

Arrive

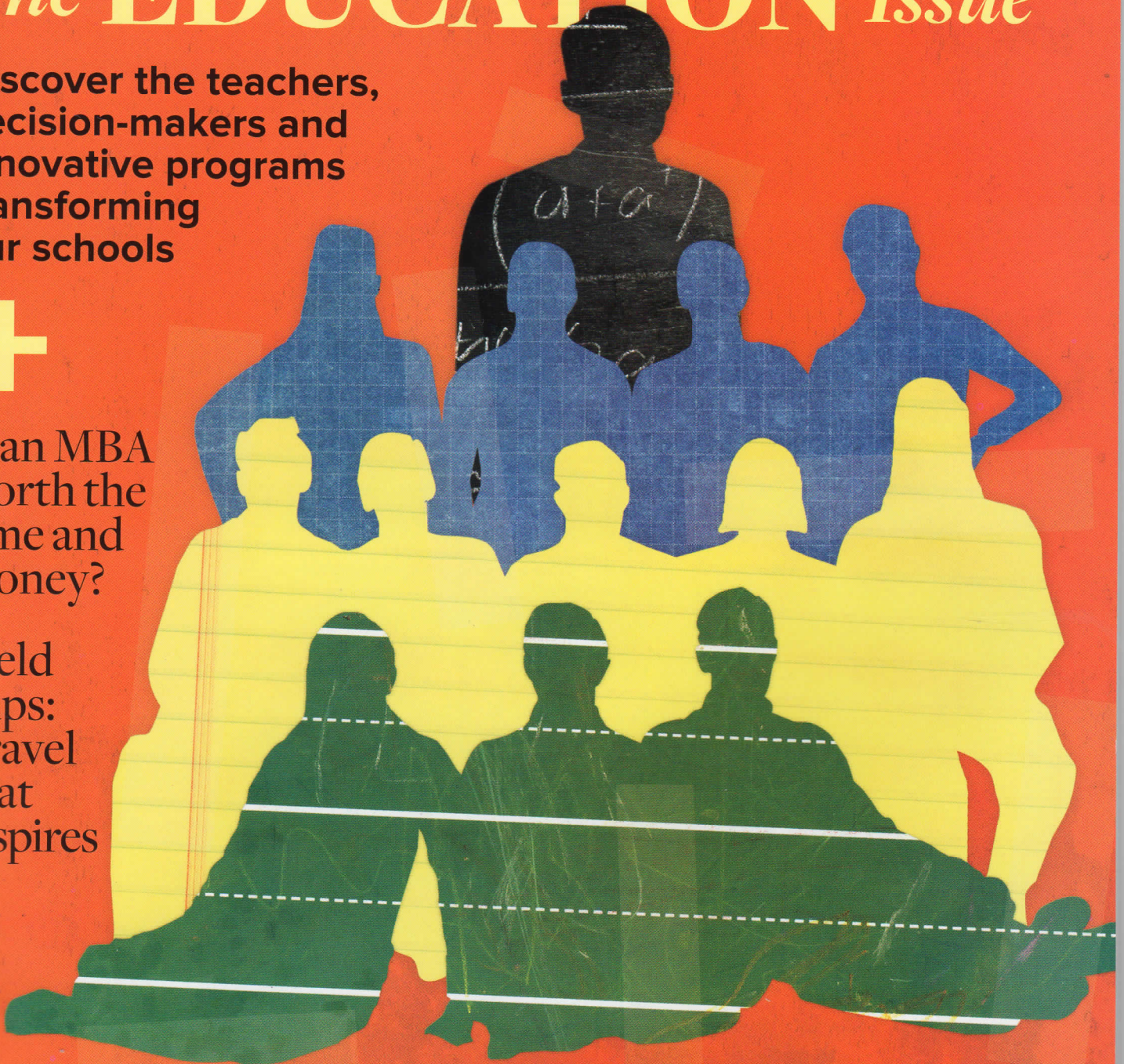
The EDUCATION Issue

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David McKay Wilson is a freelance journalist based in New York. He writes for publications at Columbia University's Teachers College and the Graduate School of Education at Harvard University. His work has also been published in *The New York Times*. For this issue of *Arrive*, he profiled the educators featured in the story "Learning Curves" (pg. 40).



Heads of State, aka Jason Kernevech and Dustin Summers, began making silkscreen posters for Philadelphia's independent music scene, paving the way to work with R.E.M., Wilco and *The New York Times*. They've won awards from *Communication Arts*, *American Illustration*, *Print Magazine*, *Graphis* and the Society of Illustrators.



June Bell has written for *Arrive* about the Jersey Shore, online review sites and Terry Gross. Her work has also appeared in *The San Francisco Chronicle* and *The National Law Journal*. "I was surprised by how many of today's business school graduates are entrepreneurs and innovators," says Bell, whose article on MBA programs is on pg. 36. "They're eager to make their mark."



