

# IRANIAN BUSINESS SCHOOL PROJECT

## Quarterly Newsletter



Issue 2, April 2009



### In This Issue

- **Introduction**
- **Project Progress Report**
  - The IBS Launch Event
  - Latest Developments
- **Higher Education in Iran**
  - First International EMBA Conference held in Iran
  - International Business School to be formally launched in Esfahan
  - Swedish University introduces business programmes at Shahid Beheshti University
  - Iranian Project Management Excellence Award 2009 Announced
- **World of Business Schools**
  - Ceram Business School opens campus in China
  - The Credit Crunch and the MBA Application Spike
  - Asia and Europe challenge the supremacy of US Business Schools
- **Analysis**
  - Business Schools and Economic Development: A conversation with Professor Michael Hay



## Introduction

Once Molana (Rumi) was walking and saw a great deal of dust gathering in the horizon. He went up to the site and saw some men working. He asked a young man what he was doing and the man answered "I am putting brick over brick to provide a morsel of food for my children". Molana thanked him and moved on. He then asked a middle aged man what he was doing and he said "I am building a wall the likes of which does not exist in the world". Molana thanked the second man and moved on to an old man and asked the man what he was doing and the old man said we are building a school so that our children become educated.

There are people who are motivated with their immediate needs and then there are those who try to act out their dreams; their vision of a different future.

The Iranian Business School (IBS) Project is about a vision. A vision to build a world-class management school that sets the highest standards of training and preparation for the future business leaders of the country. We expect the graduates of IBS to play an active role both in the privatization of the Iranian economy, now underway, and in leading Iranian companies into the global economy of the 21<sup>st</sup> Century.

The IBS Project is managed by a first-rate team of volunteers with experience inside and outside Iran. One of the aims of the Project is to connect and bring together people who share our interest and enthusiasm about this Project. We hope that you find this second newsletter about the progress of the Project and some other important developments in the field of management education a helpful tool to maintaining your link with IBS.

Welcome to the Iranian Business School Project.

**Editorials:** Mohit Mamudi, Peyman Dadgar, Kasra Pezeshki, Ramin Navvabpour

**With thanks to:** Payam Dadgar, Negar Teimourzadeh

**Design:** Soltanali Advertising Agency [www.soltanali.com](http://www.soltanali.com)

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.ibsproject.org](http://www.ibsproject.org)  
Tehran: 58 East Gord Alley, Bidar St., Fayyazi (Fereshteh) Ave., Tehran, Iran Tel: +98 (0)21 220 35 830 Fax: +98 (0)21 220 49 260 Email: [info@ibsproject.org](mailto:info@ibsproject.org)





# Project Progress Report



The enormous energy and commitment of a large number of volunteers, working under the guidance of the Executive Committee, is keeping the IBS Project on track and pushing it forward. In the first quarter of 2009 the Project achieved a few milestones on its way to turning this vision into reality.

## The IBS Launch Event

The Iranian Business School (IBS) Project was formally launched in London on 16 January 2009 at an event in the Jumeirah Carlton Hotel. This was by all accounts a highly memorable and informative event that introduced the Project and its aim of establishing a world class, not-for-profit business school in Iran for the training and development of the future business leaders of the country. The IBS Project team was delighted to welcome some 300 friends and prominent business individuals from the UK, the US and the Middle East, whose attendance at the event not only made the launch of the Project a great success but whose support will remain invaluable in the coming months as the Project progresses.

Members of the Executive Committee of the project and the Academic Advisor to the project, Professor Michael Hay of London Business School introduced the project, its goals and its impact to the audience. There were also a number of committee members on hand to answer questions from the floor and explain how everyone could take part in this important national endeavour.

Further underscoring the importance of developing the next generation of Iranian leaders and entrepreneurs, the highlight of the evening was the keynote speech given by the event's guest of honour, Mrs. Anousheh Ansari, the first private female and only Iranian space explorer. Having flown to London especially to support the IBS Project's launch, she spoke passionately and engagingly about how she dreamed of going to space as a child, about her life experiences as an entrepreneur, philanthropist and adventurer as well as her belief in the significance of management education and its role in helping entrepreneurs maximise their potential and the potential of those around them.

In support of the Project's funding needs, the evening also saw the auctioning of a special work of art from renowned Iranian artist Parviz Tanavoli who generously donated his "*Standing Heech*" to the Project. The auction was presided over by Edward Gibbs of Sotheby's, who did a remarkable job of encouraging guests to make generous bids in support of the Project.

## Latest Developments

Our continuous efforts to secure the required permits for operation within the Iranian higher education system are reaching final stages. Following a meeting of the provisional Board of Governors of IBS in Tehran steps are being taken to have the Board approved by the relevant authorities, so that the school can formally start operating. A number of suitable buildings have also been identified to be used as the temporary starting base for the School and we expect to complete the leasing arrangements for one of these buildings during May 2009.

