

# IRANIAN BUSINESS SCHOOL PROJECT

## Quarterly Newsletter



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## Introduction



The success or failure of economies and societies in the age we live in depends largely on their ability to compete in an ever increasing globalised landscape. Iranians are no exceptions to this reality. The destiny of our future generations is now being determined by the ability or lack thereof, to prepare them for collaboration and competition with highly knowledgeable and highly skilled counterparts from every corner of the planet. The greatest contribution we can make to the young people of today and those of tomorrow is to equip them with the skills they require to shape a world which is changing at an exponentially more rapid pace than ever before.

The significance of education has always been a cornerstone of Iranian culture. Iranian parents instil in their children a profound sense of importance for the value of education. Whether in Tehran, Sydney, or San Francisco, Iranian children excel at school earning top grades which in turn gives them access to the world's greatest universities and higher centres of learning. Iran's famous Sharif University pumps its engineering graduates into cutting-edge institutions such as the Massachusetts Institute of Technology (MIT) and Stanford University's highly rated Department of Engineering.

However, this success has not been translated into the commercial sphere, and the academic ability of young Iranians has had little bearing on the country's economic performance. This is largely the case because of the lack of institutions that can train the country's best and brightest minds for the practical

requirements of commercial activity in the modern economy, and because of a disconnect between the extraordinarily diverse expertise of our global Diaspora and the education of our young generations. This is a purpose that only a world class business school based in Iran can serve, hence the motivation behind the Iranian Business School Project.

The simplest way to think about this important project is to realise that it is about building a school, but one that can have an enormous practical impact on preparing young Iranians for success in today's world. It is a school for our best and brightest to ensure that their talents and initiative are not wasted – this would a great tragedy by any account. There can be few pursuits more noble in nature or effective in practice, than the building of a school that equips and empowers the best of every generation and this is a responsibility that should not be ignored.

The Iranian Business School Project has now passed several significant milestones including the establishment of a highly distinguished Board of Governors, receiving a permit from the country's Ministry of Education, Science and Technology, and securing substantial donations from contributors who have joined the School's Founders Circle. Together we need to ensure its development continues apace until the school of our dreams can open its gates to those capable young students who meet its criteria for admissions. That day will be a happy one for all those who believe in the infinite power of education to create a better world.



# Project Progress Report

## Learning with Time!

*"The roots of education are bitter, but the fruit is sweet."*

When Aristotle uttered these words some 2400 years ago, he was of course talking about the hardship of learning for the chosen few. Today, with education clearly identified as the greatest contributor to the advancement of nations, we might as well extend Aristotle's observation to the process of setting up the much needed academic institutions, especially in developing countries.

Gone are the days when students went to the humble abodes of their mentors, whose tools of sharing knowledge were limited to their spoken words and their pens. The universal education of the 21<sup>st</sup> Century requires extensive resources and infrastructure and is subject to a variety of rules and regulations. Ironically, in most cases, the greater the need for education in a society, the more scarce are the resources and more cumbersome the rules! It is not unusual in such environments to find out that the task of setting up higher education institutions by the private sector is a slow and costly challenge, requiring patience and persistence; what Aristotle would have called the bitter roots, before tasting the sweet fruit of success!

For almost two years the Founders of the Iranian Business School project have been trying to muster adequate resources – financial as well as human – and master the regulatory maze of the higher education policies and procedures. We feel that we have done an extremely thorough job on both counts to ensure that with every step of the way, the learning and the achievements would contribute

to the long term success of the project. We have also developed a benchmarking platform which allows us to evaluate our goals and progress versus the approach and direction of leading international business schools.

By keeping the strategic direction of the project under constant review, we have tried to regularly expand and modify the IBS' business plan in order to incorporate every new experience and reflect the realities of a rapidly changing society. The plan currently drawn up by the Academic Committee recommends that IBS should start operations in autumn 2010, as planned, with a number of high-level CEO/Board Level Non-Degree Executive Education Programmes and in parallel, prepare the ground for the launch of full EMBA and MBA programmes by 2011/12. This approach would allow a period of orientation and preparation by the faculty and administrative staff, in anticipation of offering a world class academic environment within the prevailing rules and resources.

We are confident that this is the most pragmatic and sensible approach with which to launch the School. The approach has been extensively researched and has benefitted from significant input from leading domestic and international experts. We are convinced that this strategy will mobilize the requisite critical resources behind the project and present a clear path to the success of the School itself. Thus, we are pleased to report that the Iranian Business School Project is on the right track to becoming an important institution for the training and development of the future managers and entrepreneurs in Iran. And, we are hugely grateful for the continuous support of the project by all our benefactors and volunteers.

