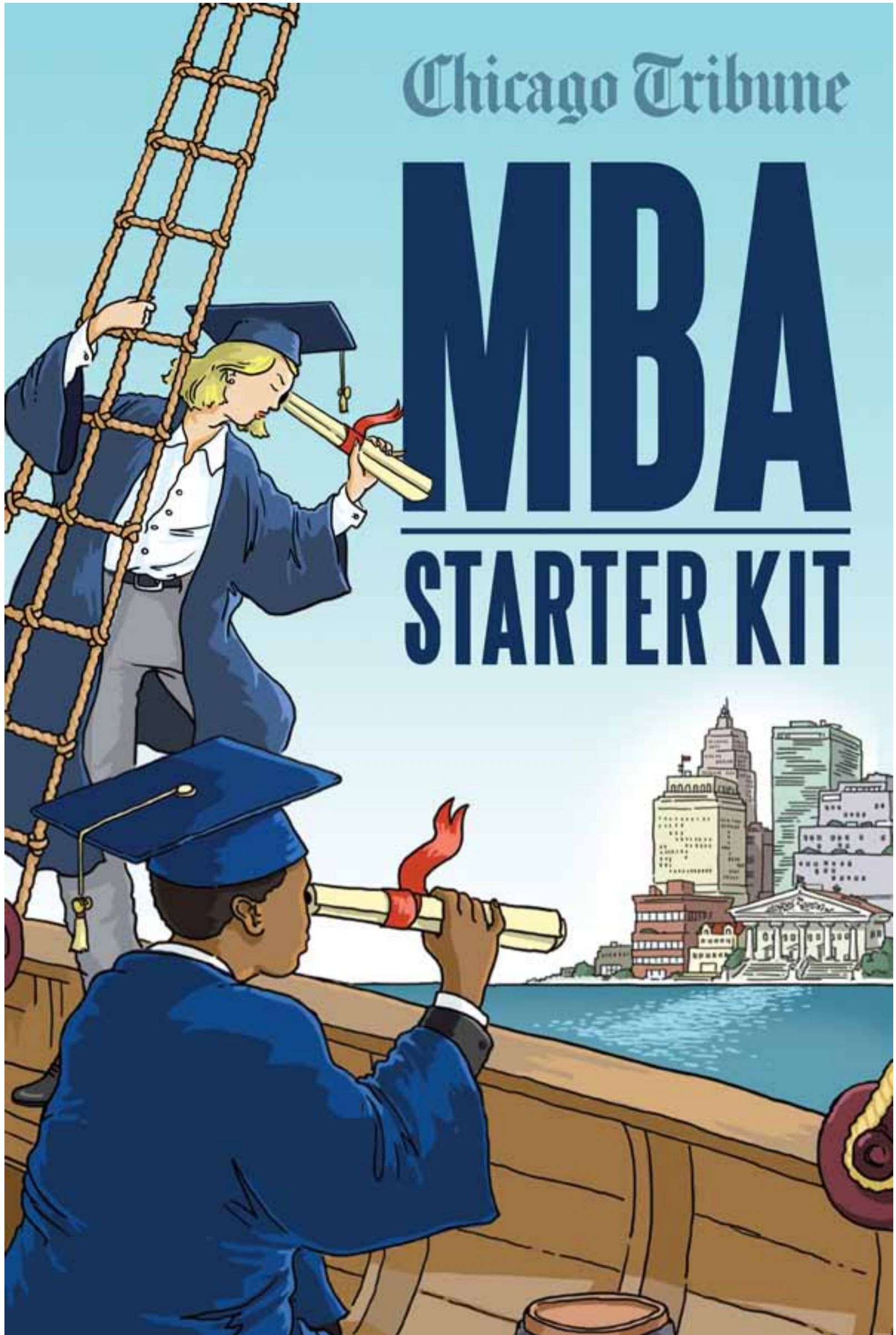


Chicago Tribune

MBA

STARTER KIT



MBA

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**Your Guide to Options, Finances
and Value in a Master of Business
Administration Degree in Chicago**

Chicago Tribune

AGATE

DIGITAL

CHICAGO

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ABOUT THIS BOOK

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2013 CONTENT

EXPLORING THE JOB MARKET

Employment prospects appear on the upswing for MBA graduates and holders of other advanced business degrees

By Debbie Carlson, special to the Tribune



Jeff Wilson, director of career services for the University of Illinois at Chicago Liautaud Graduate School of Business, says internships are critically important for MBA students.

The job market is beginning to improve for MBA graduates as global companies start to focus on growth following a few years of hiring caution.

To be sure, this isn't the job market of the early 2000s, when the jobless rate held between 4 and 6 percent, but the nation's unemployment levels are beginning to fall and companies are reassessing their needs.

“Companies realize that they can’t afford to not have a pipeline of strong people coming in. The last couple of years, companies have held off (hiring), but they can do that only for so long,” said John Challenger, chief executive of Challenger, Gray & Christmas, an outplacement consulting firm.

Directors of career services at several Chicago-area universities also said that hiring of new MBA graduates is rebounding this year and expected to continue as the economy improves. More importantly, the fields seeking students with advanced business degrees are becoming more diverse, meaning a wider array of opportunities. Those pondering an advanced business degree might consider a specialized degree in health care or technology, among other sectors, or pursue an MBA for the critical-thinking skills and breadth of knowledge that so many companies value — especially when enhanced by an internship.

In a survey of employers conducted at the end of 2012, the Graduate Management Admission Council said that of 201 employers in 31 countries, 76 percent said they expected to hire MBA graduates in 2013, up from 69 percent in 2012.

Companies had refrained from hiring because of the uncertain global economic outlook, including problems in Europe and slower growth in emerging markets, the GMAC survey said. A more stable global economic outlook, and expectations that the U.S. job market is slowly improving, brightened the hiring outlook, the survey said.

Chicago’s top business schools say their MBA graduates are getting jobs. Betsy Berger, associate director of communications at Northwestern University’s Kellogg School of Management, said 96 percent of its full-time class of 2012 had job offers within three months after graduation. Julie Morton, associate dean of career services at University of Chicago Booth School of Business, said 95 percent of full-time MBA students from Booth’s class of 2012 received job offers by that time.

Morton said a core of MBA graduates sticks with traditional fields, such as financial services, investment/portfolio management and marketing but that the school has seen an uptick in new industries seeking MBA students, a trend that aligns with students’ interest to move outside the traditional areas.

At Kellogg, 2013 graduates already are getting job offers in many of the established MBA fields, the school’s career management center director, Michael Malone, wrote in an email. “What is heartening,” he wrote, “is that we are hearing stories from students focused in areas including energy (traditional and alternative), not for profit, media/tech and startups, who are having productive conversations that are in many cases leading to offers.”

Several directors of career services at Chicago universities cited information technology as a booming field as more IT jobs are returning to the U.S.

“Labor costs overseas are a bit higher now, and (companies are realizing) there were some problems outsourcing it,” said Tracy Warner, senior director of the business career center at the University of Illinois at Chicago Liaud Graduate School of Business. “There’s a lot of interest not only in the tech skills, but also in the soft skills, such as selling something to the client, meeting with heads of business, leading a team of people, leading a programming team.”

Piotr Lechowski, president at DeVry University’s Chicago Loop Center campus, said that within IT, there’s strong interest in cybersecurity and cloud computing. Health care is another nontraditional field seeking students with MBAs, said Lechowski and Kayed Akkawi, dean at the Morris Graduate School of Management at Robert Morris University.

Health care is expected to see especially rapid job growth in the next several years, the Bureau of Labor Statistics said in its 2010-2020 employment projections. Also, occupations that typically require some type of postsecondary education are projected to grow the fastest during this time. Professions classified as needing a master’s degree are projected to grow by 22 percent.

Challenger agreed that technology, health care and energy sectors have strong growth, as does management consulting. “Generally, corporate America is in a fairly strong cash position to fill the pipeline with high-potential people,” he said.

Many students seek MBAs for salary increases, and for students graduating this year, the GMAC survey said the majority of firms planned to increase annual base salaries for new hires.

When it comes to advanced business school degrees, the person with an MBA is still the most sought after, according to the GMAC survey. Yet there is a growing trend of companies seeking non-MBA advanced business school graduates. GMAC’s survey showed that employers saw slightly stronger growth this year for hiring of master of management and master of accounting graduates than of MBA graduates.

Many schools offer business-degree concentrations in certain fields, like IT or management. Some students enroll with a concentration in mind, but DeVry’s Lechowski said waiting to decide “gives you a chance to see what the school is like and know the programs.”

Corporate recruiters still want MBA candidates for their critical-thinking skills. “They want to see your ability to use data and create data-driven solutions and apply them to problems,” Booth’s Morton said. “Critical thinking is a catchall, but the idea is that you have the ability to do analytical dissection on data and use a human and data perspective.”

The value of an internship

For students still in school, GMAC said internships are plentiful. Sixty-five percent of firms surveyed said they planned to offer MBA internships this year, and most of those firms said they intended to keep the number the same as or higher than in 2012.

Full-time students need to take advantage of internships, said Jeff Wilson, director, career services at UIC’s Liautaud school. “Internships are critical. ... (Students) had better have work experience in their field if they expect to find work, especially if they’re changing fields.”

