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continued to log flight missions while pursuing an MBA through Indiana University’s Kelley Direct program. Plus, employers often care more about the school brand than the program format, according to former Google and Microsoft recruiter Sandy Khan. She points out other perks to online education: You can keep your job, avoid a move, save tuition dollars, and duck the pressure of securing employment while in school.

Despite their growing legitimacy, however, there are still significant drawbacks to online MBAs. Many cyber students are still treated like second-class citizens. These virtual learners miss out on opportunities to lead campus clubs, participate in summer internships, access the full complement of career services, and participate in the day-to-day grind that fosters close camaraderie (and future networks) among on-campus students.

Perhaps most importantly, online students are excluded from the on-campus recruiting cycle, which caters to in-residence students and boasts some of the most coveted employers.

That said, it’s a fantastic option for people who already have jobs, families, and other commitments. For many virtual MBAs, it’s not a question of an on-campus degree versus an online one—it’s a question of whether to get one at all.

One thing is certain: Online education isn’t going anywhere. We’re sure to see more degree programs, course offerings, flex programs, and MOOCs before the year is over. As the online revolution plays out, drawing more top schools and superstar professors into the fold, we may one day question the efficacy of on-campus degrees instead.
ARE YOU A CANDIDATE FOR AN ONLINE MBA PROGRAM?

An associate dean reveals the two types of people who pursue virtual degrees

BY JOHN A. BYRNE
Are You An Ideal Student For An Online MBA Program?

You already have a great job in an organization that you admire and respect. You’re making good money. You’re still learning new things about yourself and the business on a fairly frequent basis. You have an enviable relationship with your boss and mentor. You might already be married and have young children.

Still, you look around your organization and notice that the people moving up or out to the best jobs have advanced degrees. Over the long haul, you could be disadvantaged in the race to get ahead. No less important, you know that some formal training in a top-flight MBA program would make you a better professional.

FIRST & FOREMOST, ONLINE MBA PROGRAMS PROVIDE FLEXIBILITY

If any of this sounds even remotely familiar, you might very well be a candidate for an online MBA program. The most obviously advantage is the flexibility online education provides. You don’t have to quit your job. You don’t have to sacrifice a lot of family time. You don’t have to pick up and move to a campus.

So we asked Doug Shackelford, the associate dean of the MBA@UNC program at Kenan-Flagler Business School at the University of North Carolina, what kinds of professionals tend to sign up for the online journey.

“The people in our program fall into two categories,” he says. “They know they are at the right age and it’s time to get an MBA, but frankly, they are doing so well professionally that it would be a foolish move. You are 28 and making $200,000 a year and your company is saying you are on the way toward the c-suite. You don’t quit that job. That’s not the time to leave.”

SOME MBA@UNC STUDENTS ARE MAKING MORE THAN $250K A YEAR

“We have people in our program making hundreds of thousands of dollars,” Shackelford adds. “Some students are making substantially more than $250,000 a year. But they know full well that they need professional business knowledge. Still, you’re not going to give up that kind of money and take two years off without knowing whether you can get back in at your level.

“In the second group you have people who just don’t want to leave their companies. An Executive MBA would be the right answer for them, but they are road warriors. They are constant travelers and their professional schedules are not predictable and are out of their control. In an online MBA program, you can take all your classes from hotels. I had one online student who was in 10 different places during the 10 weeks of my course.”

And then, there are variations on these two themes. “On the personal side, you also could have a person who is part of a working professional couple. You could have a situation where it is a perfect time for one spouse to get an MBA but his partner has a fabulous job. They are not going to move halfway across the country so that one spouse has to give up a great job. We have a lot of those.”

PARENTS WITH SMALL CHILDREN AND THE MILITARY ARE KEY DEMOGRAPHICS FOR ONLINE ED

“And the third group of students we tend to have are those with small children,” Shackelford says. “We have a lot of classes at 9, 10, and 11 at night on the east coast so a good number of our students go to class after the kids go to bed. And the last group is military and ex-pats all around the world and the spouses of military and ex-pats. They are usually trapped in places where they can’t get a job or do much of anything.