Scott Suchman, photographer and son of the Garden State, has lived and worked in Washington, D.C., for the last 16 years. He specializes in food, restaurant and travel photography in the Mid-Atlantic region, and his clients include *Washingtonian Magazine*, *The Washington Post Magazine*, *Baltimore Magazine*, *Chesapeake Life* and *Southern Living Magazine*, among others.

To MBA, or Not to MBA?

Success may be a matter of degree for those weighing the worth of pursuing an MBA

BY JUNE D. BELL

PHOTOGRAPHS BY AARON KOTOWSKI & ERIC MILLETTE

Left to right: Jeffrey Raider, Neil Blumenthal, Andrew Hunt and David Gilboa met and developed a business plan for Warby Parker eyewear while pursuing their MBAs.



Nathalie Butcher

Neil Blumenthal didn't enter business school with any plans to launch a business. He was looking for formal training in finance, accounting and marketing. But along the way to his master's degree in business administration, he met three classmates who shared his passion for entrepreneurship and social change.

The buddies honed a business plan and launched focus groups. They asked classmates at the Wharton School at the University of Pennsylvania to evaluate product prototypes. And before they received their MBAs last spring, Blumenthal, 30, and his partners had launched Warby Parker, a company that sells stylish prescription eyeglasses for a mere \$95 a pair. The New York-based business has 12 employees and a mission: to donate a pair of eyeglasses for each pair sold. To date, that's about 15,000 pairs.

Business school—rich in opportunities for networking, hands-on class work and access to scholars and industry experts—was the catalyst that transformed a brainstorm into a business.

"Having all the pieces together allowed us to shoot off like a rocket ship," Blumenthal says.

A graduate education in business has long been considered the golden ticket for bright innovators such as Blumenthal and those seeking access to top-echelon jobs in banking, marketing, finance and consulting. But as the economy continues to lurch and wobble, fewer prospective students are placing their confidence in an MBA degree. Business school admissions directors expected a surge of applications from laid-off workers and edgy employees looking to gain an advantage in a competitive labor market, but that swell never materialized.

In fact, applications to full-time MBA programs have been dropping since 2008, according to the Graduate Management Admission Council. The University of Maryland's Robert H. Smith School of Business, for instance, had roughly the same number of applications to its full-time MBA program in 2010 as in 2009, and 2011 looks to continue that trend, says Director of Admissions Sam Kang.

Perhaps the cost, which can top \$100,000 for tuition at a top-tier school, is giving prospective students pause.

Seeing the Business World through Green-Colored Glasses

Increasingly, MBA students are demanding sustainability courses—and it appears to be paying off

Spotted owls versus loggers. Polar bears versus oil companies. For one to prosper, the other has to take a hit—or so the thinking went. But as an increasing number of MBA students sought ways to turn those conflicts into win-win situations, business schools began creating programs in sustainability and corporate responsibility.

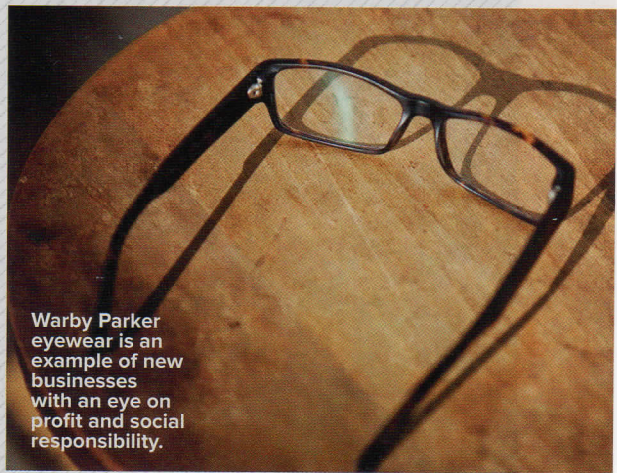
"I don't believe you can be an effective leader or manager in the world today if you don't understand these issues," says John D. Sterman, a management professor who is one of the leaders of the sustainability initiative at the Massachusetts Institute of Technology Sloan School of Management.

Last spring, MIT Sloan debuted five courses in sustainability. A sustainability expert will soon join the faculty, and dozens of students are wait-listed for sustainable business classes.

The University of North Carolina's Kenan-Flagler Business School has offered courses on the intersection of business and social responsibility since 1999, through its Center for Sustainable Enterprise. About 20 percent of full-time MBA students opt to earn a concentration in sustainable enterprise, says Jessica Thomas, the center's managing director. And more than 30 percent of the incoming class of about 280 students has expressed interest in sustainable business strategies.

The fledgling Center for Social Value Creation at the University of Maryland's Robert H. Smith School of Business was developed in response to demand from students and faculty.