Wilson said he sees a strong entrepreneurial spirit in students who get an MBA. “We see a lot of MBAs pairing with firms, particularly with startups to work with them on launching,” he said. “We have a very strong program on that. Many of these students who work with the startups usually get officer roles in the company when it launches.”

Is an MBA worth it?

The average person enrolled in an MBA program is 28 years old and likely returning to school after a few years of working full time, said David Lewin, professor of management, human resources, and organizational behavior at the UCLA Anderson School of Management.

“An MBA ... infers some kind of knowledge and most corporations that hire an MBA might look at them for a leader eventually ... traditionally that’s what MBAs are for,” Lewin said.

When the economy improves, Challenger said, “there’s no question an MBA and an advanced practical degree will be in demand.”

GETTING AN MBA: YOUR BUSINESS. YOUR DECISION.

By Melissa Harris, Tribune columnist

Admissions consultant Andrea Sparrey uses two numbers to startle prospective business school applicants.

She tells them the average price of a home in the United States in 2010 was \$273,000. And then she tells them the average price of an MBA from a “Top 10” school that same year was about \$307,000, including forgone income.

“You wouldn’t buy a house, most of the time, without looking at it first,” Sparrey said during a February panel discussion on “The MBA Decision,” part of the Tribune’s TribU series. “And not without looking at a series of houses. Asking people for their perspective and input. Visiting with a mortgage broker or two. Getting an inspection done. An MBA is the same kind of decision.”

Sparrey said her MBA from the University of Chicago Booth School of Business was the most expensive purchase of her life at the time. And she advises anyone considering the degree to think about what they expect to gain from it and then weigh dozens of variables, such as price, brand recognition and alumni network.

In short, treat business school like a business decision.

“What was really interesting this year was that it was the first time I had a client who said, ‘You know, Andrea, this is a \$1 million decision for me,’” said Sparrey, who founded Sparrey Consulting in 2008. “And I stopped because I was a little upset that a 24-year-old makes enough money for it to be a \$1 million decision, but indeed it was.”

James Janega, an executive MBA student at Booth and the Trib Nation manager at the Tribune, illustrated the difficulty of the decision. He unzipped his backpack during the Tribune event and began plunking down seven thick books on a table. The reading ranged from GMAT prep manuals to books written by professors whose classes he wanted to take.

Janega said the research was necessary. It gave him “peace of mind,” given the burden the degree would place on his wife, two young children and the family’s finances.

Elizabeth “Betsy” Ziegler, associate dean at Northwestern University’s Kellogg School of Management, said research also will help applicants avoid making decisions based on stereotypes.

“Our finance department is actually quite remarkable,” Ziegler said. “Twenty-four percent of our full-time students go into a finance function or a financial institution vs. 13 to 15 percent (who) go into consumer packaged goods or marketing. Which you’d never guess given the outside view of what a Kellogg student stands for.”

Still, Janega worried an MBA from Kellogg, which helped pioneer teaching and research on marketing and teamwork, would play only to his strengths.

“You’re not doing this for three letters that come after your name,” Janega said. “You’re doing this for a set of skills that you plan on using. ... For me, I’m a professional writer. ... And I’m going to a school (Booth) that’s known for finance and economics. And I wanted that because I was looking for something that would play to my weak side.”

Northern Illinois University College of Business associate dean Paul Prabhaker simplified the decision.

“If you can make the sacrifices and get into the top-branded schools, Kellogg or Booth, there is no question why you wouldn’t want to go there,” he said.

Beyond the elite schools, Prabhaker advised narrowing the search to AACSB-accredited schools. He compared accreditation from The Association to Advance Collegiate Schools of Business to “the Good Housekeeping Seal” of approval.

Seven universities based in the Chicago region offer AACSB-accredited programs: Northwestern (Kellogg); U. of C. (Booth); DePaul University (Kellstadt); Loyola University Chicago (Quinlan); the Illinois Institute of Technology (Stuart); the University of Illinois at Chicago (Liataud); and Northern Illinois University.

Terri Friel, dean of the Walter E. Heller College of Business at Roosevelt University, said another option is a master’s degree in a more specialized but business-related field. Roosevelt offers them in accounting, accounting forensics, human resource management and real estate.

“Those are very deep into industry,” she said, adding they’re shorter and more affordable than an MBA. “The MBA is a broad degree. It covers all of the disciplines. But for those folks who know that real estate is exactly what they want to do, and want to be very fluid in those skills, we can ... provide the business connections in those industries.”

If an elite MBA program is out of reach — for academic or financial reasons — Prabhaker recommended relying on “feeling” over rankings.

“Too many prospects that I’ve seen put the burden of the choice on the university,” Prabhaker said. “They say, ‘I’ll simply look at the rankings and figure it out.’ If you do that, unfortunately, you’ll probably end up with a fit that may not be the best fit. Accept the responsibility of making the choice. And figure out what you want in terms of convenience, price, brand. You’re not going to get it all.” Asked how getting an MBA changed their thinking, Sparrey and Prabhaker said it gave them confidence. In Prabhaker’s case, it was the confidence to become an entrepreneur. Sparrey said her analytical skills gave her more confidence in her career choices and leadership abilities.

“I left thinking I was able to quantify most anything,” she said. “I think I even subjected my husband to scoring our marriage for several months.”

Echoing that point, Janega said: “It was ironic that a year into a MBA I finally had the tools to be able to figure out whether or not I needed an MBA. I’m happy to say the answer is, ‘Yes.’”

MAKE IT YOUR BUSINESS TO SAVE MONEY

Study the options before dropping a bundle on an MBA

By Gregory Karp, Tribune columnist

The thinking behind pursuing a Master of Business Administration degree often goes like this: With an MBA I can advance in my career and, presumably, earn more money.

But like so much in business, the “income” side of the ledger has a companion “expense” side. Getting an MBA can be wildly expensive, often six-figure expensive.

For example, at the Stanford Graduate School of Business, the estimated cost of its two-year, full-time MBA program is \$185,054, a new record, according to an analysis by business school information website Poets & Quants.

The best money decisions when pursuing an MBA come down to a familiar finance concept, return on investment, which examines not only the earnings side but the cost too.

Here are Spending Smart tips for pursuing an MBA:

Have a goal. Know why you're going to school and what you need an MBA for. "Do you need a well-known school with a high-quality reputation?" asks Dani Babb, author of "The Adult Student, an Insider's Guide to Going Back to School."

"Find out first by asking others who have the job you want where they went to school, or those who promote to those jobs what they are looking for," she said.

It can be a money mistake to go to a big-name — and big-price — business school if it won't significantly affect your career, she said. While a strong alumni network of a name-brand school is often a selling point, it "may not be as important if you're established in your career," Babb said.

School choice. School selection is key, said Rachel Beck, a senior consultant with mbaMission.com.

"There's a tendency for people to choose schools just based on ranking ... people are obsessed with the rankings," Beck said. But the rankings, like those from U.S. News & World Report and Bloomberg Businessweek, won't apply to everybody, depending on the program or teaching style you're looking for.

"A Harvard MBA is very prestigious, but there might be a program that works better for your long-term career goals," she said.

Type of program. Attending business school full time comes with a huge opportunity cost — you're forgoing pay from a job during that time, usually two years. However, you get done quickly.

A part-time program will generally take longer and could be more expensive, but it allows you to continue working and bring home a paycheck. A nonmonetary benefit to going part time is to immediately apply what you're learning in the classroom to your job, and bring work challenges into classroom discussions, Beck said.

An executive MBA program allows you to continue working and is often quick to complete. Executive MBA programs tend to be more expensive but company-sponsored. From strictly a money standpoint, an executive MBA in which your company pays all or part of the cost can be the most effective, if you can get it.

An online degree is another option. "Will travel and family demands mean you can only take one class at a time because of on-ground commitments? If so, consider online schools," Babb said. Online programs are competitive on price. "Many state schools now have online programs so you can get low cost, accreditation, great reputation and flexibility all at once," said Babb, who teaches for an online school.

Location. A school's location can be a major consideration that affects cost, especially if the school is in an expensive city where you'll pay more for housing and nearly everything else, Beck said.

"That's something a lot of people don't really consider when they start going into it," she said. "People think, 'I just want to get into the best school I can.' But there are a lot of very strong business schools. So, if you're somebody who wants to maximize your dollars, you might consider looking at a more suburban school, rather than a school in a city."

And for those who will attend school away from family, air travel can be an added expense. Similarly, if you go to school in the Southwest but plan to work in New York, you'll likely fly back and forth for recruiting opportunities.

"A lot of MBA applicants don't look at the whole picture," Beck said. "There are all these other factors that should go into your decision-making, and location is absolutely one of the factors."

Add-on opportunities. Apart from tuition and fees, MBA programs can offer additional worthwhile programs, such as a study-abroad trip to Asia.

“A lot of people don’t even factor in that potential cost,” Beck said. “It’s an expense that could surprise you.” Such opportunities can certainly be worth the money, but their cost should be included in your plan.

Socializing. MBA students often socialize with a purpose. “In business school, it’s extremely social because that’s part of the network-building,” Beck said. “You want to be able to go out to lunch or dinner with your classmates because you’re building bonds with them during those social events.” Those dinners and drinks can get expensive.