“We have in our program a woman in Afghanistan who is with a company that provides support to the military. She told me she read every book that has been written and has seen every movie that has ever been made. She has an engineering degree from MIT, and she’s in her mid-to-late 20s. But she can’t get an MBA from the traditional places while she is working in Afghanistan. She now goes to business classes at our school from that country.”
When the 18 members of the Class of 2013 pick up their MBA diplomas on July 13th, they will have completed a highly unusual two-year adventure at the University of North Carolina. They’re the first graduates, the guinea pigs so to speak, from Kenan-Flagler Business School’s online program dubbed MBA@UNC.

Over the course of 24 often grueling months, the 18 students produced several babies, endured two cross-country moves, and announced a few engagements and weddings. Clearly, life didn’t get in the way of this ambitious bunch. Now they’re just weeks from getting their MBA degrees.

Consider Ana-Laura Diaz, a 31-year-old attorney who is using the online program to switch careers. With a demanding job and her MBA studies, she had little time to prepare for her own wedding in Barcelona, Spain, this May. Diaz began her search for a wedding dress just two months before the ceremony. When she walked into the boutiques, the sales associates would inevitably roll their eyes. “They were all like, ‘Girl, don’t you watch Say Yes to the Dress?’” Diaz recalls laughingly.

For Jaime DeMaria, a 40-year-old vice president of marketing and strategy and father of two, the MBA experience could be grueling. After a client dinner on a business trip, he would return to his hotel room, wanting to kick back and flip on the television. Instead, he hit the books. But the neuroscience Ph.D. says he wouldn’t do it any other way.

For some, the payoff has already occurred. Mike Orazi, a 28-year-old strategy associate for Lockheed Martin, will be moving into a new job in Washington, D.C., shortly after commencement. “I credit the UNC program for giving me the credentials that were required for that promotion,” he says.

Poets&Quants caught up with these three members of the class to find out about their experiences. We asked them why they chose the program and how they managed to balance it all.
I graduated in 2003 from UNC Chapel Hill with a degree in music and psychology, but I wasn’t entirely sure what I wanted to do. So in 2006 I went to the University of Miami School of Law. I had about five years of experience in bankruptcy law before I was promoted to a more supervisory role where I headed up a department. I realized that there was a gap in my knowledge and experience that didn’t include balancing budgets or acting as an advisor. I wanted to fill that gap somehow.

Ana-Laura Diaz, second from right, with fellow cohort members at the Chapel Hill immersion weekend

I looked at part-time and online executive programs and explored the top 20 online schools. The Wall Street Journal and the Financial Times ran stories about UNC@MBA. After reading them, I reached out to the dean, Doug Shackelford, and asked him to add me to the mailing list announcing the application process.

I explored other part-time programs, including those at Northwestern, the University of Miami and the University of Indiana. But I only applied to UNC. I’ve been a Tar Heel before, so I thought let’s see if I can get in. Luckily, I did.

I continued working as an attorney throughout the program and only quit at the beginning of March. I was also teaching American government online as an adjunct professor for Colorado Technical University.

I practiced very careful time management – some days I organized my schedule by the tenths of an hour. Then I’d realize, ‘Oops, I didn’t schedule a bathroom break.’ But I approached the program with a ‘no pain, no gain’ outlook. I knew it was going to be rough to balance everything, but it was the path that I needed to take. So far it’s yielded greater returns than I ever imagined.

I also relied on an extensive support system – my husband, who is fantastic, and my classmates. We were all going through the program and major life events together. We had something like four babies, two cross-country moves, a few engagements and a few weddings.

I didn’t have a problem making connections online. With Facebook and text messaging being the new norm, people are used to having their best friend live five states away and only seeing them twice a year. At the end of every quarter UNC offers immersion weekends. I attended one on technology and innovation in San Francisco, one on emerging markets in San Paulo, Brazil, and one on leadership in Chapel Hill. I’m signed up for one in Chicago in a few weeks. When you go to these, you’re not meeting people for the first time. It’s more like a reunion with friends. Plus, you’re learning how to interact professionally online, skills people will need more of in the future.

