

EDUCATION

Universities Exporting M.B.A. Programs Via the Internet

By OTTO POHL

LONDON — If Jeremy Hallett had his way, he would be sitting on a leafy university campus in the United States with plenty of time to contemplate the theories of business.

Instead, he spends hectic lunch hours and long evenings in his office cubicle here, earning his M.B.A.

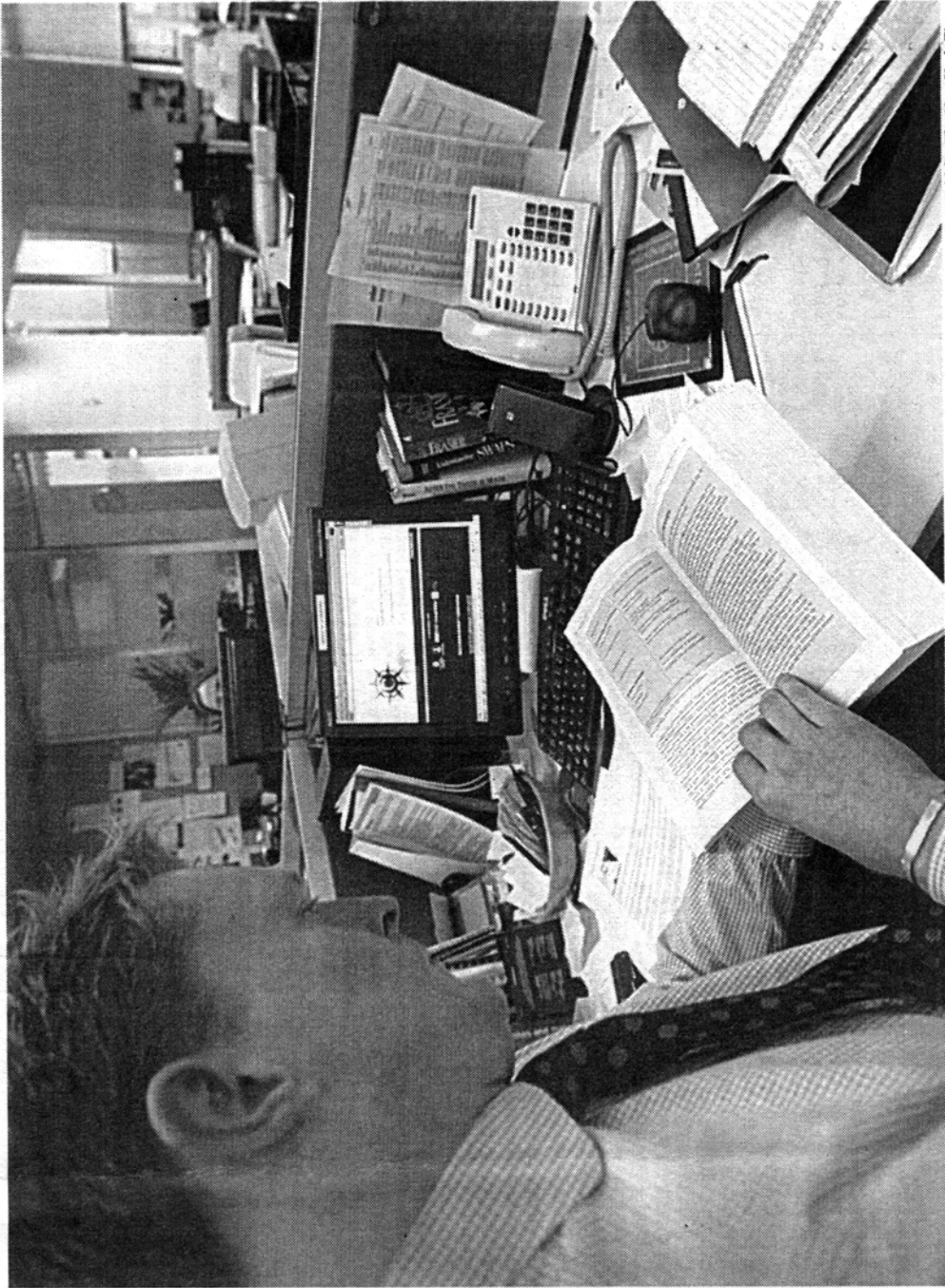
"It's not a perfect world," he says with a shrug.

Driven by the mantra of globalization and enabled by Internet-based technologies, M.B.A. programs in the United States are expanding rapidly into new markets overseas. The schools are looking for full-time, on-campus students seeking an international M.B.A. degree as well as part-timers like Mr. Hallett, who want to learn from afar while they continue working.

