the developing world. Local schools can, however, turn this challenge into opportunity. First, competition from online programs is a spur to enhance their own programs, emphasizing local relevance, which many imported programs may lack, as well as nurturing their students' curricular and extra-curricular community experience, which few online programs provide. Second, schools may be prompted to re-examine their palettes of offerings as well as their revenue models in light of competition from online offerings. Third, some developing world schools may decide to offer their own online programs, tailored to meet the particular needs of their local markets.

The third potential revolution is a result of the incredible spread of mobile phones throughout the developing world. While only a minority are “smart phones,” these are gaining ground very rapidly as their cost, and that of connecting, come down. Because computer penetration is still very low in most countries of the developing world, mobile phones are being put to far more uses than in more affluent countries. Mobile phones have achieved unprecedented reach and inclusiveness. As is well known, mobile banking has conquered the developing world. In Kenya, the pioneering country, the equivalent of a third of GDP flows through mobile money transfer systems. The use of mobiles is also very widespread in health care and in agriculture. Until now, however, the use of mobile phones in education has been limited, and that mostly in reading and financial literacy.

Harnessing the power of mobile phones in support of business education would make it possible to reach many of those whose lives could be improved most dramatically, for example, young slum residents who are seeking entrepreneurship opportunities. Just as mobile banking sprang to life in the developing world, where it is most needed, it is likely that solutions to technical and other obstacles to mobile education will originate there. If educational programs can be made interactive, mobile phones would become an ideal medium for spreading entrepreneurial and managerial skills. In addition to overcoming technical challenges, business models need to be developed, which would spur the development of mobile education.

In coming years, management education will see changes like never before. An increased reliance on mobile educational delivery will transform the traditional integrated structure, in which universities supply the entire value chain, from knowledge generation to course delivery. In future, it is likely that only schools with big endowments or access to public funding will be able to afford knowledge generation; most business schools may become “pedagogic engineers,” whose role will be to adapt to local needs the knowledge that is created elsewhere. This shift will be greatly facilitated by mobile technology, which is enabling education in all fields, at all levels, in all geographic locations. Traditional business schools must figure out how to incorporate mobile delivery into their educational offerings so they, too, can benefit from the disruptive technology that is shaping the future.

ⁱ National Employability Report – MBA Graduates – Annual Report 2012, AspiringMinds – Employability Quantified, Delhi

ⁱⁱ “Cooperation on Doctoral Education Between Africa, Asia, Latin America and Europe,” European University Association, 2012.

GBSN PROGRAMS

IN ACTION

Global Business School Network capacity building programs advance management education for the developing world

BUILDING CAPACITY TO CHANGE THE WORLD

In 2013 the Global Business School Network celebrates 10 years of building management education capacity for the developing world. Our programs are core to achieving our goal of improving the pool of management talent that the developing world needs to achieve prosperity. Drawing talent and expertise from our network of leading business schools, GBSN designs and implements programs that help management educators and institutions in developing countries achieve international excellence with local relevance.



GBSN has worked with governments, foundations, corporations, public and private schools, and funding agencies to improve social and economic development in developing countries. Some of our work has been mentioned already in this book. For instance, we played an integral role in the development of the Enterprise

Development Center in Nigeria, and then spread their model around the globe by working with Goldman Sachs on their *10,000 Women* initiative to educate female entrepreneurs. We helped ISM in Senegal develop the first local case studies in francophone Africa and worked with Strathmore Business School to develop a Micro, Small and Medium Enterprise (MSME) training program.

Our programs focus on:

- Faculty and Curriculum Development;
- Program Monitoring and Evaluation;
- Strategic Planning;
- and Program Design and Administration.

We make the most of limited resources, building teams of experts that no one business school could spare on its own.

Our programs have taught action-based teaching techniques to faculty in Malaysia, developed management training for health care workers in Africa and provided strategic planning for a new business school in Pakistan. The following are a few programs that demonstrate how GBSN has, and continues to, contribute to build management education capacity in developing countries.

PROGRAM SPOTLIGHTS



BRINGING ACTION-BASED LEARNING TO

MALAYSIAN BUSINESS STUDENTS

GBSN brought together faculty from top business schools in the US and Asia to develop and implement a workshop to train faculty in Malaysia on modern action-based learning techniques, providing practical logistical advice on program design and implementation, as well as pedagogical training. To follow up the training, GBSN is engaging a team of MBA students from a mentor school to identify courses where action learning can be amplified or introduced into the curriculum.