As far as the technology, I really liked that you could see all your classmates at once online. It’s not like calling in for a conference call. This is very much the opposite. Your webcam comes on, and you’re on the screen. You see your classmates and their surroundings. Sometimes people are at the beach or halfway across the world hunched over their screen because it’s 2 a.m. There’s no hiding from the professor. Classes are capped at 15 people. Having been through grad school, I know there’s a temptation to sit in the back if you didn’t read and hope that no one will notice. There’s none of that here. You have to come prepared.

You feel very connected. You get a better glimpse of peoples’ lives than you typically would if you were sitting a few feet away in the classroom. You know when it’s dinnertime for someone because family members will be walking around in the background, or sometimes cats and dogs will wander across the screen.

About five to six weeks into the program, I found that I enjoyed my courses more than practicing law, so I’m planning to make a career switch into marketing, communications or human resources. I’ve been working with the career development office at UNC. The school has a dedicated career officer just for this program. We’re at different points in our careers and have a little more experience than students in the full-time program, so it didn’t make sense to squeeze us into a one-size-fits-all career services offering. The career officer meets with everyone when they start the program to evaluate where they are, where they want to be and what resources they can use to get from point A to point B. I had never been 100 percent satisfied with my legal career, and I saw things could be different. I haven’t had time to launch a full-blown job search, but I know that having an MBA
will help me be successful.

Whoever expects this to be an MBA mill at UNC will be in for a surprise. That’s not what they’re going to get. It’s the same rigor as a full-time program on top of your regular job, so it’s definitely not for the faint of heart. But at the end of the day the rewards and gains are worth it.

My background is in the sciences. I have a bachelor’s and a master’s degree in biology and a doctorate in neuroscience. I’ve spent the last 10 years in the pharmaceutical industry in medical affairs and marketing. I’ve always felt that I had a solid scientific, clinical background, but I wanted a better understanding of the business side of things.

Jamie DeMaria earned his Ph.D. in neuroscience prior to enrolling in MBA@UNC

I’m married and have two kids, plus a full-time job that requires travel, and I couldn’t find a program that would fit into my schedule. I looked at other online programs, including St. Joseph’s Pharmaceutical & Healthcare Marketing MBA, but none of them felt right. I wanted something broader than pharmaceutical management. I also didn’t want to move and with my schedule, I couldn’t regularly commute to classes. MBA@UNC is a top-ranked program so I knew there would be excellence behind it. It also fit into my life – I didn’t have to be on a fixed schedule in a brick-and-mortar building to do it.

My wife has been incredibly supportive. When I started the program my kids were 7 and 9, now they’re 9 and 11. It’s rigorous. We cover the same courses as the full-time program in the same amount of time – 24 months. You just have to make the time to do it. When I’m travelling, I’ll spend 30 minutes after a client dinner working through another section instead of flipping on a movie at the hotel. You can’t extend time. You just have to make adjustments. There are definitely moments when you’re tired and burnt out, but you just keep going. I say jokingly that when I finish the program there is going to be a hole of time that will have to be filled. I’m looking forward to coaching my kids’ sports teams – that would be a great way to do it.

I devoted an average of 15 to 20 hours each week to the program, some weeks are a little lighter, others are heavier. Everyone has full-time jobs and families so matching schedules for team projects can be tricky, but without exception we never had a problem making it work. Everyone knew what they were getting into, and people are very committed.

As a member of the first cohort, a lot of our classes were finance-based. For someone who comes from a marketing background, I probably never would have taken them if there had been other options. But I’m thrilled I did. Obviously going forward there are more choices to pick from, and if you wanted to hide from the quant electives you could. But, as hard as they are, I would advise anyone to take them. The only business class I had coming in was a high school accounting class – truly. Managerial accounting was a revelation. That’s when things started to click. I wouldn’t have taken that if there had been a way around it.

The technology is incredible. It’s very interactive and personal – you can see everyone in the class. The screen looks like the introduction to The Brady Bunch. If you eat or drink something, everyone knows. If you pause your camera, there’s a big X over your screen. There’s no escape. With 15 people or fewer on the screen for 90 minutes, odds are you’re going to get called on. One of things I’ll miss most is seeing all of these people online once or twice a week. Once we had a professor teaching a class from India. His phone cut off after 10 minutes and we kept the class going. He came back online 20 minutes and seven slides later. Everyone has a stake in the program, so people are really engaged.

