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## Introduction

This is the first quarterly newsletter of the Iranian Business School (IBS) Project. IBS is an independent, philanthropically-motivated project aimed at nurturing the future business leaders of Iran through providing the best and the latest in management training and research within the country.

There is a critical and strategic need for such an institution in the country, backed by a dynamic combination of human and knowledge resources both from within and outside of its borders. Iran is a country brimming with commercial potential, rich in natural and human wealth, and imbued with an age-old culture of entrepreneurship and trade. In addition, a strong Iranian Diaspora has flourished over the past quarter of a century and now has both the resources and the desire to help develop its homeland.

The impact of a world-class business school, excelling in applied and academic pursuits, can pervade and influence all aspects of Iranian business culture, management, administration and performance. It can act as a catalyst and an engine for change and innovation, reenergising and redeveloping the socio-economic landscape of the country. The School can support innovation, commercialisation and technological advancement that create wealth and sustainable growth and enhance the global competitiveness of the economy.

This project, started over a year ago, operates within the Iranian legal framework, with more than 30 professionals and academics, both in Iran and abroad, working on it on a voluntary basis. We extend an open invitation to all those wishing to get involved in any way and support this initiative to contact us.

Welcome to the Iranian Business School Project.

**Editorials:** Mohit Mamoudi, Reza Moradi, Peyman Dadgar, Kasra Pezeshki, Ramin Navapour

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London: 5th Floor, 143 New Bond Street, London, W1S 2TP, UK Tel: +44 (0)207 493 0412 Fax: +44 (0)207 493 0436 Website: [www.iranianbusinessschool.org](http://www.iranianbusinessschool.org)  
Tehran: 2nd Floor, 248 Motahari Street, Tehran, Iran Tel: +98 (0)21 8830 4079 Fax: +98 (0)21 8882 6096 Email: [r.moradi@iranianbusinessschool.org](mailto:r.moradi@iranianbusinessschool.org)





# Progress Report in Iran



From the realisation of the need for greater management education in Iran to actually creating the right institution fit for the purpose has proved to be a major management challenge in itself. There is enough anecdotal evidence to suggest that out of a million or so Iranians currently in management positions within the country, the percentage of those with formal management education remains in single digits. At the same time, in trying to take part in creating greater opportunities for management training, the Founders of the Iranian Business School project have faced a combination of regulatory, academic, financial and organisational challenges demanding thorough strategic considerations as well as flexibility in planning and execution.

Almost one year into the Project we feel confident that we have mapped out the right approach for achieving our aims within the available resources and constraints. A comprehensive business plan is already prepared, identifying the strategic direction of the project and proposing a detailed operational plan, both for the pre-start up period as well as the first three years of operation. We have also created an impressive network of well-known Iranian academics and successful professionals from around the world who have kindly responded to our call for cooperation.

Considering the not-for-profit nature of the project, sourcing the necessary finances for the Business School without infringing on the School's independence and the sovereignty of its Board of Trustees will remain a long term challenge. A management school of the quality that we desire, especially in the current economic environment of Iran cannot rely on tuition fees as its only source of income. In fact our aim is to maintain tuition fees at an affordable level for our target students, and even extend scholarships to the most talented applicants with limited financial ability. This would require continuous assistance from supporters and benefactors who share our ideals of helping to develop a new generation of highly capable Iranian managers and business leaders.

We are currently on target to run the first programmes at IBS starting in September 2010. An Academic Committee is working on the curriculum while the Planning Team is working according to a detailed timetable towards securing all necessary permits and creating the physical infrastructure of the school. The IBS Fundraising Committee is actively working on ideas and plans for getting more and more Iranian businesses and individuals, within and outside the country, to join and support us in this massive effort.