STRENGTHENING AGRIBUSINESS THROUGH

MANAGEMENT TRAINING

GBSN is working with business schools in Africa, individually as well as through the Association of African Business Schools, to promote business and management training for the agriculture sector. Through these initiatives GBSN is supporting the development of new agribusiness entrepreneurship programs as well as management training for agricultural organizations including NGOs, farmer organizations, and commercial entities. With better management in the sector, GBSN and its African business school partners expect to increase productivity and efficiency, increasing food security and improving the livelihoods of African farmers.



ADVISING A NEW BUSINESS SCHOOL

GBSN worked with the Karachi Education Initiative, a consortium of Pakistani business leaders, to advise on the establishment of a new business school in Karachi, Pakistan. GBSN set up an international advisory board to actively guide the development of the school and tapped in to the network to identify advisors with specific experience and expertise relevant to the project.

MEMBER SCHOOLS



Executive Board Member Schools

Babson College, USA
Kenan-Flagler Business School, University of North Carolina at Chapel Hill, USA
Lagos Business School, Pan-Atlantic University, Nigeria
Mediterranean School of Business, Tunisia

MIT Sloan School of Management, USA
Stephen M. Ross School of Business, University of Michigan, USA
University of Maryland's Robert H. Smith School of Business, USA
University of St. Gallen for Management, Economics, Law, Social Sciences and International Affairs, Switzerland

Member Schools

Asian Institute of Management, Philippines
Babson College, USA
Chandaria School of Business, Kenya
Colorado State University College of Business, USA
Columbia Business School, USA
Copenhagen Business School, Denmark
Darden Graduate School of Business Administration, University of Virginia, USA
Darla Moore School of Business at the University of South Carolina, USA
ESADE Business School, Spain
ESCA, Ecole de Management, Morocco
ESSEC Business School, France
Fundação Dom Cabral, Brazil
George Washington University School of Business, USA
Gordon Institute of Business Science, South Africa
Grenoble Ecole De Management, France
Haas School of Business, UC Berkeley, USA
Hong Kong University of Science and Technology, China
IESE, Spain
IMD, Switzerland
Indian School of Business, India
INSEAD, France
Institute of Business Administration, Karachi, Pakistan
Institute of Management Technology, Ghaziabad, India
IPADE Business School, Mexico
Johnson School of Business at Cornell University, USA
Kellogg School of Management, USA
Koç University's Graduate School of Business, Turkey

Kogod School of Business at American University, USA
Lahore University of Management Sciences, Suleman Dawood School of Business, Pakistan
London Business School, United Kingdom
National University of Singapore, Singapore
Nova School of Business and Economics, Portugal
SDA Bocconi School of Management, Italy
S.P. Jain Institute of Management and Research, India
St. Petersburg State University Graduate School of Management, Russia
Strathmore Business School, Kenya
Sydney Business School, Australia
Thunderbird School of Global Management, USA
Tuck School of Business at Dartmouth, USA
UCLA Anderson School of Management, USA
Umeå School of Business, Sweden
UNISA Graduate School of Business Leadership, South Africa
Universidad de los Andes School of Management, Colombia
Universidad del Desarrollo Escuela de Economía y Negocios, Chile
Universita Cattolica del Sacro Cuore, Italy
University of Cape Town Graduate School of Business, South Africa
University of Chicago Booth School of Business, USA
University of Southern California, Marshall School of Business, USA
University of Stellenbosch Business School, South Africa
Wits Business School, South Africa
Wilfrid Laurier University School of Business and Economics, Canada
Zhejiang University School of Management, China

GBSN's mission is to build management education capacity for the developing world.

We harness the power of a global network of leading business schools to facilitate collaboration and share knowledge, advancing management education that delivers international best practice with local relevance.

*as of June 2013

GLOBAL BUSINESS SCHOOL NETWORK

Building Capacity to Change the World

Towards a vision of the developing world having the management talent it needs to generate prosperity, GBSN works to improve local management education. Through cross-border networking, knowledge sharing and collaboration, GBSN programs build the capacity of developing world business schools to deliver international best practice with local relevance.

Our international network of leading business schools on six continents provides a deep well of expertise that GBSN focuses to improve the quality of management education for the developing world.

Visit us at
www.gbsnonline.org