The university has done a good job of integrating us into the alumni base. We get invitations to events, and we’re treated just like the regular executive MBAs. I went to undergrad at Notre Dame, and MBA@UNC has replicated that family feeling – you don’t feel like a number. The program also has a lifelong learning policy – if new classes come up, we can enroll in them. They also have the same faculty so we didn’t lose anything there either. Whatever glitches we had along the way, the administration was incredibly responsive. Technical things were typically fixed in a day – that doesn’t happen in real life.
Instead of bias against online degrees, I’ve found that people are fascinated by the program and want to know more about it. I think Kenan-Flagler is the hook. One of my colleagues from work applied after we talked about it, and he starts in October.

The biggest thing I took away from the program was an understanding of the underlying fundamentals and mechanics behind companies and how they operate. My father was a bond trader for years on Wall Street, and I took a very different path. I’m not going to be CFO, but I’m comfortable enough with finance now that I can talk to people about it and understand company expenses. A lot of tools I use on a daily basis I learned from the program. I was promoted into my current position in December, and the MBA absolutely positioned me for that opportunity. That’s the great thing about this program. I didn’t have to quit a job I loved to get the degree. I could grow in my career while I was earning a living at the same time.

I was very happy with my job at Lockheed Martin, but I still wanted to pursue an MBA. My current role requires me to know a little bit about a lot of different things. I knew I didn’t have the necessary knowledge of supply chains and finance, and an MBA could give me that.

Mike Orazi, left, visited Bali with classmates Carlo Pedrazzini and Kristen Fanarakis following a Singapore immersion through UNC’s online MBA program.

My job involves a lot of travel and long hours so I needed a program that was flexible. I did some research and found the program at MBA@UNC, which would allow me to work and earn a business degree.

I didn’t apply to any other schools, but I was looking at the Duke program. For me, it was really a debate between going full-time or taking UNC’s alternative route. Part-time programs didn’t appeal to me because I didn’t think I would get exactly what I wanted out of them, especially with a move to Alabama on the horizon, where there aren’t many MBA options.

I spent roughly 20 hours per week on the program. About three hours of that was in-class time online with professors and classmates. The rest of the time is flexible. In some cases, I would be working 100 hours per week. I had to put in those three hours, but everything else I could take care of when I had time, which was extremely valuable. If I was working 15-hour days, seven days a week, I could finish my homework and catch-up on lectures between 10pm and 1am.

MBA@UNC has an amazingly interactive online platform. I was surprised to find that it can be better than a traditional classroom experience. You’re staring at all your classmates. You’re in the first row of the class every day. You don’t think you’ll come away with close friends or see any of these people outside of the weekend immersions, but our graduating class is incredibly close.

I think I got the same takeaways from the experience as a typical MBA student – that’s a group of friends who are going through the same thing that you are and who you can talk to and help out for the rest of your life.

Mike Orazi, 28, Strategy Associate at Lockheed Martin

We were the first class, so there are always a few kinks. The administration was committed to running the program the best way they knew how, but we had to work through some things with them. I would say that it was an opportunity because we could help shape the future of the program. For instance, they had to figure out the best way to give exams to keep everything fair. Eventually students would get on Adobe Connect, the program software, to take the exam together during multiple proctored time slots, and that seemed to work for everyone.

One thing I really valued about the program was that I could continue doing a job that I really liked without taking time off to attend a top program. I’ve recently been promoted and am moving to Washington, D.C., to join our corporate strategy group. I credit the UNC program for giving me the credentials that were required for that promotion.

I would tell people to go into the program with an open mind. I know there’s a certain perception of online programs, but I think you’ll find that the experience is superior to what you’d get at other places. I also think there’s a change occurring within the general population about online programs. If I had gone into an interview four or five years ago and said I had an online MBA, I would have received a very different reaction from the one that led to my current promotion.
10 ESSENTIAL QUESTIONS FOR ONLINE MBA APPLICANTS

Deans and directors share their top tips for assessing an Internet-based MBA

By Lauren Everitt

Not all online MBA programs are considered equal. So how do you know if you’re landing a quality degree or a dud? Even some stellar options may simply not be the right fit for you.