Beware of overborrowing. Private lenders are often eager to lend money to MBA students, especially to students at top schools because their graduates have stellar repayment records, said Elle Kaplan, CEO of Lexion Capital Management. But don’t fall for the easy-money trap, she said.

“While subsidized government debt is fine to take on, unsubsidized private loans that will end up with high interest rates are not a good idea,” said Kaplan, who has an MBA from Columbia Business School in New York.

Babb suggests giving weight to schools that have internal financing with no interest.

A rule of thumb in education is to borrow no more than what you’re likely to earn during your first year after getting the degree. Given the expense of business school, that might be a challenge, but it remains a worthy goal.

“Overspending on tuition and going into debt to do so are probably the biggest cardinal sins,” said Rita Gunther McGrath, an associate professor of management at Columbia Business School.

That’s especially true if you take on huge debt to attend a middle-tier school. “Salaries after graduation at those schools tend to reflect what you did before getting your MBA,” she said. “The debt basically is a drag on the salary you would have been close to making to begin with.”

Live like a student. Kaplan offers general advice on spending while getting an MBA: “If you don’t need it, don’t spend it. As an MBA candidate, you’re still a student and can do things on the cheap,” she said.

“You have the rest of your professional life to live large.”

CAREFULLY CONSIDER LOANS, PRICE TAGS

By Gail MarksJarvis, Tribune columnist

With jobs tough to get and the cost of getting an MBA exceeding \$300,000 when you figure in living costs and lost pay if you go to school full time, potential business students are thinking twice before leaping into such costly programs.

And for good reason. Many MBA students graduate with more than \$100,000 in debt, and that’s going to mean a struggle making ends meet after graduation for the person living on the salary of a newly minted MBA at the \$83,500 reported by Payscale.com. A rule of thumb for student debt is to not take on any more than your total annual salary.

Students can try to keep the debt level down by shopping for financial aid. But it isn’t as easy to find scholarships and grants for an MBA program as it is at the undergraduate level unless you are an outstanding student.

When pursuing bachelor’s degrees, students who need financial help can get it based on family income alone — even if the student isn’t at the top of his or her class. For MBA programs, however, much of the aid

that is doled out is based merely on merit. And while colleges compete for the crème de la crème with aid, the student who just squeezed through the admissions process may get little more than a seat in the MBA class.

A few elite schools such as Harvard and Stanford provide aid based on a student's financial ability to pay, but even that aid doesn't ease the price as much as you might think. Meanwhile, unlike Stanford and Harvard, most MBA programs aren't focused strictly on helping students with financial struggles. MBA programs use aid to lure students with top GMAT scores so the college stands out in rankings.

Even the most accomplished students, who get sizable aid from top MBA programs, may leave school with loan payments much higher than expected. That's in part because Perkins Loans at 5 percent interest rates, or federal Stafford loans at 6.8 percent interest rates, cover only a portion of an MBA. The maximum borrowing with Stafford loans is \$20,500 per academic year, or a total of \$138,500 over a lifetime including borrowing at the undergraduate level. So MBA students must often turn to federal Graduate PLUS loans at a 7.9 percent interest rates — a steep price at a time when mortgages are running 3.5 percent.

Still, people who think ahead and plan for MBA programs well in advance may be able to position themselves for higher aid.

Your first and possibly best stop could be your employer. While fewer provide employees financial help for education than they used to, you should still ask.

Then start hunting for colleges that provide the best aid, especially if you are an outstanding candidate.

At websites for each MBA program, look for special fellowships that might fit you. Some require applications.

Andrea Sparrey, a consultant who helps students get into MBA programs, says about half of her clients have received aid. But besides the traditional grants that come with acceptance letters, students also get financial help for MBAs through other forms.

Once immersed in an MBA program, you can look for competitions with cash awards.

Also, the Thomas and Stacey Siebel Foundation's Siebel Scholars Program awards 85 students a year with \$35,000 that goes toward tuition in their final year of studies.

"If you want them, I emphasize you must work toward them from the start," Sparrey said.

And when applying to business schools, Sparrey suggests submitting applications to several so you can negotiate for more aid at a favorite program by letting the admissions staff know you have another offer that's better.

Going beyond your workplace and leading projects in the community can help. Lining up employers who will recommend you is also key, Sparrey said. And using your background to show that you are truly oriented toward the goals you say you want to fulfill in your MBA program is important when applying for programs and grants.

Once the acceptance comes and the pricetag tallied, make sure to pick the right student loans. Although some private loans may have lower teaser rates, or ongoing rates, federal loans can take some of the risk out of repayment. Under the federal program, if your income turns out lower than expected once you enter the job market, you have the benefit of a new plan that keeps federal loan payments down to an affordable level based on your pay. This is called "income based repayment" and does not tend to be available with private loans.

THE BIG SCHOOLS

A look at various options for Chicago-area applicants

Here's a look at major schools that offer Master of Business Administration programs in the Chicago area. Many schools give students a choice of part-time (including evening and weekend options), flexible, full-time, accelerated, dual-degree, international and other programs.

Many also offer executive MBA programs for experienced working professionals, executives and leaders. Check the schools' websites for more information, including costs and tuition. Applicants can choose among numerous Chicago-area MBA programs as well as online MBA programs throughout the U.S.

DePaul University

Kellstadt Graduate School of Business

- **590-645:** GMAT test score 25-75 percent range for full-time MBA students entering in fall 2012
- **44%** of applicants accepted into that class and program
- **MBA enrollment:** 1,141 (998 part time, 93 full time, 50 weekend).
- **What director Robert Ryan would say to a prospective student about the MBA program:** "DePaul offers an accelerated MBA. Students take all of their required core classes in a cohort format during the first year. The second-year schedule of elective and concentration courses is self-paced to allow for internships or return to work."

kellstadt.depaul.edu

Illinois Institute of Technology

Stuart School of Business

- **575-628:** GMAT test score 25-75 percent range for full-time MBA students entering in fall 2012
- **70%** of applicants accepted into that class and program
- **MBA enrollment:** 146 (includes part time and full time).
- **What M. Krishna Erramilli, director of the MBA program, would say to a prospective student:** "IIT Stuart's MBA teaches students to be strategically competitive leaders. As the only program of its kind in Chicago offered within a technology-focused university, our quantitative focus prepares graduates who can speak the language of engineers, scientists and technology professionals."

stuart.iit.edu/graduateprograms/mba

Loyola University Chicago

Quinlan School of Business

- **510-580:** GMAT test score 25-75 percent range for full-time MBA students entering in the fall of 2012. (Quinlan officials emphasize that the school focuses on part-time MBAs and doesn't offer a full-time MBA program. They say the data derive from a group of MBA students enrolled at a full-time pace.)

- **50.4%** of applicants accepted into that class and program
- **What dean Kathleen Getz would say to a prospective student about the MBA program:** “Quinlan represents community and quality. If you’re seeking a welcoming atmosphere that emphasizes collaboration, responsible leadership, ethics and global awareness, you will be at home here. Our MBA is nationally ranked; our faculty are engaged in learning and research; and our graduates give back tenfold.”

luc.edu/quinlan

Northern Illinois University

College of Business (offers programs in the Chicago suburbs)

- **460-580:** GMAT test score 25-75 percent range for full-time, fast-track MBA students entering in fall 2012
- **70%** of applicants accepted into that class and program
- **MBA enrollment:** 648 (506 evening, 83 cohort-based executive-professional, 59 full time).
- **What MBA program director Ann Carrel would say to a prospective student:** “Earning your MBA from Northern Illinois University offers more than a degree. Graduates gain leadership skills, live consulting experience, international opportunities, and the confidence to succeed in business. An MBA from NIU is a life-changing experience.”

cob.niu.edu

Northwestern University

Kellogg School of Management

- **690-740:** GMAT test score 25-75 percent range for full-time MBA students entering in fall 2012
- **21%** of applicants accepted into that class and program
- **MBA enrollment:** 2,469 (1,234 full time, 813 part time, 422 executive).
- **What dean Sally Blount would say to a prospective student about the MBA program:** “We equip students with an understanding of customers, and how to build markets, strengthen organizations and create lasting value in the marketplace. Kellogg students experience a distinctive, collaborative culture; enjoy an academically rigorous environment; and join a powerful global community.”

kellogg.northwestern.edu

University of Chicago

Booth School of Business

- **700-750:** GMAT test score 25-75 percent range for full-time MBA students entering in fall 2012
- **23%** of applicants admitted into that class and program
- **MBA enrollment:** 2,635 (1,162 full time, 1,119 evening, 354 weekend).
- **What Stacey Kole, deputy dean for the full-time MBA program, would say to a prospective student:** “Chicago Booth features a highly flexible curriculum, and a culture of inquiry and innovation. If you want to excel in environments where you work with others, and take the lead in solving problems — by challenging conventional wisdom, generating new insights and uncovering compelling evidence — then Booth is the place for you.”

chicagobooth.edu

University of Illinois at Chicago

Liautaud Graduate School of Business

- **520-600:** GMAT test score 25-75 percent range for full-time MBA students entering in fall 2012
- **41%** of applicants accepted into that class and program
- **MBA enrollment:** 258 (137 full time, 121 part time).
- **What assistant dean Mary Corbitt Clark would say to a prospective student about the MBA program:** “UIC Liautaud prepares students for a continually changing business world with an MBA program that focuses on innovation, entrepreneurship and integrated problem solving in an affordable, flexible package. Scheduling options include full-time or part-time study, evening or weekend classes.”

business.uic.edu

Other options

- **University of Illinois at Urbana-Champaign**, Chicago Executive MBA, mbachicago.illinois.edu
- **University of Notre Dame**, Chicago Executive MBA, business.nd.edu/executive_mba/chicago_executive_mba
- **Illinois State University**, Chicago MBA program, business.illinoisstate.edu/mba
- **Chicago-area and Illinois programs:** find-mba.com/illinois/1
- **Online MBA programs:** thebestcolleges.org/best-online-mba and tinyurl.com/d9z5wqg

TAKING THE LESS-KNOWN ROUTE

MBA programs at smaller schools work to establish ways to compete with more prestigious programs

By Janet Kidd Stewart, special to the Tribune



John C. Draut teaches a management class at Benedictine University in Lisle. As the school works to offer more courses, it will begin construction this fall on an academic building that will house its College of Business. It's scheduled to open in 2015.

