

The Business of International Collaboration

By Eric C. Chang

Acting Dean

Quoin Professor in Finance

Chair Professor of Finance

*Faculty of Business and Economics
The University of Hong Kong*

1

The University of Hong Kong (HKU)

- Oldest tertiary education institution in Hong Kong
 - 2011 – Celebrating Our [Centenary](#)
- [2010 Rankings](#):

	<u>In Asia</u>	<u>In the World</u>
<i>Times Higher Education (THE)</i>	No. 1	No. 21
<i>Quacquarelli Symonds (QS)</i>	No. 1	No. 23
- 10 Faculties / 6,500 Staff / 21,000+ students
 - 50+% of our 950 professoriate staff are from overseas
 - 25+% of our students are international/mainland Chinese students

2

Faculty of Business and Economics

- Accreditation
 - AACSB – Received Accounting and Business accreditation in 2010
 - EQUIS – Accredited in 2004
– Re-accredited in 2009 for 5 years
- Full-time MBA Ranking
 - EIU 2010 World MBA Ranking: No.48 (No.1 in Asia)
- Attracts top students from Hong Kong & the region
 - This year, 48% of HKU's non-local undergraduate admission comes to our Faculty (231 students)

3

Our Programs

- **Taught Postgraduate - 5 programs:**
 - MBA
 - International MBA (Shanghai)
 - EMBA (*Launched in 2009*)
 - Master of Economics
 - Master of Finance (Hong Kong & Shenzhen)
- **Executive Education**

4

Collaboration and Partnerships

- **EMBA Global Asia**
 - Jointly offered with
 - London Business School (LBS)
 - Columbia Business School (CBS)
 - 2009 – First Intake
 - A 20-month program



Collaboration and Partnerships

- **Full-Time MBA**
 - A 14-month program
 - Option of 3 tracks:
 - London Track – LBS
 - New York Track – CBS
 - China Track – Fudan University



Collaboration and Partnerships

- **International MBA (Shanghai)**
 - Jointly offered with **School of Management, Fudan University**
 - Part-time program
 - Classes held in Shanghai
 - Taught by faculties from Fudan University and HKU



7

Collaboration and Partnerships

- **Executive Education**
 - Partners with **MIT**
 - High-end corporate programmes



8

Increasing Demand for MBA

- Graduate Management Admission Test (GMAT)
 - No. of Exams Taken
 - 2009: **265,613** (Record)
(↑ 7.6% from 2008 to 2009)
 - 2008: 246,947
 - 2005: 200,503
 - No. of Score Reports Sent
 - 2009: **801,504**
(↑ 7.6% from 2008 to 2009)
 - 2008: 745,034
 - 2005: 567,004

Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)⁹

Decreasing Demand for EMBA

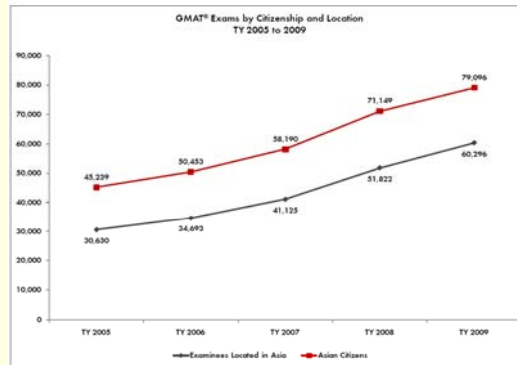
- No. of applications received in 2009
 - EMBA Programs
 - 50% reported decline in application volume
 - Average no. of applications per program dropped by 25%

Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)¹⁰

GMAT Examinees

- 2009: Over 50% of GMAT examinees are non-US citizens

- Increasing no. of Asian citizens and Asia-located examinees

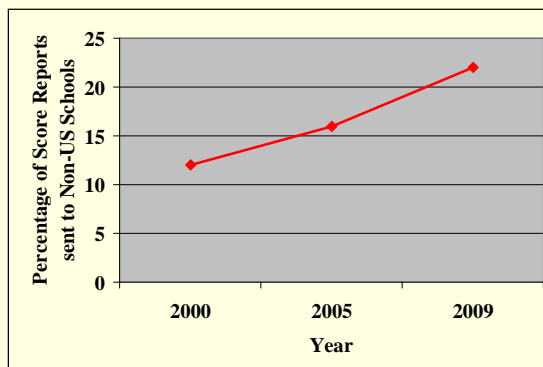


Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)¹¹

More Demand for Programs outside US

- Percentage of Score Reports sent to non-US Schools:

- 2000: 12%
- 2005: 16%
- 2009: 22%



Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)¹²

Top 10 countries by school location based on number of score reports received

TY 2005 All Examinees			TY 2009 All Examinees		
Country/Region	Scores Sent	Percentage	Country/Region	Scores Sent	Percentage
1. United States	476,197	83.90%	1. United States	628,431	78.41%
2. Canada	21,230	3.74%	2. United Kingdom ●	33,621	4.19%
3. United Kingdom ●	16,735	2.95%	3. Canada	27,005	3.37%
4. France ●	9,741	1.72%	4. India ●	22,458	2.80%
5. Israel	7,143	1.26%	5. France ●	19,191	2.39%
6. India ●	5,064	0.89%	6. Singapore ●	13,271	1.66%
7. Hong Kong ●	3,409	0.60%	7. Israel	6,789	0.85%
8. Singapore ●	3,074	0.54%	8. Spain ●	6,747	0.84%
9. Spain ●	2,821	0.50%	9. Hong Kong ●	6,731	0.84%
10. Greece ●	2,466	0.43%	10. Australia	5,256	0.66%
Total Number of Score Reports Sent: 567,004 Avg. # 2.8			Total Number of Score Reports Sent: 801,504 Avg. # 3.0		

* Based on number of score reports sent

Asia 2.03%
Europe 5.60%

Asia 5.30%
Europe 7.42%

Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)¹³

Demand for US-based MBA Programs

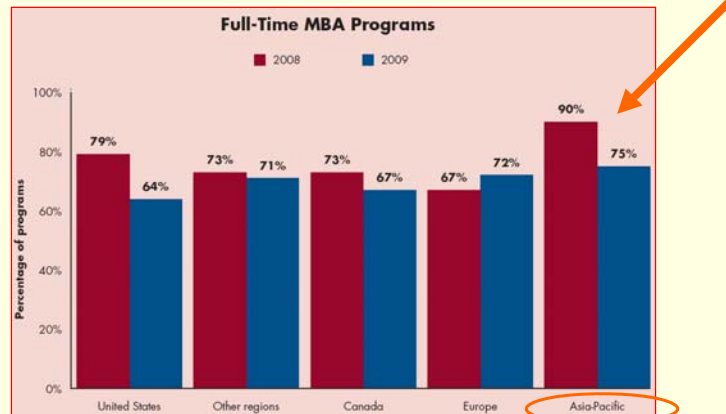
- Percentage of score reports sent by foreign citizens to US programs:
 - 2000: 75%
 - 2008: 65%
 - 2009: 59%

Source: Katherine Mangan (2009)

14

Which region has the highest growth?

- Percentage of Full-time MBA Programs reporting increase in application volume (By Region)



Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)

15

Where is the demand within Asia?

Rank	TY 2005	TY 2006	TY 2007	TY 2008	TY 2009	Percentage Change: TY 2005 to TY 2009
1. India	5,064	6,896	11,484	17,762	22,458	343.48%
2. Singapore	3,074	4,505	6,752	10,913	13,271	331.72%
3. Hong Kong	3,409	3,182	3,933	4,924	6,731	97.45%
4. China	1,365	1,892	2,131	3,256	3,933	188.13%
5. Philippines	384	1,094	827	746	934	143.23%
6. Japan	575	690	663	820	893	55.30%
7. Thailand	467	393	335	331	425	-8.99%
8. Korea	145	146	89	141	250	72.41%
9. Pakistan	320	244	162	181	117	-63.44%
10. Taiwan	99	100	62	82	68	-31.31%
Total Score Reports Sent to All Countries or Regions	567,004	601,242	655,506	745,034	801,504	41.36%
Average Number of Schools to Which Examinees Sent Scores	2.8	2.9	3.0	3.0	3.0	—

* Based on number of score reports received in TY 2009.

Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)

16

Demand for Programs in Asia

- From both Asian and Non-Asian students
- Many programs in Asia have experienced increase in non-Asian student enrollment
- As for Asian students:
 - 2009: **15.6%** of Asian citizens' GMAT score reports were sent to schools in Asia
 - 2008: 7.8%

Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)¹⁷

Demand for Programs in Asia

TY 2005			TY 2009		
Country/Region	Scores Sent	Percentage	Country/Region	Scores Sent	Percentage
1. United States	115,406	76.88%	1. United States	190,780	67.18%
2. United Kingdom	7,196	4.79%	2. India	22,194	7.82%
3. Canada	7,092	4.72%	3. United Kingdom	18,245	6.42%
4. India	4,911	3.27%	4. Singapore	12,882	4.54%
5. France	3,076	2.05%	5. Canada	8,797	3.10%
6. Singapore	2,884	1.92%	6. France	8,638	3.04%
7. Hong Kong	2,780	1.85%	7. Hong Kong	5,870	2.07%
8. China	1,183	0.79%	8. Australia	3,773	1.33%
9. Australia	1,179	0.79%	9. China	3,248	1.14%
10. Netherlands	637	0.42%	10. Spain	1,589	0.56%
Total Scores Sent by All Asian Citizens	150,110	100%	Total Scores Sent by All Asian Citizens	283,982	100%

*Based on number of score reports received. Average score reports sent per examinee: 3.3 in TY 2005; 3.6 in TY 2009

7.8%

15.6%

Source: GMAC World Geographic Trend Report for GMAT Examinees (2009)¹⁸

Why the higher demand for programs in Asia?

- Internationalisation
 - English competency
 - Cosmopolitan cities
- Accreditation
- Increased reputation of programs outside US
- International rankings – EIU / FT

19

Why the higher demand for programs in Asia?

- After the recent financial crisis
 - Weaker US economy
 - Stronger growth in Asia-Pacific
- Asia – the new power centre
 - Rising GDP
 - Rising international status
 - G8 ►G20
- Businesses want to get into or expand within Asia
 - Employers want to hire graduates with Asian training

20

Why the higher demand for programs in Asia?

- For Asian students
 - More reasons to stay closer to home and the action!
 - Lower travel costs if study in Asia
- For non-Asian Students
 - Want to learn about doing business in Asia
 - Want to experience Asian culture

21

Strategy for Business Schools

- How to get a bigger slice of the enlarged pie?
- A key strategy: **COLLABORATION**
- Leverage each other's
 - Market / Connections
 - Alumni networks
 - Program design/management experience and expertise
 - Regional/Local business knowledge
- To create a **win-win** situation for all
- Collaboration is nothing new in the business world
- Also the future model for business schools

22

Advantages

- Can leverage on each other's
 - Strengths
 - Connections / Networks

- For the Schools
 - More students/ market share
 - Opportunity to promote and further enhance branding

- Students
 - Get to experience different business schools
 - Valued by employers

23

Advantages

- For Teachers
 - More research collaboration opportunities

- For Admin. Staff
 - Can learn other schools' best practices
 - Improve services to students

24

Challenges

- Compliance issues
 - Legal registration
 - Approval to award degree

- Operational Challenges
 - Time Difference
 - Cultural difference
 - Country
 - Corporate
 - Different policies
 - Different level of experience

25

Critical Success Elements

- Choose the right partners
 - Compatability
 - Shared vision / goals
 - Reputation
 - At Faculty/School and University levels
 - How well do you know your potential partner?

- Any conflict of interest?

26

Critical Success Elements (II)

- A level playing field
 - Clearly define roles and responsibilities among partners
- Manage each other's expectations
- Set targets and define measures of success
- Establish and adhere to timeline and project plan
- Communication
 - Fix a regular meeting/conference call pattern
- Respect

27

Thank you

28