## Higher Education in Iran

### 5th International Project Management Conference held in Tehran

Aryana Group and Tarbiat Modarres University held the 5th International Project Management Conference (IPMC 2009) in Tehran this year from the 11th to 12th August. The conference theme focused on the issues of strategic project management, project management techniques, project organisation, knowledge management and other modern developments in the field. The programme entailed the presentations of selected papers, lectures by world famous socio-economic scientists, round-table discussions and workshops. The interested institutions had a chance to exhibit their works and activities in the conference exhibition halls. The IPMC 2009 organisers hope that the event will ultimately help to create a network for researchers, project managers and practitioners to share their knowledge and experiences in the field of project management.

### Iran Student Migration Down 30%

Student migration from Iran to Britain has declined by 30% during the past year, according to the latest unofficial figures. Iran's scientific representative in the UK and Ireland said the rate of Iranian students coming to the UK has fallen in recent years due to the expansion of undergraduate courses in Iranian universities. Professor Alireza Salehi also told

IRNA (the Islamic Republic News Agency) that the quality of education at the undergraduate level in Iranian universities has enhanced remarkably in recent years, resulting in a 30 percent decline in student migration from Iran to Britain. "As per the regulations of Iran's Ministry of Science, Research and Technology, sending students to the UK under the financial support scheme of the government is only possible at PhD and post-PhD levels" he said. The Iranian government does not financially support students at the undergraduate or master's levels. Presently 200 Iranian postgraduate students are studying in Britain under the scholarship scheme of the Iranian government.

### Iran intensifies its effort in Quality Education for All

Iran will mark the United Nations (UN) initiative called 'Global Action Week of Education for All 2009', with a series of events starting from August 20th. The purpose of these events - organised jointly by the UNESCO Tehran Cluster Office and the Ministry of Education of the Islamic Republic of Iran - is threefold. Firstly, to provide new input towards achieving the UN Millennium Development Goals as they pertain to education. Secondly, to fulfill the objectives of another UN Charter, namely 'Quality Education for All' and finally, to implement the UN Article entitled the 'Decade of Education for Sustainable Development in Iran'.





## Former GE CEO launches Online MBA

Jack Welch, former CEO at General Electric (GE), has announced plans to start an MBA programme based on the business principles he made famous teaching managers and executives in GE's Crotonville classroom. Under Welch, GE became a factory for producing managerial talent, producing CEOs that included James McNerney at Boeing, Robert Nardelli at Chrysler, and Jeff Immelt, his successor at GE.

The Jack Welch Management Institute was officially launched in June 2009, with the aim of the first classes starting in the autumn of 2009. The MBA will be offered almost entirely online. Compared to the \$100,000-plus price tag for most traditional MBA programmes, the \$600 per credit hour tuition means that students can potentially get an MBA for just over \$20,000.

Welch's decision to jump into online education shows impeccable timing. Business schools in general are experiencing a rise in applications as mid-level managers look to expand their business acumen while waiting for the job market to improve.

To help him get there, Welch has chosen a dean and is working closely with a select group of prospective faculty members whom he hopes will be in place by September 2009. Ideally, The Jack Welch Management Institute hopes to have a few hundred students enrolled by that time, gradually increasing the number over time.

## The Wharton School Announces Agreement with Abu Dhabi-based Centre of Excellence for Applied Research and Training

The Wharton School of the University of Pennsylvania announced an agreement with the Centre of Excellence for Applied Research and Training (CERT), a preeminent private education provider in the Middle East. Cornerstones of the agreement between Wharton and the Abu Dhabi-based CERT include two initiatives that are aimed at the creation and dissemination of Wharton research. Wharton and CERT will establish a Research Centre where Wharton faculty will study entrepreneurship, innovation and family business. In addition, Wharton and CERT will collaborate on the development of an Arabic language version of Knowledge@Wharton, Wharton's award-winning online business journal.

The Arabic edition of Knowledge@Wharton will

disseminate knowledge in print and through video casts and podcasts. The site, by making extensive use of mobile technology, will analyse business trends in the Middle East and their impact on the larger global community. The Arabic edition will become the first site in the Middle East to join the Knowledge@Wharton Network, which is celebrating its tenth anniversary. This network currently has a global audience of 1.3 million subscribers via editions in the U. S., Latin America, China and India.

The Wharton-CERT relationship formally commenced on 1st August 2009. In November 2009, a senior delegation from the University of Pennsylvania will travel to Abu Dhabi to take part in the Festival of Thinkers and celebrate the signing of this agreement.