Poets&Quants quizzed the deans and directors at several schools offering online programs to find out the essential questions you should be asking before signing up for an Internet-based MBA. Here are their top 10:
1. IS THE SCHOOL AACSB ACCREDITED?

This one should be a no-brainer. Any program that’s not accredited is likely a waste of your time and money. Employers don’t trust them, and nor should you. Needless to say, business executives won’t exactly be beating down your door to hire you or shower you with raises and promotions.

Some schools claim accreditation, but it’s often the wrong kind. The closest you can get to a stamp of approval is accreditation by the Association to Advance Collegiate Schools of Business. You can check the status of your prospective institution on the AACSB website. This will effectively rule out the for-profit schools, and that makes sense. Why go to a no-name, for-profit institution when you can go to a legitimate university with the accreditation that counts?

2. ARE STUDENTS AWARDED THE SAME DEGREE AS FULL-TIME MBA GRADUATES?

Many institutions offer online degrees for students who either work full-time or have other commitments that prevent them from taking the more traditional bricks-and-mortar degree path. Ideally, the degree for the online program should be indistinguishable from a school’s full-time MBA credential.

Carnegie Mellon’s Tepper School of Business will award identical diplomas in their new online FlexMBA and their mainstream full-time MBA. Kenan-Flagler’s MBA@UNC and Arizona State University also grant online and full-time MBAs the same exact degree. You certainly don’t want to diminish your employment prospects by walking away with a newly minted degree that isn’t quite as good as the traditional MBA.

3. WHAT ARE THE OUTCOMES FOR STUDENTS WHO HAVE COMPLETED THE PROGRAM?

As an aspiring business student, you probably know that outcomes are key. The school should be able to provide you with stats on how many students have completed the program and their job placement rates. You’ll also want to find out job promotion rates and salary raises.

Indiana University reports that their online MBAs began the Kelley Direct program with an average salary of $76,750. By graduation, they were pulling in an average of $104,160, an increase of 36%.

4. WHAT SERVICES ARE AVAILABLE?

Students completing online programs don’t have the advantage of rubbing shoulders with on-campus recruiters during social events or dropping in to have their resumes reviewed at the career services center. You’ll want to find out what your potential program offers students who are off campus.

Most importantly, you’ll need to know about access to the career resources center. Can you sign up for interviews with on-campus recruiters, and will career services staff accommodate MBAs with non-standard hours? Students enrolled in Tepper’s FlexMBA will have access to the full range of career resources, and the school is experimenting with new technology to enhance long-distance job interviews.

It’s also worth keeping in mind that for technology-based degrees you’re going to be using your computer – a lot. So if the software fails on a Saturday night, will their help desk be open and accessible to you? Given the hefty cost of most online MBA programs, you’ll also want to ask about financial aid services.

5. WHAT TYPE OF TECHNOLOGY DOES THE SCHOOL USE?

Online MBA programs rely heavily on digital communication. By and large, the majority of
interactions with your professors and peers will be virtual, so you’ll want to be sure these exchanges are as seamless as possible. Many programs, such as those at Arizona State and Duke, have tech teams dedicated to building out and supporting online MBA platforms. Long gone are the days when professors walked into a recording studio, taped their lectures, and posted them online. Quality programs will offer a variety of pre-recorded lectures (for convenience), live programs where you can interact with professors, and platforms where you can connect with peers. You should also expect to find interactive discussion boards where students can post questions and expect a timely answer from faculty.

You’ll also want to find out the ratio of asynchronous learning (independent study) to synchronous learning (real-time classes). Asynchronous learning generally offers more flexibility since you can pull up pre-recorded videos and lectures whenever your schedule permits. The drawback is that you lose the classroom experience of talking with your peers – a major value-add in the synchronous learning experience. Most programs blend the two together to varying degrees, so you’ll want to pick a program that matches your priorities.

6. WHO WILL BE TEACHING THE PROGRAM?

Ideally you’ll see the same faculty names across a school’s online and full-time MBA programs. You should know whether adjunct and associate professors will be leading your classes or if you’ll have the opportunity to learn from the school’s cream-of-the-crop tenured professors. If a school is not committing top faculty members to their online MBA program, a red flag should go up. You don’t want to end up taking courses from the faculty dumping ground.

