

♦ THE FIRST SWALLOWS ♦

New fizz

Foreign B-schools are making their way to India through one route or the other

If you talk about Harvard in India – allowing for the difference in pronunciation – you’d probably be referring to the extra strong beer from the SABMiller stable. Haywards, the beer, has more brand salience than Harvard, the university. At some forums for MBA aspirants, ‘extra strong’ is slang to describe an attempt to gain admission to an Ivy League college.

Harvard is not about to set up shop here any time soon. The Foreign Education Bill, which is making its way through Parliament, will open the floodgates for foreign institutes. But the top-order B-schools, contrary to the expectations of the Indian government and the public, have no intentions of starting campuses here. Unlike several Indian B-schools that are proliferating both in India and abroad, the top US schools feel they have a brand to protect. They don’t want to go on record. But they are clear that setting up, say, six more IIMs lowers standards. The newer IIMs – even those that have been around for 25 years – are nowhere near the league of the top three – Ahmedabad, Bangalore and Calcutta.

Yet India is a huge market for education. And foreign B-schools are making their way to this country through one route or the other. For the Ivy League schools – Brown University, Columbia University, Cornell University, Dartmouth College, Harvard University, Princeton University, the University of Pennsylvania and Yale University – partnerships and a phased entry is the prescription.

“Yale has 50 programmes in place in India, which are research-based. Some have been conducted for the past 5-10 years or more,” says George Joseph, assistant secretary, international affairs, of the univer-



A Harvard executive education programme in progress

sity. The initiative also expands the university’s visibility in India through student recruitment, faculty and student exchanges, research partnerships and leadership education.

Harvard Business School echoes this sentiment. “HBS is committed to expanding our intellectual footprint in India, offering additional executive programming and creating research opportunities to interact with Indian companies and businesses,” says Anjali Raina, executive director, HBS India Research Centre. The India centre was set up in 2006. It is the latest addition to the global network of six such centres, which are involved in executive education and developing case studies.

Wharton has been collaborating with executive search and talent management firm Egon Zehnder International for the past five years offering executive education programmes. It also has a collaboration with ISB, Hyderabad.

Away from the Ivy League, US B-schools are more active. Duke Corporate Education has signed an agreement with IIMA for customised programmes in India and West Asia. Executive development programmes are lucrative and both Duke and IIMA want to get on the bus early. The fees range between \$100 and \$6,000 per day and the duration a couple of days to several months. Recently, Duke announced it

will set up an Indian campus in Delhi, Mumbai, Chandigarh or Pune.

Carnegie Mellon University has collaborated with the Punjab government to start a Punjab National University on a 35-acre complex. The Toronto-based York Schulich School of Business has launched a two-year MBA programme along with S.P. Jain Institute. It has also tied up with the GMR Group to set up a campus in Hyderabad. The London School of Economics has affiliations with the Indian School of Business and Finance, New Delhi.

“We are just starting,” says K.S. Ramesh, senior advisor, executive education programme (India), Joseph M. Katz Graduate School of Business, University of Pittsburgh. “US universities are interested in their own students coming here to study. I am facilitating the first such programme between the University of Pittsburgh and IIM Indore. We also plan to bring visiting faculty to IIM Indore.”

There will be some hurdles, however. The Foreign Education Bill may have ceilings on salaries, which will keep talented faculty out. There is also a requirement that foreign universities seeking entry should deposit ₹50 crore with the University Grants Commission. There is evidence that a plethora of permissions will be needed. The path of higher learning is never smooth. But in terms of higher earning – for the institutes as well as the students – it is certainly not small beer.

♦ ARZOO DINA with inputs from PADMA RAMNATH



George Joseph

♦ WOOING ALUMNI ♦

A season of giving

B-schools are pulling out all stops to get donations from alumni

If you look at big-buck donors to Indian colleges, you will find something thought-provoking. IITians are the ones doing most of the giving. The IIMs, on the other hand, are barely in the picture. But the IITians are not setting up engineering colleges; they are funding management schools.