## Higher Education

### MIT and Shaheed Beheshti University Cooperate in e-Learning Programme



Iran's Shaheed Beheshti University has announced it is to collaborate with MIT of Cambridge, US, to develop an eLearning programme. This follows MIT's much-lauded plans in recent years to put the majority of its educational knowledgebase online, and at the disposal of the global academic community in a programme known as MIT OCW (Open Course Ware). In the initial phase of the Iran collaboration, a select number of courses in the technical, engineering and management fields will be covered.

It has been reported that MIT has shown great interest in having its material translated to Farsi. As such, Shaheed Beheshti will be translating 31 courses into Farsi and putting them online.

The MIT OCW programme has so far digitised and made available more than 1400 subjects across 34 disciplines. These are in a mixture of text, audio and visual formats and cover different levels; Bachelors, Masters and PhD. MIT has so far

signed agreements with three major institutions worldwide to translate material into Chinese, Spanish and Portuguese.

### Iran Diverts Bursaries to Joint Degrees within Iran

Via its new website, the Ministry of Science, Research and Technology in Iran has announced that bursaries to Iranian students for taking up educational courses abroad, will soon be redirected to joint courses delivered within the country by Iranian universities and institutions collaborating with foreign counterparts.

According to this plan, which has been passed by the Council for Bursaries of the Ministry, a gradual expansion of joint courses, and a shift away from foreign-destination bursaries, will begin from 2009. However, the continued deployment of students to foreign universities, in a limited number of subject areas, will continue. These courses have yet to be specified.

Currently, the Ministry supports bursaries for students – mainly in the doctoral research phase – taking up positions outside of Iran, mainly in UK, France, Australia, Russia, Ukraine, India and Malaysia.

### Tabriz University Part of the Organising Committee of International Association of Universities

Tabriz University of Iran was elected to the Organising Committee of the 13th Conference of the International Association of Universities (IAU). The IAU boasts a membership of 570 universities and educational institutions worldwide. It was carried out in June in Utrecht, Netherlands. 23 universities – private and public – attended from Iran alone.

Two universities were nominated for the position on the Organising Committee by the Ministry of Science, Research and Technology, from which Tabriz University was selected, making it the first Iranian member of this fourteen-member Committee. Tabriz University is in the north west of Iran, has almost 11,000 students and 500 members of faculty.

## The Need for Management Education in Iran

Assessing Iran's management education needs by referring to historical data is unfeasible due to the lack of availability of such data, therefore measuring the trajectory (growth or otherwise) of this variable is a difficult task. In the absence of the necessary hard data, assessing the demand for management education in Iran is not a precise science, but rather based on approximations and a composition of the general climate. That said, there are alternative indicators, both quantitative and qualitative that signal a steep upward trajectory in this arena. Let us expand on the facts and data that demonstrate this growth:

- 1- Iran's economic growth rate, which has exceeded 4% per annum over the last several years.
- 2- The increased emphasis on and subsequent progress of the rate of privatization in Iran.
- 3- There is a decipherable increase in the demand for foreign/international management courses amongst Iran's student population.
- 4- There exists a huge potential for the creation and development of Iran's industrial, service-oriented and export businesses.
- 5- A significant program of development aimed at certain core industries, such as petroleum, gas and mineral and iron.
- 6- There is substantial, but unmet demand for MBAs and other such management courses in both public and private universities.
- 7- There is a marked increase in the number of private institutions offering such courses.
- 8- There is a trend for the highest academically achieving percentile of the student population to pursue studies in management.

Statistics indicate that in 2006, the Iranian workforce comprised some 22.5 million individuals, with approximately 1 million of this population being in management positions. However the majority of these one million or so managers have received no formal management education or training. The gap between the number of people requiring management training and the number of relevant courses actually available, is therefore profound and obvious. Even if such courses were to be made available immediately at immense speed, the misalignment would take many years to correct. The difference between the number of applications made to public universities for management courses (demand), and the number of acceptances at those institutions (supply) in the last 6 years is shown in the table below:

As the figures indicate, the annual average percentage growth in the number of applicants for management courses in the last 3 years has been 72%. The absorption rate of these applicants is a maximum of 3%. Even if the number of students accepted at private universities offering courses in management studies were to be included in this variable, the figure would not exceed 5%. This serves to further emphasize the considerable and ever-increasing gap between the number of management course applicants and the number of courses available.

