

## **The shorter, faster, cheaper MBA**

*Alison Damast*

*Accelerated MBA programs of a year or less are gaining in popularity, but critics say they're not right for everyone and may leave some students shortchange.*



Logan Snyder decided halfway through law school that he wanted to get his MBA degree. But after four years as an undergraduate business major, three years as a law student, and several years of work experience in between, spending two more years in business school was not an appealing prospect. Says Snyder: "It seemed like it would be a waste of time and money."

Fortunately for Snyder, his business background and work experience allowed him to bypass the traditional MBA route in favor of a one-year accelerated MBA program at Notre Dame's Mendoza College of Business (Mendoza Full-Time MBA Profile). After spending 10 weeks this summer brushing up on basic MBA core classes like accounting and finance, he jumped right into the second year of the two-year MBA program this fall and will graduate this spring. "It's been quite a whirlwind," he says. "I can't believe it when I look back four months ago and realize that I'm pretty much halfway through the program."

This type of business school journey is becoming more and more common for a growing number of students, who are tossing aside convention and opting for a shorter and more intensive business school experience at roughly half the price of a traditional two-year program. The condensed time frame of a one-year MBA program, coupled with a more attractive price tag, is proving to be irresistible for many students in this economy, say admissions officers and MBA program directors. A number of U.S. business schools that offer the accelerated programs say that applications were up significantly last year, with enrollment at record levels at some schools. And worldwide, nearly 70% of one-year MBA programs reported an increase in applications this year, according to the latest application trend survey from the Graduate Management Admission Council. To meet growing student demand for these programs, more and more schools are expanding their MBA offerings to include one-year programs, with some adding programs just in the last few months.

### **A growing trend**

The trend mirrors a shift that has taken place in the MBA market over the past year, says Nunzio Quacquarelli, managing director of the QS World MBA Tour, which polled nearly 4,000 prospective MBA students in 35 countries last fall and again in the spring of 2009 for its annual applicant survey. One finding that stood out? Of this year's pool of MBA candidates, more

students (44%) stated a preference for a one-year program over a two-year program (43%), a first in the applicant survey's 11-year history. In the U.S. the two-year model is still the preferred choice, but even that is beginning to change, he says. "Five year ago, the two-year MBA was significantly more popular than the one-year MBA model, but now they are neck to neck," Quacquarelli says.

Schools in the U.S. are already responding to the demand from students for alternatives. One school starting a new program is Rutgers Business School (Rutgers Full-Time MBA Profile), which is launching a one-year MBA program in the summer of 2010. The school has offered a two-year MBA program on its Newark (N.J.) campus for years, but never offered a one-year program, says Susan Gilbert, Rutgers' associate dean of MBA programs, who was asked by the school to explore options for a new MBA program on the school's New Brunswick campus.

While researching, she reviewed applicant data from the past few years and unearthed a surprising discovery; about 40% of the applicants to the school's two-year MBA program already held undergraduate business degrees and were likely up to speed on the concepts typically covered in first-year core MBA courses. Adding a one-year MBA program to the school's degree offerings seemed to make sense, Gilbert says, with the idea that the program would cater to these more experienced applicants. "There's a growing niche segment of students who aren't making as big of a career switch." Gilbert says. "They want their MBAs in a hurry in order to advance their career in the field and function that they are already in."

#### Uptick in enrollments

Schools that already offer one-year MBA programs say they are starting to reap the rewards of catering to this new market of students. At Utah State University's Jon M. Huntsman School of Business, which has offered a one-year MBA for more than a decade, enrollment is at 56 students this fall, up from 43 last year. In fact, this year's class was so big that the first-year cohort couldn't fit into the classroom where lectures are typically held and had to move into the school's larger 80-person capacity classroom, says Ken Snyder, Huntsman's director of MBA programs.

Other schools are reporting similar upticks. At Notre Dame, applications were up about 14% this year for the school's one-year MBA program and the school matriculated a class this fall that is 30% larger than last year's, says Brian Lohr, the school's admissions director. At the University of Pittsburgh's Katz Graduate School of Business (Katz Full-Time MBA Profile), which has one of the longest-running one-year MBA programs in the U.S., applications more than doubled this year, says Bill Valenta, the school's assistant dean for MBA programs. Part of that increase was driven by international students, who are looking for programs similar in length to those offered in their home countries, Valenta says. "There are a growing number of one-year programs in Europe, so we are seeing more international students who identify with the one-year program model," he says.