Duke University’s Fuqua School of Business rotates the standard B-school faculty through its blended Global Executive MBA program. Kenan-Flagler also uses the same faculty across its online and full-time MBA degree paths.

7. HOW MANY HOURS PER WEEK SHOULD YOU EXPECT TO DEVOTE TO THE PROGRAM?

Most institutions insist on the same graduation requirements and core curriculum courses across all of their MBA programs (they should, anyway). However, this information is packaged differently. Depending on your current life and work schedule, you’ll most certainly want to know how the courses are structured and whether you can manage the most hectic periods.

MBA@UNC tells applicants that, in addition to the weekly synchronous class sessions, they should expect to dedicate approximately 10 hours per week per class to studying, class preparation, and asynchronous sessions. Babson College sets different expectations for its Fast Track online MBA program, advising applicants that online learning averages 20 hours per week and reflects readings, case preparation, contributing to asynchronous and real-time discussions, and active participation in team-based exercises and projects. Those hours are in addition to on-campus sessions.

Online MBA programs, such as those at the University of Florida and George Washington University, require students to attend multiple on-campus residencies. Students enrolled in Carnegie Mellon’s FlexMBA should expect to attend 15 “Access Weekends” at one of the school’s campuses in Pittsburgh, New York, or Silicon Valley.

8. WHAT ARE THE NETWORKING OPPORTUNITIES?

Bundled into that hefty MBA price tag is the opportunity to bond with key contacts you’ll hopefully run into later in life. Say you’re wanting to expand into South America – what about your B-school buddy from Brazil? For many MBAs, the networking supersedes the classroom learning experience in terms of the program’s value 10 to 20 years down the road.

The Internet changes things a bit. You’re generally not going to see your peers face-to-face every day or meet them for beers after a long week of exams. That’s why it’s imperative to find out just how many opportunities you’ll have for in-the-flesh interaction and team-based projects. Ideally, you’ll have at least one in-person meetup.

You’ll also want to know how the teams are chosen and whether you’ll be with the same team throughout the whole program. Preferably, the program will have a mix of long-term team projects and short-term networking experiences. In Arizona State’s online MBA program, students are assigned to teams at the beginning and travel through the core curriculum with those same teammates. After completing their main requirements, students are free to create their own teams.

Kenan-Flagler groups students into virtual teams, then pairs each group with a faculty adviser for consulting projects with real-world companies. For
one global business project for a large multinational corporation, they pulled in students from other business schools. The project will culminate with two-week visits and presentations in Brazil, China, and India.

9. WHAT OPTIONS DOES THE ONLINE MBA PROGRAM OFFER FOR SPECIALIZATION?

If you’re eyeing a career in financial accounting, you’ll want to make sure you can attend advanced courses in the field. If you dig entrepreneurship and aim to start your own company one day, you’ll want to select a program that will help you stay afloat in the shark tank. Check your online MBA program for potential areas of specialization.

Carnegie Mellon will offer four concentrations in its new program: Entrepreneurship, finance, marketing, and operations management. MBA@UNC offers concentrations in corporate finance, entrepreneurship, global supply chain management, investment management, marketing, and sustainable enterprise. Even when you might not want to target a specific field of study, it’s important to make sure there are elective options that appeal to your interests. For instance, students enrolled in the University of Indiana’s Kelley Direct program can choose 12 credit hours from some 60 courses to customize their B-school experience.

10. CAN MBA CANDIDATES SWITCH BETWEEN PROGRAMS?

MBAs offer several pathways to the same degree. If you discover that the online experience just isn’t working out, it’s worth knowing whether or not you can join the school’s weekend or full-time MBA programs. The soon-to-be launched FlexMBA at Carnegie Mellon’s Tepper School of Business allows students to switch into a full-time or part-time degree path after the first year.

A school’s willingness to allow online MBA students into its other programs sends a clear message that the institution isn’t concerned about the caliber of its cyber students.
ONE OF THE HAPPIEST ONLINE MBA PROGRAMS ON EARTH

A rankings boost highlights the University of Florida’s online offering, which consistently gets high marks from students.

