

New B-schools take slow and steady steps towards growth

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Around 185 business schools closed in 2012, and another 150 are struggling for survival. While these figures could lead to the perception that the future of management education is not bright in India, an equal number of new schools are being added every year. These new business schools, which have opened in the past two to three years, are aiming to bridge the quality gap in MBA programmes in India, through their strategies.

MYRA School of Business, Universal Business School, Fazlani Altius Business School and Vanguard Business School are some of the new players that have entered the space in the last two years. With initiatives for entrepreneurs, first-line managers and by having international faculty, they are trying to attract students on board.

Take MYRA School of Business. It will have its first batch in the campus in mid-2013. With an initial student strength of 40-60, this school is looking at attracting prospective entrepreneurs. Shalini Urs, founder and chairperson said, "Mediocre schools will close down. But there is a demand for quality education and that is where we come in. Our international faculty is our strength."

The institute will offer a two-year post graduate diploma in management, approved by the All India Council for Technical Education (AICTE). William Verdini, associate dean and director external relations, said the institute will enable students to work on live projects in companies. "Since these students would be working with companies from the first year itself, the whole process of relationship building is facilitated that can help students later during placements," he said.

Fazlani Altius Business School (FABS) which commenced operations in 2012 from three campuses, also plans to expand in 20 other Tier-II and Tier-III cities in 2013. FABS is founded by individuals from the business community and aims to be an engine of growth for business communities. While it commenced its academic year with two specialised post-graduate programmes — masters in applied human resource management and the masters in sales & marketing management — it is now expanding to courses like investment banking and securities operations among others. At the time of its launch, FABS

SPREADING WINGS

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- Fazlani Altius Business School, which commenced operations in 2012 from three campuses, also plans to expand in 20 other Tier-II and Tier-III cities
- Vanguard Business School, set up in 2011, has seen 100 per cent placements this year
- B-schools are also banking on international partnerships to attract students

had said their Masters in Applied Human Resource Management programme would be offered in collaboration with the Society for Human Resource Management (SHRM) and offer specialisation in contemporary electives such as HR Analytics. Their masters in sales & marketing management offers simultaneous selection where students receive a Letter of Intent from companies along with their programme admission letter.

From 2004 to 2007, business schools mushroomed. With a booming economy and high demand for managers, MBA was 'the' course for young graduates. However, with the slowdown that followed, hiring activity also remained subdued, and hence demand for these courses fell. With seats lying vacant and high infrastructure costs, many B-schools decided to shut shop. However, a new wave was seen in 2011-12, where the economy showed signs of recovery.

This prompted the mushrooming of new management institutes, many of them founded by corporates.

Vanguard Business School, which was one of these new schools that came up in 2011, has seen a good placement season this year. Arks Srinivas, director, said they recorded 100 per cent placements. This school, according to Arks, is committed to build managerial skills among the first level managers in companies.

"Any company requires lot of people at the front-end in the ₹3-5 lakh pay category. This is the segment that we are catering to," he said. Apart from keeping the fee at ₹4-5 lakh, which Arks said was among the lowest in the industry, the

institute is looking to launch courses in areas like retail, analytics and finance. They are also looking at having corporate partnerships and is aiming to break-even in the next two years.

International partnerships is also an area which the institutes are banking on. Universal Business School in Mumbai, already has a partnership with Cardiff Metropolitan University, UK, which allows them to grant International MBA degrees in India. This is approved by AICTE. Tarun Anand, co-founder and executive director at the business school said they would look to get international accreditation. The institute also has partnerships with several universities in the UK, Germany, France, Portugal, Greece, Lithuania, Estonia and Russia.

Anand said they had 60 CEOs who had endorsed the school. "We want our students to become environmentally and socially responsible ethical managers, with a focus on hand's-on learning, so that they become valuable assets for the industry. We have a global trading room on campus, which allows one to trade global cross asset markets in real time. Our faculty is made up of CEOs who have led multi-billion dollar companies in over 100 countries," he added.

The school has seen an increase in the number of applicants, and Anand said they had four times the number of applicants from last year. They are also in discussion with Ivy League schools for various partnerships on executive programmes.

While new business schools come up, industry experts said the quality issue was crucial for them to survive. "You may be offered excellent facilities at a low cost on campus. But the institute is not worth it, if a candidate is not able to clear a job interview at the end of the course," said a Mumbai-based education consultant.

A paper by the Associated Chambers of Commerce and Industry of India (Assocham) this year said barring the Indian Institutes of Management (IIMs), other B-schools are losing the shine of attracting corporate India for campus recruitment and are increasingly facing the problem of survival; only 10 per cent of the graduates are actually employable despite the robust demand for MBAs.

"In the last five years, the number of B-schools in India has tripled to about 4,500 amounting to as many as 3,60,000 MBA seats, collectively. The demand has begun to deflate now, as the economic growth rate hits its slowest in the last nine years, and the quality of education provided by B-schools came under the radar," the paper noted