If you can't get in — or can't afford — a top business school, is an MBA from a lesser-known school worth it?

The answer depends largely on the student.

Those gunning for the top of the organizational chart, and without the networking connections and credentials of competitors from top schools, face a tough slog, but the right mix of experience, local connections and a degree that fills in some key resume gaps can help level the field, experts say.

“An MBA is not going to get you a job,” said Marissa Martin, vice president of global research for DHR International, a Chicago-based corporate recruiting firm. “For someone looking at the C-suite, if you didn't go to Booth or Kellogg, it's just another degree” that doesn't stand out, she said, referring to the graduate business schools at the University of Chicago and Northwestern University, respectively.

Martin isn't saying that only graduates of top schools make it to the top, but rather that the others, to a greater degree, need to use the networking contacts and skills they pick up to get into job opportunities where they can differentiate themselves and let those successes be their calling cards.

"Employers today are still very picky, and they want people who can come in right away and do the job," she said. "It comes down to experience and cultural fit, and the MBA is just icing on the cake."

It may be a chicken-and-egg debate to try to parse whether the degree makes a difference, but the Chicago area offers many options, including part-time and online programs at many under-the-radar MBA programs.

With fewer employers reimbursing MBA tuition costs, the smaller programs are touting their value in a crowded marketplace, offering niche degrees and increased job-placement services. Some are even catering to students trying to cut their commuting costs.

"Students are questioning the value more than ever," said Jon DeVries, director of the Marshall Bennett Institute for Real Estate at Roosevelt University's Walter E. Heller College of Business.

Benedictine University in Lisle expects to break ground this fall on an academic building that will house its College of Business, said Sandra Gill, the school's dean.

Construction of the building, scheduled to open in 2015, comes as the school works to offer more courses (including concentrations in derivatives trading and sustainable business) and highlight its value proposition.

In an interview, Gill emphasized the school's commitment to working with incoming students to offer credit for previous work experience or professional certifications, which can bring down costs.

Two years ago, the school began offering a "matinee" option for part-time students, she said, allowing them to take their two weekly classes during an afternoon and evening, instead of two evenings, so they can cut their commuting time and costs.

Benedictine plays up its "real-world" focus, a heavy reliance on local businesspeople for its adjunct faculty and a course that uses business strategy simulation games to compete against other business schools.

That focus is what resonated with Mark Kozak, an industrial chemist who started picking up a few night business classes at Benedictine in 2008 to help him better understand the financial and administrative sides of his job.

While there, he got the entrepreneurial bug, he says, and decided to finish the last two terms of his MBA as a full-time student while he started a consulting company that helps small chemical firms, including his former employer, with regulatory filings and other administrative tasks.

"You get out of it what you put in," Kozak said of the MBA experience, adding that while he might not see his adjunct faculty opining on the evening news, he didn't have to take out a second home mortgage to finance his degree.

Total tuition at Benedictine runs about \$37,000, less than half the cost of top-tier schools.

At Robert Morris University, MBA graduates who want to change careers can come back for a second degree for \$100 per course, said Dr. Kayed Akkawi, dean of graduate studies at the Morris Graduate School of Management. The deal is a nod to the value question in students' minds when they see that they may have to change careers several times as the economy shifts, he said.

At the small end of the spectrum sits one of the newest entrants to Chicago's MBA industry. Illinois State University's MBA program opened a Chicago weekend campus in February with 15 students in a shared alumni space the university had at 150 N. Michigan Ave. Total tuition tab: \$43,200.

"We're kind of putting a toe in the water" as the program builds name recognition in the market beyond its estimated 30,000 alumni in the Chicago area, said B.J. Newmister, associate director of MBA program at the Normal-based school.

The caution is an acknowledgment that employers are cutting back on tuition reimbursement for education, he said.

Because the program is starting small, its niche is really that it has no niche. The school's goal is simply to deliver a solid core business degree with tenured faculty who ride the train from Normal to teach weekend courses.

"Doing our due diligence, we found that maybe some weekend programs weren't using their full, tenured faculty," Newmister said. "We wanted to stress this isn't a watered-down version" of the program.

Industry specialization has worked well for Roosevelt as it tries to find its niche, DeVries said, despite the wrenching real estate crash.

"Chicago's a real estate town. We came along and filled a gap the industry wanted," he said, referring to the school's decision 11 years ago to offer an MBA with a real estate concentration. Enrollment has more than doubled since the first year, to about 60 students, he said.

Sevara Sherman, 30, graduated from the program in 2008 as real estate values around the country were plummeting, real estate agents were leaving the field and deals couldn't be closed because of the mortgage crisis. Before entering the program, she had worked as an agent and at the Illinois Housing Development Authority but wanted to break into the commercial real estate private sector.

"A lot of our professors were working in the market, and they would tell us that a lot of people were getting laid off," she said. "It was a scary time for them too."

She landed a job three years ago at Jones Lang LaSalle and today oversees property management for 116 Bank of America properties in three states, she said.

The initial job lead came from a friend, but she said she believes the networking and curriculum at Roosevelt made the difference in getting hired.

"Students get a lot of chances to get to know people in the industry," DeVries said. "I tell people, if they get through this program and don't know a lot of people, they've been asleep."

About accreditation

What about quality and prestige factors when it comes to lesser-known schools?

Only 15 Illinois-based MBA programs are accredited by the Association to Advance Collegiate Schools of Business, or AACSB International.

Some experts say accreditation is most important for students who expect to go on to a doctorate program or who may transfer to a region of the country where the school is unknown, but it's a good idea to ask an admissions officer about what organization, if any, accredits the MBA program and what sort of review process it undergoes.

AACSB International is changing its accreditation standards to reflect a keener focus on more real-world curriculum trends, said Robert Reid, the organization's executive vice president and chief accreditation officer. About one-third of U.S. business schools are accredited by the association, Reid said.

For accredited and member schools, go to aacsb.edu.

MIGHTY BIG ASPIRATIONS

But what's reality? The experts say that to a great degree, the pursuit of an MBA pays off in the end

By Rex W. Huppke, Tribune columnist

You often hear people say that when the job market is bad, it's a good idea to go back to school and boost your academic credentials.

I have disregarded that advice because I fear it might interfere with my TV watching, but many folks — whether employed or job searching — now seriously consider pursuing an advanced degree, particularly an MBA.

Before opining on the merits of such a pursuit, I figured it best to research the topic, and because there are no television shows like “Law & Order: MBA” or “How I Met Your Mother While Getting an MBA,” I was forced to actually speak with someone.

That someone was George Andrews, associate dean of the evening and weekend MBA programs at the University of Chicago Booth School of Business. Here's an edited transcript of our Q&A:

Q: What does MBA stand for?

A: (Awkwardly long pause) Master's in Business Administration.

Q: I thought it was Making Billions Annually. Wouldn't that be more marketable?

A: That would be nice. We say My Best Alternative sometimes.

Q: (I chuckle, but am thinking: “Leave the jokes to me, buster.”) But it can lead to making more money, right?

A: If you look at the spread between those with an MBA and those with just a college degree, it continues to grow over time. Companies are willing to pay people for that degree, for sure.

Q: Besides good connections and the title, what does a person with an MBA have that separates them from others?

A: An MBA provides you with so many skills you can use at your next job, and down the line. They come in and we open their cranium and we pour in all this knowledge on economics and finance and accounting. But there are also negotiating skills and things they learn about leadership. These are the things you'll hear people talking about 10 or 20 years from now.

Q: How important do you think an MBA is in today's working world? And don't say “very” just because you're selling them.

A: If you're only thinking short term and just looking to develop certain skills, there are cheaper and faster ways to develop individual skill sets. The problem is, every time you get to the next level and need another skill, you have to go back and learn those skills. At some point, an MBA becomes more economically feasible.

Q: How hard is it to get an MBA?

A: We make it hard, and we make it hard on purpose. I don't want anybody to come here and leave here the same person. We want it to transform you.

Q: Is there a way I could come there and get one without doing much work?

A: No. You're going to come and you're going to work very hard.

Q: Fine. I'll do the work. How long after getting the MBA before I get my BMW?

A: That's 1980 thinking.