BY JEFF SCHMITT
You’ve probably heard Disney World’s famous tagline: “The happiest place on earth.” You’d be hard-pressed to find many frowns there. While customers are lured by family fun with beloved childhood characters, Disney World sets itself apart with world class service that fosters a deep connection with its brand.

If you drive two hours north to Gainesville, you’ll find the MBA equivalent. That’s what the Financial Times recently discovered about the Hough Graduate School of Business at the University of Florida. In its ranking of online MBA programs, which is heavily decided by alumni surveys, Hough placed fourth worldwide, notching first-place finishes in aims achieved (student goal fulfillment), online interaction (faculty availability, responsiveness, and interaction), and program delivery (quality of the teaching, materials, and exams). Hough’s offering also ranked second in career services.

It was an impressive showing against the likes of more well-known rivals with bigger and more prestigious educational brands that range from Spain’s IE Business School to the University of North Carolina’s MBA@UNC program. After all, there are nine more highly ranked business schools in the U.S. alone with online MBA programs, including Babson and Northeastern University, but the Hough program has consistently been among the best in student satisfaction even though it is less expensive (see costs below).

What’s Hough’s secret? “It’s really not that complicated,” insists Alex Sevilla, the school’s assistant dean and director of its MBA program. He attributes the program’s success to the unwavering support of his dean (John Kraft) and faculty, a commitment to keeping the technology a step ahead, and the competitive price. The biggest difference, however, stems from a cohort culture, a collaborative “family” atmosphere where students grow deeply connected to their classmates, faculty, and the school itself—exactly what many consider missing from online learning.

TWO ONLINE OPTIONS: A FAST-PACED 16-MONTH PROGRAM & A 27-MONTH OPTION

Hough offers both a one-year (16 months) and a two-year (27 months) online MBA program. The accelerated program, which includes 131 students, is designed for professionals who have earned business degrees within the past seven years. Before classes start, one-year students take an intense pass-fail foundational review to confirm their mastery of quantitative coursework. If students score low on even one subject area, they get placed in the two-year program.

The two-year program, which is comprised of 206 students, includes professionals who are, on average, 30 years old and possess seven years of professional experience. Their average GMATs and GPAs are 591 and 3.2, respectively. Overall, the program is 62% male, with a 35% to 40% acceptance rate. Historically, most attendees are Florida residents. However, the school has drawn students from 41 states, mainly from Georgia, Virginia, Texas, North Carolina, California, and New York. The cost of the two-year program is $55,000 (with the one-year program coming in at $48,000).

THE CHALLENGE: TO KEEP THE BEST OF A BOUTIQUE MBA MODEL

According to Sevilla, the program’s success is rooted in its earliest decisions. Launched in 1999, Hough was among the first ‘name’ schools to offer an accredited online MBA. Back then, the school already ran popular executive and professional MBA programs, which were marked by an immersive experience and deep student connection. For Sevilla (who joined in late 1998 as the associate director in career services), the challenge was translating this boutique model, “to keep the best of

We didn’t feel we could just bring [students] in at the beginning, give them a pep talk, and then say ‘see you in two years’ at graduation, and that would be a viable MBA experience. Making a commitment to community and showing how important they were to us was an early decision we made.
what we already have” on a different platform.

To start, Hough focused on getting key senior faculty excited and onboard early, “[which] was not an easy feat,” Sevilla concedes. Along with gaining faculty buy-in, the school emphasized student quality. “We had to make sure the metrics we used to define who deserves to be an MBA student in the program would not change,” Sevilla says. “If anything, [going online] would allow us to be more selective, given it was an expanded pool.” In addition, the program committed to implementing the best technology – and training faculty on how to use it. “We held their hands through the process,” Sevilla remembers, “making it a very custom and personal translation, as opposed to a ‘Hey, this is what you’re going to do [approach].’”

Most importantly, the program stressed a culture of student connection in every decision. “We use the term ‘family’ around here a lot,” Sevilla points out. “[Online students aren’t] some auxiliary arm taught in the cloak of darkness … From the beginning, it was mission critical for us to require [on-site] residencies each semester … We didn’t feel we could just bring [students] in at the beginning, give them a pep talk, and then say ‘see you in two years’ at graduation and that would be a viable MBA experience. Making a commitment to community and showing how important they were to us was an early decision we made.”