"The goal is to give students the skills to be change agents in their organizations," says Melissa Carrier, the executive director.



Warby Parker eyewear is an example of new businesses with an eye on profit and social responsibility.

As recently as a few years ago, business students who wanted careers in sustainability had to resign themselves to lower-paying jobs than their peers in finance, consulting and banking. Now, employers in a variety of fields are hungry for eco-minded B-school graduates who can promote energy efficiency and preserve resources while boosting the bottom line.

"Companies are hungry for these skills," says Sterman, who predicts that corporate C-suites will eventually include chief sustainability officers—business-savvy top executives who see the world through green glasses.



Nathalie Butcher, who earned her MBA at MIT, has parlayed her business training into nonprofit work at an institute based in Northern California's wine country.

Couple that whopping expense with concurrent lost income, and the prospect of dropping out of the workforce for two years or juggling a job and evening classes becomes even scarier, especially when opportunities are in short supply.

Just 40 percent of students in full-time, two-year MBA programs had a job offer in hand before graduating last spring, according to the Graduate Management Admission Council's survey of about 5,300 students at 147 business schools. That's down from 50 percent in 2009 and 62 percent in 2008. Among part-time MBA students, just 22 percent had job offers before graduating this spring, compared with 38 percent in 2009.

Adam Siegel spent 18 months looking for a job after earning his MBA from the Massachusetts Institute of Technology Sloan School of Management. Consulting work helped pay the bills until Siegel landed a position he was enthusiastic about: vice president of sustainability and retail operations for the Retail Industry Leaders Association, a trade group in Washington, D.C.

Despite his lengthy quest for a job, Siegel, 28, says spending two years forging connections with a dynamic group of leaders-in-training and professors with industry contacts was a priceless opportunity.

"It's been invaluable right from the get-go to interact with people I've known since business school," he says.

Building a network of colleagues is one of the key benefits of obtaining an MBA, especially if it's from a prestigious school, says Terry R. Bacon, who's written extensively about business power and influence and is the scholar-in-residence at the Korn/Ferry Institute. A degree from an impressive school is "a way of branding yourself, and there's no question there's a greater value to some MBAs than others."

Recruiters look favorably on MBAs, provided candidates also have practical experience that complements their education. Although all MBA programs include exercises in teamwork and leadership training as well as internships and

consulting opportunities, school is no substitute for in-the-trenches know-how.

"I think an MBA loses its luster when it's not backed up by good, practical experience," says Sean P. Murphy, president of Management Search Inc. in

Hartford, Conn., a recruiter specializing in aerospace and defense companies such as Boeing, General Electric and Lockheed Martin.

Employers like to see at least five to seven years of industry experience on top of an MBA. That combination signals that an engineer with a technical background has learned to become a critical thinker and strategist—key skills for moving into a leadership role.

Business schools, too, favor applicants with experience in the workforce. Three-quarters of the 800 students who make up the Wharton School's class of 2012 have spent at least three years as employees. Their average age is 28. Business school applicants with professional experience tend to have a more accurate understanding of the skills they're lacking and how they'll leverage their graduate education to close those gaps. They also may realize that they need more diverse skills to launch a company, step into a leadership role in their current field or take their experience in a new direction.

"Previously, we rarely saw engineers transitioning to marketing firms. It was unheard of," says Robert H. Smith's Kang.

Marketing companies have been hungry for engineers with exceptional analytical skills to organize data and make strategic decisions. Nonprofits and foundations also are clamoring for the skills that MBAs possess and, increasingly, so are companies concerned about sustainability (see sidebar).

Nathalie S. Butcher left her financial analyst job at General Mills Inc. in 2004 to attend business school at the MIT Sloan School of Management. She planned to transition into operations work. But during graduate school,



ON THE
VALUE OF
AN MBA:
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—NATHALIE BUTCHER

a three-month internship doing relief work in Indonesia led to a new interest: overseeing relief supply logistics.

"I realized in Indonesia I could help more people from behind a computer than in the field," says Butcher, who spent three years with the United Nations coordinating the distribution of relief supplies in Sudan. She recently joined a nonprofit institute that does similar work.

"I wouldn't be here if I didn't have that business background and that perspective," she says of her education and experience.

However, prospective MBA students need to be realistic, cautions Randi Busin, a Boston-based career coach who works with midcareer clients. An MBA alone won't open any doors, particularly if you're making a radical career change. It can't guarantee you a promotion or a job in your current field, and it's no shield against layoffs, either.

Those who opt not to go the MBA route aren't necessarily at a disadvantage. Experience, networking and impressive accomplishments continue to open doors and wow both current managers and prospective employers.

"If you have the degree without the performance, you're sunk," says the Korn/Ferry Institute's Bacon. "If you have the performance without the degree, you can still be wildly successful." 🍀