Meanwhile, some institutions that offer one-year MBA programs are seeking to make their programs more cutting-edge and appealing to students. The University of Oregon's Lundquist College of Business (Oregon Full-Time MBA Profile) recently revamped its one-year MBA curriculum, a move that now allows students to finish the program in either 9 or 11 months, making it one of the shortest one-year MBA programs on the market. Previously, students completed the school's accelerated program in 15 months, says Andrew Verner, the school's assistant dean of graduate programs. He's hoping the new curriculum, which allows specialization in tracks such as sports marketing and sustainable business, coupled with the new program length, will strike a chord with applicants. "The preponderance of MBA programs in

the U.S. are still two-year MBA programs, so if you can add a one-year program, that helps give you a leg up on the competition," Verner says.

However, admissions directors concede that accelerated MBA programs are not for everyone. There is not always as much flexibility when it comes to electives and concentrations in particular disciplines, and students are often so busy that they don't have time to get involved in campus activities.

No summer interning option

And unlike two-year MBA programs, which require a summer internship between the first and second year, one-year programs typically doesn't offer students this option. In this tough job climate, when many companies are only making offers to students from their MBA summer internship cohort, that can leave one-year student at a disadvantage when it comes to the job hunt, concedes Huntsman's Snyder. The school has had to be creative about helping students prepare for the job hunt and find opportunities.

"Sometimes when we talk to the big companies, they'll say we have most of our MBA hires locked up from the summer," Snyder says. "We have to work hard to make up for the challenges of not having that summer internship."

But this is a downside that most students who enter the one-year programs say they are willing to overlook. Those who enter the one-year MBA programs tend to be more focused than the typical two-year MBA student and the internship experience is not necessarily as important for them in their career advancement, admissions directors say. Admissions officers also say they carefully screen the applicants for the one-year MBA programs, typically requiring them to have an undergraduate degree in business and several years of work experience. Many programs seek out students who are not career changers, but career advancers. "Generally, the one-year student is pretty well focused and on a career path where they are not making a large transition," says Lohr. "They are staying in essentially the same area but moving back at a higher level,"

This is the case for Allison Fromm, a one-year student at Pittsburgh's Katz School who previously worked in the accounts payable department at health-care giant Bayer (BAYG) before business school and plans to return to the field after graduation. But with nearly 10 years of work experience under her belt, she didn't feel that she needed the summer internship and other perks that come along with a two-year MBA. She wrestled with the decision to go back to school until she learned about the one-year MBA program. Her decision came with a trade-off, she says. "Sure, I regret the things I can't do, but would I rather have done the two-year program? Not at all," says Fromm. "With this, I can get my business foundations, not spend too much time out of the workforce and get right back in."

Not everyone in the management education world is pleased about the growing popularity of the one-year programs. A shortened MBA program may be an appropriate model for a handful of talented students with significant business experience, but it is not the right model for the majority of students, says John Fernandes, president of the Association to Advance Collegiate Schools of Business (AACSB), one of the leading accreditation agencies for business schools.

His association has been tracking the number of U.S. accredited schools that offer accelerated MBA programs, which they define as programs that can be completed in less than two years. There were 31 accredited schools that offered accelerated programs back in the 2005-06 academic year, a number that has since skyrocketed to 44 schools this year, AACSB data shows. "It's a very sharp increase," he says. "I'm concerned that there is a race to acceleration."

The growing popularity of these programs comes at a time when the AACSB is encouraging, and in some instances requiring, schools to add more materials and concepts to their two-year curriculum, such as ethics, sustainable development, and how to operate in a global market, Fernandes says. The new one-year programs could be flagged by accreditation officers in the next few years if they are not up to AACSB standards, he says. "If the school has a program that is not covering sufficient curriculum, that can be a slippery slope," he says. "Unless you have very experienced high-performing students, I think it's another 'buyer beware' market, both on the student and employer side"

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