OK, so maybe a BMW isn't guaranteed. But it's clear that if you have the drive (and the tuition money) to pursue an MBA, it'll give you a lifelong career tool kit.

For more on the efficacy of the degree, I spoke with Rebecca Homkes, who is (pace yourself while reading this title) a contributing faculty member at the London Business School and a research officer at The Center for Economic Performance at the London School of Economics and Political Science.

She and her colleagues have studied the impact of MBAs in workplaces around the globe and found quantifiable proof that the degrees make better managers, and better managers make better companies.

Homkes' research looked at more than 10,000 companies across 20 countries and measured their management practices on a scale of 1 to 5. When a company's management staff consisted of 10 percent or more people with MBAs, the company averaged about 0.5 of a point better on the five-point scale.

"The more managers who have an MBA, the better-managed the firm is," Homkes said. "That was across industry, across countries and across time."

There are a number of reasons for this, which go back to my earlier tool kit reference. Homkes said people with MBAs have been exposed to business from an operations side, a finance side and an accounting side — not the kind of exposure most get simply from work experience or an undergraduate degree.

Business schools also encourage people to work in teams, more closely mirroring life in the working world, so there are communication and collaboration skills that get carefully honed.

As I see it, the bottom line is this: Education is good. (I'm nothing if not deeply intellectual.)

You should carefully consider the reasons why you might seek an MBA, as well as the costs involved. And you should recognize that not all MBAs are created equal — research the programs you're considering.

While the degree is by no means a necessity, it can be a boon, and it never hurts to expand your career horizons.

Of course, if you decide not to go the MBA route, feel free to give me a call. We can hang out and watch TV.

THINKING OUTSIDE THE CLASSROOM

Chicago programs adjust to global, student demands

By Ann Keeton, special to the Tribune

To keep pace in a changing world, Chicago's graduate business schools are beefing up their MBA course offerings with more technology, student participation and global exposure.

Northwestern University's Kellogg School of Management has opened the door to innovative ideas from students, faculty and the business community. This fall, the school will test pilot programs, including a student's suggestion to put all course work on iPads.

The University of Chicago Booth School of Business is taking advantage of the wealth of knowledge within its walls and at other universities, with hands-on classes to develop business solutions for a variety of industries.

And students in the University of Illinois' Chicago Executive MBA program get, through the university's capstone program, a chance to work with Illinois businesses on projects for the Chinese market.

These updated course offerings are helping reshape education for a fast-paced world, said Betsy Ziegler, associate dean of MBA programs and dean of students at Kellogg.

Ziegler arrived at the Evanston campus 18 months ago from McKinsey & Co., a management consultant firm. Kellogg asked Ziegler to oversee a review of its curriculum.

As a result, the school has added courses like Digital Marketing and Commerce, for which students create an online retail store that opens for business to real customers during the term. Students are evaluated on real-world criteria like sales results and shopper feedback.

Another course, Social Dynamics and Networks, uses hands-on models to examine how business leadership, organization growth and competitiveness are shaped by social networks, social media and the wisdom of crowds.

Increasingly, classes use real-life experience to augment book learning, said Ellen Rudnick, executive director and clinical professor at Booth's Polsky Center for Entrepreneurship and Innovation.

The newest program for entrepreneurs at Booth is called D4Lab (the D's stand for Discover, Design, Develop and Do). Classes are set up as a series of workshops and fellowships at companies around Chicago. Focusing this year on health care, D4Lab included students from 12 departments at the University of Chicago, law and medical schools among them. Also, the students collaborated for the first time with peers from the Institute of Design at the Illinois Institute of Technology.

Students in the D4 program went to a hospital emergency room to observe the patient exit process, then worked on a plan to make it work more efficiently.

Also at Booth, a new course on Big Data Analytics appeals to business students interested in cutting-edge subjects like cloud computing and biomedical informatics.

At the University of Illinois' Chicago Executive MBA program, students work on a yearlong capstone project with Chicago-area companies like Wrigley, Motorola and Caterpillar that do business in China. Those students then meet with company executives in China and present their project, said Raj Echambadi, academic director of executive programs for the university's department of business administration.

Susan Milford, senior vice president of strategy and development for Crystal Lake-based Centegra Health System, said that for her, the capstone program set the Chicago Executive MBA program apart from others.

“In a lot of programs, you just take a trip abroad,” she said. “We didn’t just visit China. We worked on a real project for a U.S. company doing business there.”

The program gives weekend students in Chicago a chance to study with the same faculty as on the university’s main campus in Champaign. Professors drive to Chicago every other weekend to hold classes in the Loop. Echambadi said a newly restructured curriculum includes a Global Business Horizons course designed to help students understand consumers in emerging markets. It’s an eye opener when students are required in class simulations to live for a few weeks on a \$4 daily budget, as many families around the world do.

Business schools keep an eye on their competition, said Northwestern’s Ziegler. To attract students, “many schools now are shifting to more elective courses from core requirements. But we believe that students still need core courses, such as statistics, marketing and finance.”

She said well-prepared Kellogg students can test out of some core courses.

At Loyola

With its Intercontinental MBA program, which will begin in the fall, Loyola University Chicago’s Quinlan School of Business has packed a one-year program with classes that take place online, in the classroom and on four continents.

Fall: Three-week residency in South Africa

Winter: Three-week residency in South America

Spring: Three-week residency in Asia

Summer: Two-week residency in New York City, four-week residency at Quinlan

At DePaul

DePaul University’s Kellstadt Graduate School of Business offers students an opportunity to take eight- to 10-day international study tours, for four hours of course credit, through the university’s study-abroad program. The study tours are available during academic breaks and designed to accommodate working students.

Students can enroll, for example, in an international business seminar that takes place Nov. 25 to Dec. 5 in Beijing and Shanghai.

Other sites include Germany, India, Japan, Spain, France, Switzerland and Turkey.

ENROLLMENT NUMBERS FORCE SCHOOLS TO ADJUST

MBA programs expanding options to attract students

By Mary Cooley-Jones, special to the Tribune

MBA enrollment numbers generally have remained flat over the last few years, but Chicago business schools insist their programs aren't suffering. Instead, they're diversifying — offering prospective students more options.

Take the University of Illinois at Chicago's Liautaud Graduate School of Business, where MBA enrollment dropped about 19 percent from 2008 through 2012.

Taking a page from other Chicago schools, Liautaud is responding in the fall with a Saturday program that offers flexibility for those who can't attend school during the week.

"We do believe we're a strong value option," assistant dean Mary Corbitt Clark said of UIC, the only public school among six Chicago-based schools accredited by the Association to Advance Collegiate Schools of Business. "We are committing to our students that if they can stick with us, they can get an MBA in two years."

Several Chicago business schools say they've seen stagnant enrollment for their MBA programs since 2008. That largely coincided with a statewide drop in the number of people who took the GMAT exam, an admissions assessment for graduate business-studies programs. In Illinois, the GMAT numbers steadily declined from 2008 to 2011, said Tracey Briggs of the Graduate Management Admission Council, which administers the test. Briggs attributed a 2012 uptick to a large number who wanted to take the test before it added a section on integrated reasoning.

Experts say the drop in enrollment is the result of an improved economy — prospective MBA students choosing work over school.

And if the economy continues to improve, the Chicago region's business schools may continue to compete for fewer MBA students.

"The economy is improving at best, stable at worst," said Jon Frank, CEO of Admissionado, a consulting firm for college applicants. "Many folks will wonder if it's worth investing two potentially promising economic years in an MBA program."

Frank said he expects that enrollment will continue to decline, unless schools are able to persuade potential applicants — especially those who would have to leave jobs to attend school full time — that the high cost of an MBA is worth it.

"An MBA costs far more than simply tuition plus room and board," he wrote in an email. "The real cost has to include two years if not more of deferred salary, so as salaries increase, the cost of the MBA increases too."

Some schools attribute static MBA enrollment to a change in student demand. UIC's Clark said the school's enrollment decline has been accompanied by an increase in enrollment in the accounting and management information systems master's programs.

At Loyola University Chicago, Quinlan School of Business spokesman Brendan Shea said its MBA program has received about the same number of annual applications for the past five years. Yet Quinlan data showed a 70 percent increase in applicants to the business school's graduate programs from 2008 through 2012.

“Students are really showing a stronger interest in a specialized program ... deeper knowledge in a specialized subject area,” said Quinlan dean Kathleen Getz. The school’s master of integrated marketing communications and master in human resources programs are among those doing well, she said.

DePaul University’s Kellstadt Graduate School of Business, which also has seen decreased MBA enrollment, is promoting its weekend and part-time MBA programs, said Robert Ryan, assistant dean and director.

Kristen Justus, a weekend MBA student at Kellstadt, said the Saturday option works for her. “Every Saturday, it’s the same 15 or so people,” she said, pointing to a diversity in ages and industries. “It’s really become a community.”

The Illinois Institute of Technology Stuart School of Business bucks the MBA enrollment trend. School data showed that IIT went from 109 MBA students in 2008 to 146 today.

Krishna Erramilli, professor of marketing and director of the Stuart School of Business MBA program, said the school plans further — but not too much — MBA growth.

“We have a strategic policy that we would like to remain at a certain size simply because we see advantages in small- and medium-sized programs,” Erramilli said. “I don’t think we’ll ever be a program with a thousand MBA students.”

