

## **This slowdown, B-schools bet big on executive education**

### **Institute Hope to generate more revenue through management development programmes**

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Recently, Ghaziabad-based Institute of Management Technology (IMT) concluded a programme for the senior management of an international food chain. Within a month, the company asked the institute to conduct another such programme. Through this, and in related ways, the business school is building ties for its [management development programmes](#) (MDPs).

MDPs have always been a hit with Indian companies. With the slowdown in the economy, business schools are also placing their bets on MDPs, expecting these to generate more revenues for them, in many cases double.

At Indian Institute of Management (IIM)-Calcutta, for instance, revenue growth from MDPs would touch 30 per cent at the end of this academic year, against 20 per cent in 2008. To widen its reach, the institute has not only launched long-duration management programmes through its technology partners Hughes Communication and NIIT Imperia, but would, come December, make MDPs available on desktops through a direct-to-desktop mode.

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At Birla Institute of Management Technology, Noida, the target is to generate 20 per cent revenue from MDPs this academic year. MDPs at present contribute 10 per cent of the institute's revenue

International Management Institute, Delhi, is targeting revenues of Rs 24 crore from [executive education](#) and MDPs with an overall targeted revenue of Rs 45 crore for 2013-14

Looking at the demand from India Inc, many [B-schools](#) have increased fee for these programmes

IIM-Kozhikode has raised the fee for open programmes from Rs 28,500 to Rs 35,000 for a 3-day programme. Fees for customised programmes at IIM-K stands at \$20,000-25,000 for 20-25 participants  
Xavier Labour Relation Institute charges between Rs 28,500 and Rs 45,000 for a 3 to 5-day programme

Industry players peg the size of India's executive education market at Rs 500 crore

"While we need to increase our revenues, we cannot burden students with a fee increase. We see most of our revenue increase coming from executive education or MDPs," said Ashok Banerjee, professor, IIM-Calcutta.

"To expand our offerings and reach more students, we are looking at launching MDPs directly

on desktops. This will facilitate students and they can log in from wherever they wish to," he added.

At the Noida-based Birla Institute of Management Technology (Bimtech), the target is to generate 20 per cent revenue from MDPs this academic year. Currently, MDPs contribute 10 per cent to the institute's revenue. The institute, which generates a surplus of about Rs 8 crore a year, says half of this is accounted for by MDPs. With expenses on campus maintenance and wages rising substantially, Bimtech says it is logical to focus on MDPs.

"Given the slowdown, we don't plan to increase the fee for our flagship management programmes. The focus naturally shifts to MDPs," said Harivansh Chaturvedi, director, Bimtech.

So far, the institute has conducted 200 MDPs. "We share 70 per cent of the revenue with the faculty members and they get additional income from these programmes," he added.

Considering the demand from India Inc, many business-schools have increased fees for these programmes. For instance, IIM-Kozhikode has increased the fee for open programmes from Rs 28,500 to Rs 35,000 for a three-day programme. The fee for customised programmes stands at \$20,000-25,000 for 20-25 participants. Open and customised programmes combined, MDPs contribute about Rs 10 crore to the institute's revenue.

Xavier Labour Relation Institute ([XLRI](#)) charges Rs 28,500-45,000 for a three-five day programme. So far, it has served 187 companies through its MDPs.

Business-schools say companies have become choosy about the kind of MDPs through which they want to up-skill executives.

The demand for customised programmes is more compared to that for open enrolment programmes. For working professionals, business-schools conduct MDPs in two formats - open and customised. While open MDPs are designed and marketed by these schools and are meant for participants from multiple companies, customised programmes are sought by companies for a specific number and type of employees; these are sponsored by companies.

Though it is difficult to estimate the size of India's executive education market, some industry officials peg it at Rs 500 crore. The management education segment has seen an increase in the number of such programmes, not only by Indian business-schools but also by Ivy League institutes and other global institutions, including Harvard Business School, Wharton School of Business, University of Pennsylvania, University of Chicago, Tuck School of Business, INSEAD, Oxford University's Said Business School and Duke University.

"As more companies want to up-skill their workforce, international brands are coming to India, bringing relevant programmes. If the programme is from a branded institution and contextual, there are takers for it," said Chaitanya Kalipatnapu, director, Eruditus Executive Education, which conducts executive education programmes for Indian corporations and participants.

Delhi-based International Management Institute ([IMI](#)) is targeting a revenue of Rs 24 crore from executive education and MDPs, with an overall targeted revenue of Rs 45 crore for 2013-14.

"In terms of MDPs, we are able to generate a surplus, the quantum of which is increasing every year. Our renewed efforts to customise the programme and consistently deliver to the middle- and senior-level management have reached a supercritical mass; we are able to reinvest in

infrastructure, faculty and customisation," said Kaushik Datta, chairperson (executive learning and development programmes), IMT-Ghaziabad.