

FEATURE ARTICLES

MBA Program Madness

MBA offerings keep sprouting up in South Florida — with local and national institutions competing to snag professionals in search of the perfect fit for their busy lifestyles. By Mike Seemuth

The business community will take all [the MBAs] we can send them. — Frank Brogan, president of Florida Atlantic University

Frank Brogan understands well the sacrifice of working full-time while studying part-time for a master's degree. The president of Boca Raton-based Florida Atlantic University was a fifth grade teacher in Martin County in the early 1980s when he started pursuing a master's degree from FAU in his off-hours. He drove twice a week for two years to an FAU satellite classroom 25 miles away in Fort Pierce to earn his post-graduate degree in education administration.

"I had a family, a full-time job, and could not spend full time on a master's degree," Brogan says.

He sees the same determination in part-time students with full-time jobs seeking master's degrees from FAU's Barry Kaye College of Business: "These are people that not only work — they work long hours and still are hungry for that MBA."

Brogan says MBA program graduates are hot commodities among employers in Broward and Palm Beach counties and farther north. "The business community will take all we can send them. These are high-level, white-collar businesses that continue to tell us they very much need more MBA-trained individuals," he adds.

MBA programs keep sprouting up in South Florida, competing hard among themselves to snag professionals — and even local universities are seeing more competition from out-of-town institutions that expanded into South Florida during the last five years.

The newcomers include the University of Florida's Warrington College of Business Administration in Gainesville, which operates out of a community college facility in Weston, and Northwestern University's Kellogg School of Management in Evanston, Ill., which operates an immersion-style program at a hotel in Coral Gables.

The competition has spilled over into virtual classrooms as well. Warrington and other business schools have introduced all-online graduate programs, and in doing so, they have eroded the geographic advantage locally-based MBA programs once enjoyed in recruiting part-time students with full-time jobs in South Florida.

The competition is particularly interesting because, compared to the the nation as a whole, South Florida has relatively few jobs in management. While the nationwide average of managerial jobs as a percentage of total jobs is 4.4 percent, it ranges from 2.9 percent in Miami-Dade County to 3.2 percent in Broward County to 3.3 percent Palm Beach County, according to May 2006 data from the US Bureau of Labor Statistics.

Competing For Students

Still, local universities continue to compete hard even as out-of-town rivals set up shop here. They, too, have begun offering MBA programs for full-time working professionals online and in locations beyond their main campuses.

FAU, for example, offers an executive MBA program at its main campus in Boca Raton and at two other South Florida locations in Davie and Fort Lauderdale. Its business school has an all-online version of the program for graduate students whose schedules preclude commuting to class.

"The world of distance learning just can't be ignored," Brogan says. "It is providing unbelievable access to the consumer. Nothing will ever stop the competition that exists now, and more will exist in the future as more and more people go into the business of online education programs."

Beyond academics and schedule flexibility, graduate programs for executives also compete on price.

Depending on how many prerequisite courses they may have to take, South Floridians with full-time jobs who earn an MBA part-time can expect the total tuition bill to span the \$20,000-\$30,000 range at FAU or Nova Southeastern University, the \$45,000-\$50,000 range at Florida International University and the University of Florida and from \$64,800 at the University of Miami to \$126,000 at Northwestern's Kellogg school.

It can be hard to make direct financial comparisons. For example, the price of an MBA with a concentration in international business from FIU covers the cost of an educational trip abroad.

"Last year we went to India, and this year we're going to China," says Joyce Elam, executive dean of FIU's College of Business Administration, which offers specialty MBA programs that involve concentrated studies in fields from international business and finance to real estate and human resource management.

"We actually encourage dual degrees," Elam says. "We have a number of specialty master's programs, and I don't think you are going to find another business school that offers the breadth of programs that we do."

Like rival programs, the FIU executive MBA program has expanded from its main campus in south Miami-Dade County. Elam says the satellite locations it launched in downtown Miami and Pembroke Pines in 2005 are more convenient for many potential students the university targets. In addition to around 35 part-time MBA candidates at FIU's main campus, enrollment has gone from zero to 50 each in downtown Miami and Pembroke Pines in the last two years, which is about the maximum number of students those two locations can handle, Elam says.