Indeed both private and public institutions in Iran recognize this misalignment and furthermore are focusing on finding solutions to resolve a problem which they fully realize requires swift resolution in order for the country to maintain a healthy level of competition in the international business arena.

		Year						Average
		2002/03 (1381)	2003/04 (1382)	2004/05 (1383)	2005/06 (1384)	2006/07 (1385)	2007/08 (1386)	
Applications	Number	3,695	4,489	4,647	9,232	14,192	17,154	8,900
	Annual Inc.		22%	4%	99%	54%	21%	
Acceptances	Number	62	105	159	289	406	402	237
	Annual Inc.		69%	51%	82%	41%	0%	
Difference Applications/Acceptances		1.7%	2.3%	3.4%	3.1%	2.9%	2.3%	2.7%





## Saïd helping Abu Dhabi train "Future Leaders"



Saïd Business School's Executive Education Centre at Oxford University is working with a number of Abu Dhabi government's leading civil servants who have been identified as high potential leaders.

The programme is part of the government's broader policy agenda with the aim of national transformation and the restructuring of the government of Abu Dhabi. The government is also working with other universities such as Harvard in the US and Cambridge in the UK, as well as Insead Business School in France.

The personal development programme was launched in January and the first cohort consisting of 16 top civil servants travelled to Oxford for the five-day programme. Saïd is delivering up to 11 subsequent programmes in Abu Dhabi over the course of this year. To enhance the development programme, Saïd is creating a series of case studies focusing on national role models of leaders and good practice.

The five-day programme consists of master classes, group work and one-to-one coaching to identify participants' needs. Saïd works closely with each participant to establish a personal development plan which is closely aligned to the requirements of the Abu Dhabi government's policy agenda. If a need is identified, participants may be encouraged to study for either an MBA or EMBA.



## China MBA Demand Changing Shape

Recently several schools, including the University of Maryland's Smith School of Business and China Europe International Business School (CEIBS), have been reported to be scaling back (in both cases, curtailing their Beijing operations while continuing in Shanghai). There are many signs that other European schools are looking at China through less rosy lenses.

But perhaps the foreigners' loss will be locals' gain: demand for domestically-provided executive MBAs in China appears to be rising, with 30 schools now authorised by the Chinese government to offer executive programmes. Meanwhile, China remains the most popular destination for those executive MBA programmes that require a trip abroad.

## Who wants to be a Billionaire?

Research published in May by Forbes reveals that of America's 469 billionaires, over half of them are graduates from Business Schools. While the research looked at graduates of all departments, the business schools produced the big earners-20 of the University of Pennsylvania's 27 billionaire alumni, for example, are Wharton Business School graduates.

Producing super-rich graduates can lead to a virtuous circle, wherein alumni become generous benefactors. The \$105m that Phil Knight, Nike's founder, gave to Stanford Business School in 2006, is a particularly dramatic example. But Forbes notes a hopeful sign for the less studious - the rich list also includes five who dropped out of New York University.

## Business Schools Going Global Via Strategic Partnerships

Wharton and INSEAD have renewed an alliance which sees them co-operate on research and on faculty and student exchanges. The alliance, in place since 2001, will run for at least four more years. Since it began, more than 800 MBA candidates and 750 executives have taken advantage of the arrangement, which allows them access to four campuses: Wharton's bases in Philadelphia and San Francisco and INSEAD's in Singapore and Fontainebleau, outside Paris.

Columbia Business School and London Business School announced they were expanding their EMBA-Global partnership executive programme to include the University of Hong Kong. Their inaugural 20-month intensive programme will begin in May 2009. Students will attend classes in London, New York, Hong Kong and Shanghai, and on completion receive a joint MBA from all three universities.