Most IIT students are from other countries, he said.

“Today you have to deal with global customers, global suppliers, global partners,” Erramilli said. “So (American students) get a great firsthand experience here.”

2012 CONTENT

A LIFT OR A DRAG?

An MBA can buoy your professional goals and help, or hurt, your finances. Be sure to know what you want out of it, experts say.

By Erin Chan Ding, special to the Tribune



University of Chicago MBA student Imran Ahmad, left, and fellow students are working on a digital startup called Edit Huddle. Left to right in the background are Mark Roberts, Adam Bain, Rachel Hyman, Charles Scobee, Dennis Zhao and Shawn McCoy.

Huma Gruaz picked a precarious time in her personal life to enroll in a Master of Business Administration program.

She had just moved to Chicago from the suburbs. She had to figure out how to navigate life after a divorce. And she had just started her own company, a public relations firm called Alpaytac, hoping it would provide a means of supporting her two kids.

“Everyone around me thought I had lost my mind,” she said. “It was an insane decision for me at the time.”

Andrew Schrage had a choice to make about business school too. After graduating from Brown University, Schrage worked as a portfolio analyst for a hedge fund but then “grew restless regarding my career path.”

Like Gruaz, he started his own company, a personal finance website called Money Crashers.

Schrage, 25, of Chicago’s Streeterville neighborhood, looked at the potential tuition of an MBA program, figured it would cost him about \$100,000 (not including lost income from attending school full time) and, unlike Gruaz, decided not to apply.

Gruaz and Schrage said they made a decision about an MBA that felt right for them. And both are still running their Chicago-based companies.

So what does that say about the value of investing the energy and money into a Master of Business Administration degree?

“Nothing requires you to have an MBA,” said Scott Shrum, director of MBA admissions research at test preparation and admissions consulting company Veritas Prep, who has an MBA from the Kellogg School of Management at Northwestern University. “You can be the CEO of a company without an MBA. You can launch a business without an MBA. So there has to be some soul searching. ‘What is it going to teach me? Do I really want to come out with \$50K or \$100K in debt?’ It would be crazy not to ask those questions.”

As careers evolve and supersuccessful entrepreneurs rise in profile without the benefit of business school — think Facebook’s Mark Zuckerberg or Spanx’s Sara Blakely — the scope and purpose of obtaining an MBA has changed too. Few students these days enroll with their education fully paid for by their companies. And although statistics show a relationship between an MBA and a salary increase, few are guaranteed an immediate bump in salary upon graduating. Then there’s the prospect of student loan debt, which averages about \$44,000, including undergraduate debt, for MBA students at graduation, according to FinAid.org.

An MBA does, however, allow for a career pivot, equipping students with the long-term knowledge to innovate and manage growth.

Because so many business resources are available nowadays online, “students are looking at education differently,” said Tim Faley, managing director of the Zell Lurie Institute for Entrepreneurial Studies at the University of Michigan’s Ross School of Business.

“They don’t need to walk into a classroom and have someone tell them the fundamentals of whatever topic,” Faley said. “What they do need to know is how those pieces fit together.”

In addition to a holistic view of business, MBA students also graduate with a network for life.

“No one really goes for an MBA just to learn,” said Imran Ahmad, 28, who is pursuing his MBA at the University of Chicago’s Booth School of Business while shaping a business venture called Edit Huddle, an editing tool for blogs and websites. “With an MBA, it’s a lot of networking and meeting as many people as possible and building your own brand.”

An MBA also gives students who want to make significant career shifts “insight and access into a variety of careers that they haven’t even thought about,” said Doreen Amorosa, managing director of the Office of MBA Career Management at Georgetown University’s McDonough School of Business. “Their ideas crystallize as a result of being in an MBA program.”

Kersten Kelly saw her MBA as an “insurance policy for myself that would benefit me in the future for almost every job.” She noted that the vast majority of jobs that interested her required a bachelor’s degree and preferred an MBA.

When she did graduate with her MBA last year from Indiana University's Kelley School of Business, Kelly, 25, took a job as a regional sales manager with Chicago's Schulze & Burch Biscuit Co.

Kelly said she saw a roughly 10 percent salary increase, and she said the knowledge she gained from learning about the business experiences of her professors and peers could not be equaled by textbooks or how-to business videos on YouTube.

The decision of where to go for an MBA program also matters, depending on what you want to do, said Jon Frank, CEO of Admissionado, formerly Precision Essay, an admissions consulting company.

"Some top firms will only recruit at top programs," said Frank, of Chicago's Logan Square, who received an MBA from Harvard Business School. Even so, "the real value is in the people that you're going to meet. This is going to be the smartest room of people you will ever meet in your life."

For Gruaz, she said her company has flourished since she graduated with her MBA in 2008 from Northwestern's Kellogg.

Her firm has grown from a handful of Chicago employees to a staff of 22, with offices in New York and Los Angeles. Throughout Alpaytac's growth, Gruaz said, she has employed case studies and principles on leadership taught by her professors.

In a position to hire people herself, Gruaz, 45, said she sees a person with an MBA as a "door opener for a job interview." After that and the requisite work experience, she said, it's all about being a "superperformer."

"What you'll get from your MBA is really dependent on your whole outlook on it," she said. "It's not going to happen like magic, even if you go to the best MBA school. If you don't have the best attitude in your work, you're not going to get anywhere.

"It's really about taking every situation and that education and really applying it to your life."

FIND PROGRAM THAT FITS YOUR DREAM

By William Hageman, Tribune reporter



Northwestern University's Kellogg School of Management and the University of Chicago's Booth School of Business admit only about 20 percent of applicants to their full-time MBA programs. The schools are among more than two dozen in Illinois with MBA programs.

The Chicago area has more than two dozen schools with MBA programs, including two — University of Chicago's Booth School of Business and Northwestern University's Kellogg School of Management — whose business schools continue to rank among the best in the country by U.S. News & World Report. That's in addition to many online programs and schools outside Chicagoland.

So candidates have a lot to chew on.

“In choosing the ‘right’ MBA program, the individual has to ask and answer several key questions,” said Dan Bauer, managing director of The MBA Exchange, which advises applicants seeking admission to top business schools. “How important is it for me to add a prestigious brand to my resume? Is my long-term career likely to focus on one city, or do I need a globally recognized credential? What is the profile of those who will be my classmates and, later, fellow alumni? What are the credentials and caliber of the faculty who will be teaching me? Do I have the financial resources to handle what could be a six-figure investment? Do my academic and professional qualifications make me competitive for admission?”

Maxx Duffy, founder of Maxx Associates, which helps clients navigate graduate school admissions, said the first question she asks a client is why they want or need an MBA.

“When a candidate is looking at programs, the instinct is, ‘Give me that name brand,’” Duffy said. “Then it becomes a question of, ‘Are you qualified for that name brand?’ The end result is, ‘Can I get to where I want to be (in business) through a particular program?’”

The full-time MBA programs at Booth and Kellogg draw the top candidates and admit only about 20 percent of applicants.

Yet unranked schools far less demanding about qualifications can be the answer for certain students.

“There are also individuals for whom a less selective, lower-cost local business school would serve their needs perfectly,” Bauer said.

Regardless of quality and reputation of the program, admissions officers like to see career growth.

“They look for that extra spark, not just going above and beyond,” Duffy said. “Have they gained a mentor, someone who is coaching them? Have they seized all the opportunities out there? Have they even seen those opportunities? If they’re kind of firm in their career interest, have they participated in events to get to know their colleagues and peers?”

To get realistic consideration from any school, Bauer said, an applicant needs to show academic competence. That means an undergraduate degree from an accredited university and a good performance on the Graduate Management Admission Test or the Graduate Record Examinations.

Bauer said the best way to determine whether your test score will help or hurt chances for admission is to compare it to the median score for the targeted school and see where it fits in the “middle 80 percent range” of scores for previously admitted applicants. For example, a top 25 school’s admitted students might have had a median GMAT score around 665 and a middle-80-percent range from, say, 590 to 730 — meaning 10 percent scored lower than 590 and 10 percent scored higher than 730.

“Every point above the median score will benefit the candidacy,” Bauer said. “And applicants with a score below the bottom of the middle 80 percent range should compensate with other attributes (like a high GPA) or consider targeting less-selective schools.”

Duffy said: “Obviously, those with a higher GPA and higher GMAT score get themselves more comfortably in the running at a top program. But if you look at the top programs and look at the average scores and look at the range that exists, you’re not obviously excluded. It goes back to who is this candidate, what motivates this person and how have they set themselves apart from the competition.”

Bauer said schools, with few exceptions, also want to see a minimum of two years of full-time work experience. At the University of Illinois at Chicago, students who entered the full-time MBA program in 2011 had average work experience of four years, the university said.

The application typically includes five components: basic information about the applicant, an undergraduate transcript, a resume, recommendations from two or three people and three to five essays.

“MBA admissions committees put a high value on content that specifies tangible — ideally, quantified — results and accomplishments,” Bauer said. “Also, the resume should convey some balance between work and nonwork involvement by describing how the applicant is making a positive difference in the community.”

Choose recommendations carefully. An applicant should consider a supervisor who knows the applicant professionally and personally and who can offer specific examples of abilities.

“The admissions committees realize that most applicants are not great writers,” Bauer said. “What these gatekeepers seek and value most are substance, clarity, authenticity and passion.”