Some of the universities are virtual, offering American degrees via the Internet. Mr. Hallett, a London-based senior vice president at Thomson Financial, is earning his M.B.A. from Cardean University, a newly created entity that exists only in cyberspace and markets a course package created by other institutions, including Stanford, Columbia and the University of Chicago.

For Mr. Hallett, it was the availability of these prestigious schools on his computer screen that persuaded him to enroll. "These schools are recognized around the world," he said. "This degree will be truly international."

The M.B.A. is an American creation. More than 100,000 students are enrolled in M.B.A. programs in the United States, and now tens of thousands more are enrolled overseas. Even the threat of global recession has not diminished its popularity, as unemployed workers



Otto Pohl for The New York Times

In London, Jeremy Hallett studies for his M.B.A. during his lunch break. The degree is offered by Cardean University, an entity that exists only on the Internet, marketing courses created by conventional American universities.

popularity, as unemployed workers sharpen their job skills.

The biggest growth opportunity today for American online universities is inside the United States, but the schools are also looking to carry the prestige of American education overseas.

"We're serving a global market," said Andrew Rosenfield, the founder and chairman of Cardean University. A third of Cardean's students are outside the United States, and he expects the proportion to grow significantly over time.

"The United States certainly has no monopoly on running successful businesses," he says, adding that business students have to get their training somewhere.

Traditional campus-based programs are looking to train them as well. Columbia formed a partnership with the London Business School, and the Stern School of Business at New York University recently inaugurated the Trium M.B.A. degree with the London School of Economics and H.E.C. Paris. Thunderbird, an M.B.A. program in Arizona that bills itself as the oldest international M.B.A. program in the world, established its own satellite campus in France last fall.

These programs are designed to appeal to executives who want globally

recognized names on their résumés.

Lawrence Naested, an American Express executive in London, is enrolled in the Trium program, studying in places like Hong Kong, Paris, Brazil, and New York. "This is far and away superior to a traditional M.B.A. program," he says. "Mixing with different backgrounds and nationalities far outweighs spending a year in a book."

Even schools that are very careful about diluting their brand names are looking for new growth opportunities. The Harvard Business School is keeping its campus-based education sacrosanct while offering noncredit Harvard-branded education to managers who can tap into a database for answers to specific questions. Instead of teaching what may be needed one day, they offer continuous assistance to managers confronted with real-life situations.

"We're moving from just-in-case education to just-in-time education," says Jonathon D. Levy, vice-president of online learning solutions at Harvard Business School Publishing, a subsidiary of the Harvard Business School.

This wealth of new business models centered on education has caught the eye of investors. "Very solid returns, solid profits, and good cash flow," says Rich-

ard Close, a vice president of SunTrust Robinson Humphrey, summing up why he feels for-profit post-secondary education is a great investment opportunity. "Online, you can leverage that success even more."

Most of the online universities are hoping to emulate the success of the University of Phoenix, whose growth is one of the most remarkable stories in for-profit academia. The university, with 140,000 students, has become the largest university in the country in terms of enrollment. About 60,000 of those students attend classes online and 4,000 are overseas. The stock of Apollo Group, which owns the university, has kept pace, rising 500 percent since January 2000.

There have also been plenty of failures. Many online programs founded during the Internet boom did little but hemorrhage money. Pensare, an online M.B.A. company using Duke courses, has been scrapped. Quisic, an online program developed with the Tuck School of Business at Dartmouth, was closed last year, and SUNY Buffalo had an online M.B.A. program that lasted only 18 months.

Administrators of campus-based programs believe the failure of many online programs highlights the importance of

extensive classroom time and personal interaction. And while few of those involved with online degrees dispute the superiority of full-time, face-to-face learning, they point to the much larger market of those who would like an education but cannot quit their jobs or travel to a campus.

Unlike elite campus-based programs, which offer exclusivity along with the degree, the online programs accept anyone with a good credit history and a reasonable likelihood of finishing the program. The online programs are expensive — Cardean's M.B.A. costs \$24,000 — but that is still much less than a program like Trium, which costs \$92,000.

The success of the American M.B.A. overseas already has some foreign schools marketing themselves as alternatives. "We reflect an Anglo-American way of doing business," says Mark Fen-ton-O'Creavy, the director of the British Open University Business School master's program.

But no nationality or new technology makes getting a job easier these days. Sarah Ferguson, an Open University student, was excited to hear that an American reporter was writing about M.B.A.'s. "Can you mention that I'm looking for a job in the States?" she asked.