FIU has not yet tried to raise enrollment by offering an all-online MBA program, though. "There is a lot of competition among the online MBA programs," Elam says, so if FIU offers one, "we have to make it distinctive, and we just haven't determined what that distinction should be."

FIU and other universities have also taught MBA students at the workplace, reducing the commuting time to zero. But the trend has not caught on, in part because few local companies have workforces large enough to provide enough students. A lack of diversity also discourages participation by students hoping to make professional contacts outside their own firms.

Many part-time MBA students still demand course delivery the old-fashioned way, in a classroom, and many business schools still insist on face-to-face interaction. Such interaction can be especially rich in part-time programs populated by students with challenging day jobs. While some universities have all-online programs for part-time MBA students, others limit the online component of course work to Web sites where assignments are retrieved and later submitted.

"There is a lot you can accomplish online," says Barbara E. Kahn, who takes over on Aug. 1 as dean of the School of Business Administration at the University of Miami. "But there are some things you can't do. You can set up a discussion board, and people can log on and discuss when they get to it. But it's kind of nice to be in a chat room when people are discussing at the same time."

On the other hand, business simulation games that MBA students play online can be powerful interactive learning tools. Players compete as CEOs of simulated companies that grow or whither depending on how their resources are saved, spent and invested. "It is really fun and people really get into it. It's a very exciting way to learn," Kahn says. "So, the best programs, I believe, are some kind of combination" of face-to-face class meetings and Internet-based activity.

Who Gets In

Whether the program is online, in-person, or some combination of the two, quality control is a top priority for these universities. Many of the South Florida programs have earned the coveted accreditation of the Association to Advance Collegiate Schools of Business. The AACSB favors programs with a large number of teachers who hold doctorate degrees and with a high ratio of full-time faculty to adjunct faculty.

"It's a very systematic group of academics who are constantly looking over what business schools are doing," Kahn says.

Davie-based Nova Southeastern University's business school is accredited by another body: the International Assembly of Collegiate Business Education, known as IACBE.

"I think many of the IACBE schools are excellent," says Randy Pohlman, dean of the H. Wayne Huizenga School of Business and Entrepreneurship at NSU.

The school has not ruled out a switch to AACSB accreditation, though. Pohlman says Nova may qualify for the AACSB label if the accrediting body continues to focus less on the number of full-time versus adjunct faculty and more on student outcomes.

The IACBE was founded in 1997. At that time, the majority of four-year colleges and universities in the United States with business programs were not recognized by the AACSB. Considered more strict and prestigious, the AACSB was founded in 1916 and began its accreditation function with the adoption of the first standards in 1919. Additional standards for programs in accountancy were adopted in 1980.

Pohlman believes that full-time faculty members engaged in research are not necessarily superior to adjunct faculty when it comes to producing positive student performance. "At many of the state schools, you become too research-focused ... you don't really spend time with the students, and it's counter-productive. They can really harm their teaching by doing too much research," he says.

"The real strength of our program has been and continues to be our faculty ... We have a lot of people with practical experience," says Pohlman, a former senior executive of Wichita, Kansas-based Koch Industries, the largest privately held corporation in the United States. Other Nova faculty members include a former senior economist at Xerox Corp. and an investor who sold a trucking company before earning a doctorate degree.

Besides accreditation, executive MBA programs differentiate themselves by their requirements for potential students, particularly when it comes to work experience and standardized test scores. Most of the programs will require a minimum of eight years of experience. But when it comes to test scores, they are all over the map. Some may require prospective students to take the Graduate Management Admission Test, better known as the GMAT. Others feel the capacity of the test to predict student performance diminishes among older students with ample work experience.

But the University of Florida's Warrington College of Business Administration, for one, insists that applicants get an "acceptable" GMAT score. Six hundred on the 800 scale usually is sufficient, and for part-time MBA students with plenty of managerial experience, a lower score may be acceptable. "Below 520, you're pretty much out of luck," says Patrick Foran, the Warrington school's director of admissions.