Bauer added that for a top 10 full-time MBA program, a candidate should have a GPA of at least 3.5 from a respected undergraduate program and a GMAT or GRE score above the 80th percentile of students admitted to the previous class at that school, with emphasis on the quantitative score.

Executive MBA

Another option is the executive MBA. The executive MBA curriculum covers the basic components of management — finance, operations, marketing, strategy, human resources, etc. — and offers courses focused on current theories and issues faced by senior managers. Many programs also include leadership and interpersonal skills development opportunities. Bauer said that most executive MBA students work full time and range in age from the early 30s into their 50s.

“These individuals are typically on a fast track to senior or executive management but lack the formal education to qualify for broader responsibilities,” he said.

Work experience can benefit an applicant, Duffy says, depending on the program. Even with substantial experience, a person still has to take the GMAT.

“But they probably won’t fare as well as someone just three or four years out of school,” Duffy said. “(The schools) have high standards but are probably willing to give a little bit of a break.”

CHARTING A DIFFERENT COURSE

Many students turn to specialized degrees to suit professional goals and respond to the job market

By Janet Kidd Stewart, special to the Tribune



Instead of an MBA, Laura McLaughlin pursues a mix of business, sociology and marketing.

Getting an MBA is still the logical step toward the corner office, but more students are veering off the beaten path.

Business schools increasingly are offering a wide range of specialized degrees or partnering with sibling departments within their universities to mix business and a host of other disciplines.

Loyola University Chicago's School of Business Administration this fall will offer a master of science degree in supply chain management. Northwestern University's Kellogg School of Management offers a major in social enterprise. At DePaul University, graduate students can weave business courses into a master's degree they design for their own interests.

With a sales background and a startup company on her resume, an MBA could have been a natural progression for Laura McLaughlin.

Instead, she is completing a master's degree at DePaul's Interdisciplinary Studies Program, combining sociology and communications courses with traditional business classes at the school's Kellstadt Graduate School of Business.

“It’s a bit of a challenge to explain. I’m a real eclectic mix,” said McLaughlin, who went back to school midcareer to break away from strictly sales positions.

Ultimately, she envisions a career helping companies with their communications strategies. Already, she has started her own food-canning instruction business and companion social media presence (theglass-rooster.com).

McLaughlin admits to the occasional worry that her degree will be viewed skeptically. She is confident she can connect the dots in a face-to-face interview, but without a traditional MBA her resume will fall through the cracks of recruiting software or strict hiring procedures.

“The degree isn’t a shingle the way an MBA is,” said David Gitomer, director of Interdisciplinary Studies at DePaul, where students are given broad latitude to design their degrees.

“If you are going into a gigantic corporate setting where they want someone with an MBA, then go do an MBA. But if you’re going into a smaller company where you may wear different hats, this can actually work quite well.”

At highly ranked Kellogg, meanwhile, nearly 90 percent of its MBA candidates now choose at least one elective course in the Social Enterprise at Kellogg (SEEK) program, said Jamie Jones, assistant director.

SEEK applies management and leadership training to global initiatives such as world health, said Jones, a 2009 graduate of the program. She calls her own education a “transformative experience about the options that exist to use business models to address societal and environmental challenges.”

Students typically travel abroad to observe gripping health or societal problems, then assemble business models to address them.

It’s a far cry from the Gordon Gekko era, and the school offers loan payback assistance for students whose jobs after graduation are higher on mission than margin, Jones said.

Students with social enterprise startup projects can also win small monetary awards to help seed the business.

“There are certainly students whose parents are concerned they are majoring in this,” she said. “You can easily get roped into these conversations about what your peers are doing, and it can make you feel like maybe you should just go be a consultant. The difference is, when I wake up, I’m really happy.”

Alternative degrees can also add a layer of depth for students who have a keen sense of where they want their careers to go.

Kenneth Jones, a Loyola MBA candidate, will tack on the new supply chain master’s degree program this fall.

“A lot of companies are creating the role of a chief supply chain officer,” Jones said. “There’s always risk, because you’re using money for a degree that you could be saving, but I’m hoping this has a good payback. And I’m just one of those people who likes to try new things.”

Supply chain management (formerly “logistics,” which was formerly “distribution,” which was formerly “trucking”) is not a business fad, said Loyola’s Maciek Nowak, director of the new program. Global product sourcing has become an integral part of business, moving into discussions in the executive suite instead of just operations, he said.

“An MBA is a broad degree, and that’s important, but a lot of employers are looking for something that is more focused,” Nowak said.

“I’m getting calls every week from companies asking how many graduates we can send their way, and we haven’t even started yet.”

UNDERSTAND REALITIES OF A PART-TIME PROGRAM

By Carolyn Bigda, special to the Tribune

You get several advantages from earning your MBA through a part-time program. You can hang on to your job while you get your degree. You earn a salary even as you study. And since you take fewer classes at a time, you're not paying as much tuition all at once — all good things in a tough economy.

But your schedule becomes a nightmare.

“Our admissions office does a very good job of identifying people who will be successful in the program,” said Wendy Hermann, executive director of student services for Carnegie Mellon University’s Tepper School of Business. “But there are external forces that can derail you.”

Those external forces include things like commute times, work assignments and family obligations that can conflict with the 15 hours or more per week that most part-time MBAers must dedicate to school.

It’s a tough balancing act, and to figure out how to do it, we spoke with academic advisers, counselors and students for their advice. Here’s what they had to say.

Build a support network

As you start school, you will have to put some routines — work trips, weekend golf games and household chores — on hold for a while.

But you can’t make those cuts without the help of your supervisor, colleagues, friends and family. To gain their support, talk up the long-term benefits of your MBA: Yes, your studies are a temporary inconvenience, but you will acquire new skills that benefit your employer. And your family can look forward to a brighter future.

“I’ve had to spend less time with my wife and kids,” said Ben Brooks, a part-time student at Duke University’s Fuqua School of Business. “But we knew this would be a big-time commitment, and we remind ourselves that it’s an investment for the long term.”

In addition to getting the support of family and colleagues, you also need the help of classmates.

“Make friends as fast as you can,” said Dan Bauer, managing director and founder of The MBA Exchange, an MBA admissions consulting service. “You want to have people to commiserate with on tough days and celebrate with on good days. A spouse can’t give you that kind of reinforcement.”

Nor can your spouse give you class notes if you have to miss a class because you’re traveling for work or staying home with a sick child.

“Developing those relationships is the No. 1 thing you can do to ensure your success,” said the Tepper School’s Hermann.

Stay organized

Planning ahead is crucial. Most programs give dates for exams and assignments well in advance. Share the details of that schedule with work and family.

Being upfront and honest can help set expectations and make it possible to take a break now and then.

“You are always thinking about your schedule,” said Chad Sparks, a part-time student at UCLA’s Anderson School of Management.

Many part-time programs are flexible about scheduling. If you're feeling overwhelmed or you're logging extra-long hours at the office, say, for a product launch, it's OK to take a break.

"A lot of students don't want to take any time off," said Elizabeth Ford, senior assistant dean for graduate programs at Santa Clara University's Leavey School of Business. "But it's better that you scale back temporarily — take one class instead of two, or take a semester off — than try to make it work."

And when you're on the job, use what you've learned in the classroom. You'll show your boss that your studies do benefit the company.

MORE SCHOOLS CONNECT WITH STUDENTS VIA WEB

By Janet Kidd Stewart, special to the Tribune

It's often cheaper, and certainly more convenient, but you might wonder whether you get what you pay for with an online MBA.

A few top-flight business schools have entered the online world, bringing cachet to the field. But skeptics abound. Access to the best professors and the bonds formed with B-school peers are key elements missing online, they argue.

The networking that goes on at elite schools is a bankable piece of the experience, said Toby Woll, one of two principal investigators for a study published last fall on blended learning programs for UNICON, a consortium of business school executive education leaders.

MBA programs, in particular, pose a logistical challenge to the online experience, Woll said.

"The questions being asked in class aren't two-dimensional and often have very complex answers that can't be done in a tweet," she said.

Yet Woll and others believe online programs will continue to grow in popularity with students, as well as in prestige with employers, as the technology improves and blends with traditional learning methods.

Some schools, in fact, are positioning their online tools as a way to inject global perspectives into the virtual classroom, a hot topic in higher education.

And more practical factors — money and time — are making online degrees more attractive.

"A lot of students who go to residential MBA programs have to move families," said Daniel C. Smith, dean of Indiana University's Kelley School of Business, which offers an online MBA. "Today, in some cases, it's impossible because of the housing downturn."

Smith said Kelley has about 50 students from the Chicago area, more than double from 2007.

Hectic business travel also makes online programs more accessible than traditional part-time ones, Smith said.

"Often, our students are consultants who travel randomly and extensively," he said. "They couldn't go to (the University of) Chicago's evening program even if they lived next door."

That was precisely the situation Indiana University student Katie Fox found herself in three years ago while working for a health care company.

"My husband and I live downtown, and there are great universities here," said Fox, a product manager. Her husband, Josh, attends Northwestern University's Kellogg School of Management while working for a small company.

Fox said she didn't find giving up Saturdays appealing. But she figured a big-name degree was a must given her strong GMAT scores, an undergraduate degree in engineering from Purdue University and six years of solid business experience.