The Project team in London is now in the process of finalizing various aspects of the Project through the specialised committees formed for this purpose.

- The Planning Committee is actively working on the development of the Business Plan covering the pre start-up phase as well as the first two years of the School's operation. This document is due to be ready by the end of May.

- A comprehensive Academic Master Plan is now ready and it is being benchmarked against comparable programmes in leading business schools around the world.

- The Fundraising Committee is now actively engaged in implementing the Project's fundraising strategy according to a defined timetable, so that major donors are given the opportunity to engage with the Project at "Founders" level, while other contributors are also offered various options for participation.

We remain on target to start operation by September 2010.



## Higher Education in Iran



### International Executive MBA conference in Iran

The first international EMBA conference will be held in Iran from 19<sup>th</sup> to 20<sup>th</sup> May 2009 at Milad Tower, Tehran. The conference is sponsored by Tehran City Council and the Iranian MBA Association. The primary aim of the conference is to introduce executive and other traditional MBA programmes to private and state run Iranian institutions and organisations. A number of prominent academics and business leaders will address the conference, sharing their knowledge and experience with the participants and encouraging greater use of such programmes by the Iranian executives and entrepreneurs.

### International Business School to be launched in Esfahan

Initial steps have been taken to create an international business

school in Esfahan to offer a formal MBA programme. The plan is to first establish a pilot version of the programme at the Faculty of Industry and Systems at Esfahan University of Technology, in association with Grenoble Ecole de Management. Bergische University of Wuppertal, (Germany) has also been named as a possible contributor to studies in project management in the areas of construction, transportation and healthcare.

### Swedish University to launch programmes at Shahid Beheshti University

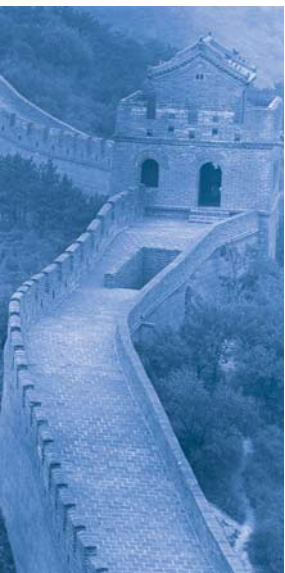
Shahid Beheshti and Linköping University of Sweden are in discussions to launch MBA and MSc programmes in marketing in Tehran later this year. Both courses would be two year programmes covering four terms. The minimum admission requirements are three years of management experience, a minimum grade 6 IELTS result,

and a strong undergraduate degree.

### Iranian Project Management Excellence Award 2009 Announced

After two successful years of assessor trainings based on the Project Excellence Model and the IPMA International Project Excellence Award, the Project Management Research and Development Center (PMRDC) of Petrochemical Industries Development Management Company and Iran Ministry of Petroleum established the first Iranian Project Management Excellence Award in 2008. The first Iranian Project Excellence Award was a great success. To follow this success, the second Iranian Project Excellence Award will take place in May 2009 under the patronage of two top Iranian universities, the University of Culture and Science and the Sharif University of Technology.





## French business school opens campus in China

Ceram Business School in the south of France has become the latest business school to expand into China. Eighty students from Ceram are currently at the new campus in the west of Shanghai following a multi-cultural management course. In the long term, the school hopes to adapt its existing executive education programme for the needs of local Chinese companies. A project to create a research centre for economic intelligence based in Suzhou and aimed at Chinese companies is also a feature of the strategic partnership.

Alice Guilhon, president of Ceram, said their school in Suzhou targets foreigners both in China and abroad, who are interested in understanding the Chinese market or doing business in the country. In the past two years, an increasing number of foreigners have chosen to take up business programmes, such as an MBAs, in China. Speaking about this new trend, Guilhon said that "China has captured the world's attention with its rapid economic development", and that "the country's double-digit GDP growth last year is proof of ongoing change".

## The Credit Crunch and the MBA Application Spike

Applicant demand for MBA places is at record levels in Europe, North America and the Far East and interest in 'green' issues such as corporate social

responsibility (CSR) and non-profit organisations among MBAs is on the increase. There has been a gradual slow-down in recruitment demand, especially in financial services but, as yet, it has not been pronounced, as banks seek to maintain their entry pipeline of young MBAs.