"Individuals who cannot perform well on a GMAT test may struggle," adds Alex Sevilla, Warrington's assistant dean and director of MBA programs. "If you don't require the GMAT, the bottom of that pool can be pretty low. One of these knocks on executive MBA programs is the concept of 'MBA light,' that people are working 60 to 70 hours a week, so we're going to give them a few cases and pat them on the back and tell them how smart they are, and everybody gets As."

Admission to the executive MBA program at FAU requires a minimum GMAT score in a lower range, 450 to 500. At Nova, a recent GMAT score is required for admission to the part-time MBA program only if the applicant had a cumulative college grade point average of 2.49 or lower.

Some business schools take a different view of standardized test scores. At UM, for example, a GMAT score may not be required at all from experienced professionals applying for admission to its part-time MBA program. At FIU, applicants for admission to the executive MBA program may be required to submit a recent GMAT test score if they lack the minimum work experience — eight years, including five in a managerial role — or fail to meet other criteria.

Escalating Prices

Once applicants meet admissions requirements, they or their employers face another hurdle: the price of an MBA can be steep. For years the University of Miami's program remained the most expensive in South Florida at \$64,800.

Today students pay almost twice that amount to finish what may be the most expensive MBA program in South Florida: Northwestern University's Kellogg School of Management charges \$126,000 for the two-year program it launched in Coral Gables at the start of 2006.

Kellogg was lured to South Florida by the region's ample supply of multinational talent. "It gives us the opportunity to be available to senior executives doing work in the Latin American markets," says Julie Cisek Jones, Kellogg's assistant dean and director of executive MBA programs.

AACSB-accredited Kellogg has recruited two classes each with 40-plus students who work for companies including Citigroup Inc., heavy equipment maker Caterpillar Inc., accounting firm Ernst & Young LLP, fragrance manufacturer and distributor Elizabeth Arden Inc., and express shipping giant DHL (USA) Inc.

"We tend to attract folks who are quite senior within their organizations, and they are

going back to graduate school much more for an opportunity to broaden out and to really solidify the macro view of running an organization, as opposed to the micro view of honing skills in a particular functional expertise," Cisek Jones says.

Tuition for the Kellogg MBA in Coral Gables covers the cost of hotel stays and restaurant expenses for all students. They meet for one weekend each month and two intensive "live-in" weeks each year at the Hyatt Regency hotel, where they dine and spend the night.

"They sequester themselves from their traditional environment to concentrate 100 percent on their academics," Cisek Jones says. "About half our students actually fly in from out of the country, so we're seeing a robust response to the offering."

Another out-of-town institution, UF's Warrington school, has offered an MBA program in Weston since 2004, when it enrolled its first cohort of part-time MBA candidates at what is now the Hyatt Regency Bonaventure hotel. Earlier this year, Warrington relocated to the second floor of a newly built library on the Weston campus of Broward Community College.

"It's a much better environment for us than a hotel, which works most of the time, but if there is a loud wedding or some other event, it can get out of hand," assistant dean Sevilla says.

Since its inception, Warrington has expanded its enrollment in South Florida to 70 part-time students. They meet on Saturdays and Sundays in classes held each third weekend. The program lasts two years and costs \$45,000.

Since 1999, Warrington has also offered an all-online MBA, "which a number of people in South Florida have participated in," Sevilla says. Tuition for that program is \$39,000

Students at the Coral Gables outpost are taught "exclusively by UF faculty. We fly our faculty from Gainesville to Fort Lauderdale to teach," Sevilla says. "We do not outsource faculty for any of our programs."

New schools, a variety of price points and online options are offering South Florida executives more MBA choices than ever before. Local institutions such as Barry University in Miami Shores are feeling the pressure.

"It's gotten more competitive in recent years primarily because of the entry on the low end," says Jack Scarborough, dean of Barry's Andreas School of Business.

But he warns that the local supply of MBA programs may be getting ahead of the market's demand for them. "Miami is not an MBA kind of town," he asserts. "There's not a lot of corporate presence here. ... Those who remain, the Ryders and the Carnivals, they've shrunk their staffs, like everyone else. ... It's not a growth market, for sure."