## Boost for Management Education in Africa

CEIBS, the Shanghai-based business school which runs the largest Executive MBA programme in the world, has officially launched a programme outside China - in Africa. This marks the first stage of the schools 'Africa Programme', which was announced in early 2008.

The two-year programme, run in Accra, Ghana, has 42 students in the first intake - 30 from Ghana and 12 from neighbouring Nigeria. The plan is to eventually open the programme to managers throughout Africa, says Kwaku Atuahene-Gima, head of the CEIBS marketing department and boss of the Accra programme.

Pedro Nueno, CEIBS's executive president, believes its model, which has proved pioneering in the tough Chinese environment, will prove effective in Africa even in the context of the global recession. CEIBS is frank about the brand-extension qualities of the programme, if not the money-making ones. Ghana, on the cusp of exploiting its oil and gas wealth, as well as offering a relatively stable model of governance by African standards, is an appealing prospect for a state-backed school.

Ghana's government is also supportive - the country has a decent educational tradition, but is strapped for resources. It is possible that the programme's professed aim - to become a pan-African model for African business education and African business in general - is achievable, considering CEIBS's success in China. Additionally, African business talents attending the school from other parts of the continent will have educational possibilities that do not require them to become expatriates - a journey which, too often, has been one-way.






## An interview with Dr. Ali Mashayekhi: "IBS can become a centre of excellence for the region"



Dr. Ali Mashayekhi is the Founder of the Graduate School of Management and Economics of Sharif University of Technology in Tehran where he was the former Dean, having joined the faculty as Professor in 1986. He has also taught at Isfahan University of Technology and was visiting scholar and Adjunct Professor in the Graduate School of Public Affairs and Policy at the State University of New York. Between 1996 and 1998, Dr. Mashayekhi was a consultant with McKinsey & Co. in the USA, where he also worked with AT&T. He has also acted as Advisor to several Iranian Ministries, including those of Power and Industry and has served on the committee of a number of Iranian conglomerates. Dr. Mashayekhi is the author (in Farsi and English) of a number of publications in the field of Management, System Dynamics and Economic Policy. He is the current Chairman of the Directorial Board of the Industrial Management Institute in Iran. He holds a B.Sc. in Mechanical Engineering from Sharif University of Technology and a PhD in Management from the Sloan School of Management at MIT. Dr. Mashayekhi is a member of the Iranian Business School Board of Governors.

### 1) You are a Professor of Management at Sharif University of Technology in Tehran. How and why did you become involved with IBS?



I was invited to become involved, I think, because of my experience and knowledge in management education and consulting in Iran. Since I returned from the USA in 1979, I have been active in starting education and training programmes in systems planning and management in different institutions including The Isfahan University of Technology, The Institute for Research in Planning & Development, and at Sharif University. My last experience was founding The Graduate School of Management and Economics at Sharif University, where we offer MBA, MSc. and PhD programmes in management and economics.

### 2) What role does management and business education play in Iran's society today?

Management and business education would increase the level of rationality in the country, it would raise productivity in our society, and it would accelerate the pace of development in the

country. Management and business education would bring accumulated knowledge, produced by the best talents in different parts of the world, to Iranian organisations. Moreover, management and business education would decrease the use of 'trial and error' approaches in utilising the country's valuable human and non-human assets. Today, management and business education are one of the most pressing educational needs in Iran.

### 3) What, according to you, is the professional profile of a "successful Iranian manager"?

A successful Iranian manager, like successful managers in other parts of the world, should be familiar with the body of knowledge in the field of management. This body of knowledge is the result of the efforts and experiences of many talented people in academia as well as those in the practice of management in successful organisations. Without using this body of knowledge, it is almost impossible to manage large organisations competitively in the modern world. In addition, a successful manager operating in Iran should have a good understanding of the socio-political environment of the country as well as strong communication and leadership skills.

### 4) What do you think are the most challenging aspects of the IBS Project?

The most difficult challenge will probably be the recruitment of qualified faculty who are able to teach and discuss different topics aimed at top-tier Iranian executives, such that those executives feel they are gaining insights and knowledge that worth spending their time on. The faculty of IBS should be excellent in their theoretical knowledge and at the same time be familiar with practical managerial problems in the business environment of Iran.

### 5) Where do you see IBS in 2020, ten years after it becomes operational?

The position of IBS in 2020 depends on the resources which it can mobilise and the strategy that would follow. If IBS can raise adequate resources to start world-class management training and focus on problem-oriented teaching and training, it should very soon become a centre of excellence not only in Iran that needs such a centre very badly, but also in the broader Middle East region, which is very rich in resources and relatively poor in management skills.

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