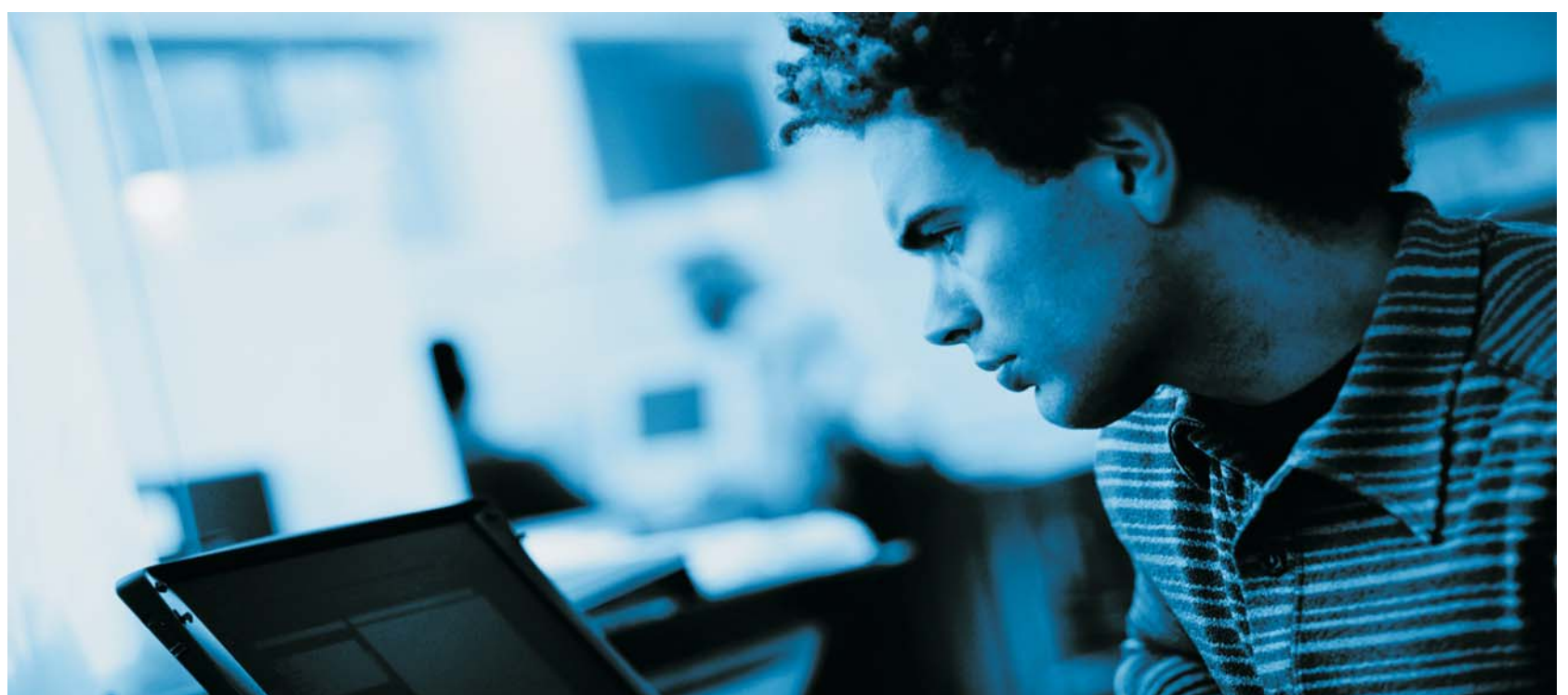
On the applications side, things are looking up and the profile of candidates is broadening as increasing numbers of young executives take advantage of a 'break' in their careers to get an MBA. Mae Jennifer Shores, Director of MBA Admissions at UCLA's Anderson School of Management, says: "Not only are applications at UCLA increasing, fuelled in part by changes in the US and world economies, but the diversity of students applying to business school is widening. We find more individuals in the pipeline with backgrounds in government, not-for-profit firms, and international agencies. The MBA is no longer seen as primarily a degree for those who wish to pursue careers in investment banking, consulting, and consumer goods or manufacturing. Rather, the MBA is now recognized as a degree that provides a breadth of skills that are applicable to virtually any career, including those dedicated to entrepreneurship."

## Asia and Europe challenge the supremacy of U.S. business schools

Business schools were once a distinctly American proposition,

but now, as illustrated by the 2009 Financial Times league table for global MBAs, excellence is being spread around the world. International students, worried about future job prospects, are turning down elite U.S. business schools in favour of MBA programmes in their home countries. Hence, it is no surprise that for the first time an MBA offered by a solely Asia-based school enters the top 10 MBA Ranking. Fittingly, it comes from the China European International Business School, or CEIBS, based in Shanghai, the commercial center of the continent's emerging economic superpower, ranked eighth.

Meanwhile, a growing number of foreign students studying in the U.S. said they plan to return home after graduation, according to a study by the Ewing Marion Kauffman Foundation released in February. With limited H-1B job visas available, a shaky economic climate, and new restrictions on hiring foreign workers in the financial services sector, attending an American business school may not seem as attractive as before. Complicating matters, international students are also facing difficulty obtaining funding for business school. In the past, most students participated in loan programs that allowed applicants to obtain up to \$150,000 without a co-signer to assume stewardship of the loan should the borrower default. The banks that used to offer these financing facilities have withdrawn from the loan market, and some top schools have not yet announced any replacement options.