Cost was also a factor in choosing Kelley, where online tuition costs \$1,145 per credit hour, or about \$58,000 to obtain an MBA, Fox said. That compares with about \$90,000 for out-of-state tuition for Kelley's two-year residential program.

For-profit schools including DeVry University's Keller Graduate School of Management and the University of Phoenix offer online MBA programs. The University of Phoenix is accredited by the Accreditation Council for Business Schools & Programs, and DeVry is in candidacy for that accreditation, said Steve Parscale, the organization's director of accreditation. Neither school is accredited by the Association to Advance Collegiate Schools of Business, which accredits 15 Illinois business programs.

Despite the "cachet gap" with the elite schools, Michael Kaley, territory vice president for University of Phoenix, said the online learning format is booming and that it may be brick-and-mortar schools playing catch-up in the end.

The University of North Carolina at Chapel Hill's Kenan-Flagler Business School last year launched MBA@UNC, an online program touted as having "the same world-class faculty, rigorous curriculum and top-caliber student community of our on-campus programs."

A WORLD OF OPPORTUNITY

MBA programs look to make social problems their projects and emerging markets their classroom

By Carrie Kirby, special to the Tribune



Loyola University Chicago's School of Business Administration, where Kathleen Getz is dean, is launching an Intercontinental MBA in 2013.

Travel the world or settle down and get an MBA?

Those two paths might seem to diverge sharply. But Loyola University Chicago's School of Business Administration is launching a program that combines world exploration with MBA studies and in so doing embraces a major business trend: Seeking opportunities in emerging markets.

"The growth of the future for the world is in emerging markets," said Kathleen Getz, the school's dean. "Emerging markets have not just higher populations but higher population growth, so their business opportunities are much greater."

Loyola's Intercontinental MBA, to launch in the fall of 2013, will allow students to rotate through residencies in Asia, Latin America and Eastern or Central Europe. Each class will vote on exactly where within those regions they will spend each quarter together.

Getz acknowledges that "it would be fun to be a student in a program like this." Beyond the fun factor, she said, the rotation will give students hands-on opportunities to study how emerging markets can move beyond agriculture and mining into value-added businesses such as manufacturing and, eventually, the knowledge economy.

At the same time, Loyola and other business schools are setting up and expanding permanent programs in developing economies. For example, Loyola is collaborating with Harvard University to expand its presence in Vietnam.

The focus on emerging markets is just one of the ways Chicago business schools are evolving with an eye on the trends shaping the economic future. Other trends the schools are embracing:

- **Social enterprise**—using business practices to solve social problems in a for-profit or nonprofit context.
- **Business intelligence**—the new field of making good use of the mountains of data produced by modern business software applications.

Social enterprise

The University of Chicago Booth School of Business launched its Social Enterprise Initiative this spring. Booth is one of many business schools to acknowledge that students of the Millennial Generation plan to wrap their social consciousness into their professional careers, said Robert Gertner, a deputy dean at Booth.

"Young people today have been exposed to doing volunteer work throughout their lives, often in high school, through church groups and in college," said Gertner, who is co-director of the Social Enterprise Initiative. "Being engaged in some kind of social activity is a part of their lives, and they ... are eager to find opportunities to use their learning in a way that's productive."

Social enterprise as a trend in the business world started about 10 years ago, Gertner said, and is now being embraced by business schools.

"Microfinance taking off was a big part of it," he said. "That's the kind of thing that resonated with MBA students: Here's a way that you can use the tools you're learning in finance classes ... to solve the deepest issues of poverty."

The Social Enterprise Initiative supports classes and extracurricular activities at Booth that focus on using business practices to change the world for the better. One such activity is the Social New Venture Challenge, in which students compete for cash prizes to fund sustainable business or nonprofit ideas.

This year's competition includes LuminAID Lab, which developed an inflatable LED solar light for use in disaster relief, and First Principals, which would provide public school principals with management coaches from the private sector.

Besides Generation Y's background of volunteer work, Gertner has another theory on why interest in social enterprise has taken hold among MBA students and undergraduates across the country: "Young people have always been idealistic," he said. "A lot of that traditionally has been focused toward politics and the political process. There's a deep sense of disappointment and therefore disengagement toward politics."

Instead of the political realm, students are looking for ways to integrate doing good into their work lives, he said.

Loyola has also identified social enterprise as an area of focus. Getz agrees that people in their 20s are drawn to social enterprise due to a sense of disillusionment with the present world. She said the interest also springs from the generation's strong desire for work-life balance.

"The person can combine the technical knowledge as a business person with whatever social passions they happen to have," Getz said.

Nationwide, students are showing their passion for social enterprise by setting up local chapters of Net Impact (netimpact.org), a global network that calls its members "a new generation of leaders who use our careers to tackle the world's toughest problems."

Business intelligence

It doesn't take a clairvoyant to make this prediction about future businesses: They will have a lot of data. Modern business databases provide a constant stream of information about sales and expenses from different software programs, and the data mine keeps growing.

"Now what do we do with it?" is the question businesses are asking, said Bob Ludwig, director of public affairs at the Graduate Management Admission Council, the owner and administrator of the GMAT exam taken by prospective business graduate students. "We need people with the skills to look at this data."

This year for the first time, the GMAT will include a section called Integrated Reasoning, in which students must draw conclusions based on multiple sources of data.

And MBA programs are adding business intelligence, or business analytics, programs to their curricula. In the Chicago area, the business intelligence focus can be seen in the Illinois Institute of Technology's Stuart School of Business' certificate program in business analytics, Booth's Concentration in Analytic Management and the University of Illinois at Urbana-Champaign Chicago Executive MBA program's course Statistics, Data Analysis and Decision Making.

HIGH COST A 1ST LESSON IN DECISION-MAKING

By Gail MarksJarvis, Tribune columnist

Joe Mihalic wasn't thinking at all about how he was going to pay off what would become \$101,000 in student loans when he was accepted to Harvard Business School.

"I assumed all would take care of itself; that I would go to Harvard, get a high-paying job, and everything would be OK. I was completely naive."

Then, when he graduated from Harvard with an MBA in 2009, got the six-figure job he wanted, bought a home and started paying \$1,057 a month on his student loans each month, the naivete started to dissipate. Two years after graduating, he had paid \$22,000 toward his loans and saw he still had \$91,000 more to go due to accumulation of interest.

It was a shocking revelation, a signal that he was trapped with overwhelming debts that would control how he could live his life. Not only had he barely made a dent in the principal after two years of payments, but he had \$42,000 in interest to pay over the next 10 to 15 years.

He never questioned the value of getting his Harvard MBA, and he liked his job managing a business development division for Dell in Austin, Texas. But with debt payments arriving every month, he realized he had lost flexibility in his life. He knew that if he lost his job it could be a disaster. He would have to think twice about rocking the boat at work, balking if he was overlooked for a promotion or taking a job that paid less even if it would allow him "to make a valuable contribution to the world."

"I didn't want a gun to my head every time I thought about this," he said. "I felt trapped."

It's a revelation that few students contemplate as they apply for programs, said Sandy Kreisberg, an MBA admissions consultant. "All they want is to get into a top program."

After acceptance, they might ask about financing, but most, like Mihalic, think an MBA will deliver wealth, and they need not fret about money, Kreisberg said. That tends to be true of top MBA programs, although jobs have been more difficult to get since the 2008 financial crisis.

More top MBA programs are trying to help students with scholarships, and some compete for students with top GMAT scores by offering aid, said John Byrne, editor of Poets & Quants. For example, Mihalic received \$54,000 from Harvard.

But with costs of some top MBA programs about \$300,000, based on a Poets & Quants analysis that includes living expenses and lost income from quitting a job, debt can be oppressive. And when considering MBA programs, pay attention to the effect of scholarships on cost, plus the job placement rates at each school, when applying, said Byrne.

Levels of debt vary substantially between schools, even those in the top 10 or 20. At Harvard, Byrne said, the average MBA student in 2011 had \$77,880 in debt, similar to Stanford at \$77,599. The University of Pennsylvania's The Wharton School was highest with \$114,339. Sometimes top private colleges can help students more than public ones.

Despite high costs, Byrne said MBA students have the lowest default rates on student loans, about 20 percent. MBA graduates have the advantage of relatively high pay, with base salaries averaging \$91,400 in 2011, said Byrne. PayScale Inc. put the median salary in 2012 for MBA graduates at \$83,500, but \$136,000 for MBA graduates of the country's top 30 business schools as ranked by Bloomberg Businessweek.

A higher salary allows students to take on substantial debt and live within a rule of thumb in education finance. That is: Borrow no more than what your first year of annual pay is likely to be.

In addition, it's wise to stick with federal Perkins and Federal Grad PLUS Loans because they include forgiveness programs, such as limiting debt payments to 10 percent of a person's income and forgiving debt that's left after 20 years.

While those rules can take some pressure off students, Mihalic didn't want to pay loans for 10 years. He put himself on an austere lifestyle. He sold a car, took in two roommates, stopped going to movies, didn't take dates to dinner and skipped trips and friends' weddings.

He blogged about it, and in seven months he was debt-free except for his home.

Now, he said, he's so used to an austere lifestyle, it's difficult for him to spend money.

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