The two high-profile donations so far have been from Shailesh J. Mehta, who provided the initial corpus for the Shailesh J. Mehta School of Management at IIT Bombay, and Vinod Gupta, who did the honours for the Vinod Gupta School of Management at IIT Kharagpur. “The management school needed that extra thrust to make a complete institution,” Mehta had told *Business India* some time ago. “I was happy to contribute.” The IITs – particularly Kharagpur, which has adequate land and scope to acquire more – are expanding disciplines also. Kharagpur is now setting up a medical college.

Mehta and Gupta are not the only people in giving mode. They shelled out \$2 million each. Victor Menezes, who retired as senior vice-chairman of Citigroup, gave \$1.5 million, the first instalment of his \$3 million pledge. Kanwal Rekhi donated \$3.31 million for the Kanwal Rekhi School of Information Technology at IIT Bombay and pledged another \$1.25 million. Nandan Nilekani donated \$2.7 million.

But the government has been doing its bit to drive away this money. A few years ago, it set up Bharat Shiksha Kosh as a society registered under the Society Registration Act. All donations, including those from NRIs, would have to be channelled through this body to be entitled for tax benefits.

The NRIs refused to play ball; they didn’t know where the money would end up. Gururaj ‘Desh’ Deshpande of Sycamore withdrew his offer of \$10 million and funded the Deshpande Centre of Technological Innovation at the Massachusetts Institute of Technology instead. The grant: \$20



Jamnalal Bajaj Institute of Management Studies

Ranking by Alumni Strength

1. Jamnalal Bajaj Institute of Management Studies, Mumbai: 30,000+
2. Faculty of Management Studies, New Delhi: 29,000+
3. Indian Institute of Management Ahmedabad: 28,000+
4. Indian Institute of Management Calcutta: 15,000+
5. XLRI Jamshedpur: 13,000+

million. Rekhi says there are other hassles. “The government wants to know the source of the funds. What business is it of theirs?”

Slowly, however, the institutes are getting their act together. There is even a rate list at some places. At IIT Bombay, \$200,000 can get you a named faculty chair. At IIT Kanpur, you have to pay up Rs40 lakh (around \$90,000) for that. Some of these colleges are also appointing senior deans whose specific job is to organise alumni donations.

B-schools, which have a bigger problem gathering donations, are pulling out all stops. Alumni meets – 25-year anniversaries are being celebrated at

schools that have the necessary vintage – are held annually. “We are acquiring property in key cities to help our alumni conduct their business when they visit the city from within the country or abroad,” says A. Balasubramanian, founder of the Balaji Society, which has four B-schools and nearly 2,000 students under its umbrella.

Alumni are also extending a helping hand in other ways. “The JBIMS (Jamnalal Bajaj) alumni association of Singapore is planning a series of activities to support existing batches with summer internships as well as final placement opportunities,” says association president Sharad Somani.

While individual donors may be responsible for many of the major gifts, corporate donors have their part to play too. Big corporate houses seek strong ties with B-schools, as this is where they recruit heavily from. Donations to scholarship funds and prizes raise their profile on campus. At London Business School, corporations that donate significant amounts of money are assigned stewardship managers within the development office who help them interact with faculty members or arrange student events. Corporations also tend to donate to B-schools because it’s a two-way street. Corporate donations that help fund an executive education centre give local executives a place to improve their managerial skills.

Yet, B-schools will always suffer from a disadvantage when it comes to donations. By and large, IITs create entrepreneurs. When they strike it lucky, as so many have in the US, they could be talking really big money. The four Indian Americans who have made it to the *Forbes* 400 Richest American list are all techies. MBAs from the IIMs are generally executives. They may go on to head some of the world’s largest companies, they may get on the highest-paid executive lists, but it is rare to find any on the richest lists. You don’t make serious money working for someone else. Compared to IITians (though it is only small numbers from the IITs that make it big), MBAs will be poor cousins. So, why does every engineer want to become an MBA?

♦ A. THOTHATHRI RAMAN with inputs from

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