## Business Schools and Economic Development: A Conversation with Professor Michael Hay

Michael Hay is Professor of Management Practice in Entrepreneurship at London Business School. He was Deputy Dean of the school for five years until December 2006, and Acting Dean of CIDA City Campus in Johannesburg in 2007. As a professor, he instructs students on management practices and entrepreneurship and in his role as director, he is depended upon to oversee research, supervise outreach programmes and provide faculty support. Dr. Hay's research focuses on international comparative entrepreneurship and involves approximately 40 countries. Additionally, Dr. Hay serves as director of Imparta Ltd., chairman of the advisory board for Capricorn Venture Fund II and as a fellow of the World Economic Forum. He graduated from the University of York with a PhD and earned a Sloan Fellowship from the London Business School. Dr. Hay is equally ambitious with regard to his philanthropic pursuits and supports a variety of organisations including the Iranian Business School, where he is currently acting as an external advisor to the Project.



### 1) What is the role of business schools and what impact do they have in developing countries and the development of such countries?

At its broadest level we can say that the job of a business school is to create value. In just the same way a business is all about creating value – for customers, shareholders and other stakeholders – so too business schools are in the business of creating value. With business schools however it is useful to distinguish between three types of value that they create.

First, they create what we might call 'academic value' through good research which advances our knowledge, improves the practice of management and helps shape public policy. Second, business schools create 'personal value' for students by giving them a good education, by teaching them to work with others and enhancing their career prospects. And of course business schools create continuing personal value for their alumni by giving them access to an accumulating body of knowledge on which they can draw throughout their careers as well as the rich and varied networks of which they become members. But there is a third dimension of value most relevant to the question. That is what we might call 'social value'.

All economies depend critically upon maximising the number of economically active and productive members of society. What holds the key to economic prosperity and well being is productive economic activity of individuals working on their own, working in new and small firms, or working in large established firms. But the key to maximising this activity is to give individuals the knowledge, skills and crucially the confidence to become economically active. The central purpose of a business school is to give individuals this knowledge and skills. We can say that business schools create 'social value' in the shape of knowledgeable, skilled and well informed individuals on which companies and society as a whole can draw. By doing this the business schools have a key role to play in enhancing economic development.

### 2) Should management education and MBA courses be tailored to the needs of developing countries?

The short answer to this question is 'yes'. Of course there are many things which are common to management education across countries, cultures and different stages of economic development. But I think it is a big mistake if business schools somehow think that one size will fit all. It won't. So in building a business school, particularly where we have the chance to do this from scratch as with the Iranian Business School, we have to be very aware of and sensitive to the particular needs and circumstances of the country. We need to be flexible and willing to adapt both what we teach and how we teach.

By what we teach I mean the materials – particularly the case studies and examples – that we use. There is a strong argument for developing case studies specific to a particular country. Good teaching and good teaching materials that are properly anchored in the reality of the country, drawing on a country's history, ways of working and the challenges facing business.

We need to be flexible also in terms of how we teach. For example do students learn best in groups and do they have the right set of study skills to enable them to get the most out of their education. We have to develop an approach to learning and teaching that works with the grain of how students have been taught while at the same time challenging them to reach new horizons.

And just as we need to adapt our teaching it is equally important to undertake research that is of course rigorous and relevant but is anchored in real issues and challenges faced by a particular country.

### 3) What are the main challenges of establishing a business school in a country like Iran?

Starting a business school from scratch presents tremendous challenges. We need to assemble the resources, raise the money, design courses, develop teaching materials, recruit students and of course build a strong core faculty. This is not impossible. We have seen many schools start up in the last 10-20 years – most notably CEIBS in Shanghai and the Indian School of Business in Hyderabad - both of which have become well established and successful. This doesn't happen overnight but it can be done.

Just as there are challenges in starting a new school from nothing so too is this a tremendous opportunity. In many ways starting with a blank sheet of paper is an advantage. This gives us the chance to build a strong and distinctive school. A school that educates its students in such a way that they exemplify what is best about business. A school that does good research to the highest standards and is communicated in a way that has a real impact. And of course a school that can play an active role in building both the economy and society of a country like Iran. Starting from scratch is full of challenges but it is also a great opportunity.

### 4) Why have you decided to work with IBS?

I am working with IBS for two sets of reasons. Firstly, as I said I think there is a new opportunity to build a new and distinctive school; one that makes a real difference to everyone who comes into contact with it – students, alumni, faculty, and a whole range of other supporters. Second, I have been hugely impressed by the group of people who have come together to launch this initiative. This is a group which has tremendous vision, commitment and the drive and energy that will be needed to convert this opportunity into a reality.