AT FIRST, SOME THOUGHT IT’S ONLINE OFFERING WAS A ‘FLY-BY-NIGHT OPERATION’

Early on, Hough’s online MBA program attracted tech-savvy first adopters. While such students still thrive in the program, the expectations have increased over time. Aside from “intellectual horsepower,” the school heavily weighs professional work experience, since the quality of student discussions “are so closely tied into what someone has done,” Sevilla says. Cultural fit is another factor. “[These students] are entering a community-based, collaborative environment … it won’t work if [they] just want the content and [to] stay to themselves.”

Over the past 15 years, the perception of the online MBA has also shifted, says Sevilla. In 1999, students (and employers) wondered if the program was a fly-by-night operation. Now, asserts Sevilla, it is viewed as the equal of the brick-and-mortar program: “The online MBA is the same quality experience, just executed in a different way. Everyone is earning the same degree.
There is no asterisk on the diploma when they get it. That’s a firm commitment I make to our alumni and students."

In fact, the program’s rigor is part of the attraction, says Tim Megginson, a marketing director at the Dollywood Company. A 2012 graduate, Megginson initially looked at programs where he could just go deeper into marketing. But he is grateful to have chosen Hough. “It took me out of my comfort zone … [and] really opened up my eyes to the broader business as a whole,” he says. “I have a lot better perspective of how all the pieces fit together.”

INITIALLY, HOUGH ACTUALLY MAILED DVDS TO STUDENTS FOR INSTRUCTION

The program has come a long way since 1999, when it mailed lectures on DVDs to students. Tapping into its mission to be an innovator, Hough quickly pivoted to placing courses online when Apple released iTunes. It was also the first program to distribute video iPods to its students before moving to the iTouch and the iPad. Now, the school provides students with the same lightweight tablet laptops, which are configured the same way so students don’t experience any hiccups from day one.

Courses are delivered on a Learning Management System (LMS) from Sakai (the school is transitioning to Canvas in the fall). Instead of 60- to 90-minute lecture videos, the school employs topic-based segments, lasting 15 to 25 minutes, that include videos, readings, embedded surveys, projects, assignments, and links to additional content. This serves two purposes. First, by chopping content up into smaller nuggets of information, the format lets students easily refer back to specific topics. Moreover, this method makes content easier to digest, says Sevilla. “This is not a Michael Bay production, but you need rich and dynamic content that’s [appealing] to listen to, to understand, to be engaged with,” he says.

The content, which is prerecorded in a professional studio, is re-done every three years and only used for the online courses. While most classes are recorded, some professors have held live sessions to discuss particular cases or help students prepare for finals. The LMS also includes a discussion board, where students can respond to faculty (or peer) questions.

The program also prides itself on a seamless student experience. “One thing we do really well,” says Sevilla, “is take care of student life cycles. We’re cognizant that universities can be slow and bureaucratic. So it’s our job to take that minutia off the table for students – from getting books and materials from the faculty [at orientation and residencies] to registering them for classes. We have dedicated financial aid people in our building, so it’s ours to manage and [students] don’t have to wait in line … It’s a very rigorous program … so our job is to allow them to focus every ounce of energy on coursework and learning – as opposed to things that could get them bogged down.”

"Everyone is earning the same degree. There is no asterisk on the diploma when they get it. That’s a firm commitment I make to our alumni and students."

ALL NEW ONLINE STUDENTS FIRST COME TO CAMPUS FOR A FOUR-DAY ORIENTATION

Hough’s online MBA program also pours heavy resources into the faculty. The business program employs three full-time instructional designers, who work closely with faculty on online delivery. While the online program uses the same faculty as the full-time program, some professors are more comfortable in front of a camera than others. “Some of them are naturals,” Sevilla observes. “We do go through a cycling process to determine which faculty members have an affinity for this process.”

It is one thing to talk about community. But online MBAs are steeped in Hough’s cohort culture from the moment they arrive on campus for orientation. A mandatory four-day event, students spend time with student affairs, career services, faculty, and peers. After laptops are distributed and software is loaded onto their devices, the tech team provides training and one-on-one coaching, to ensure users are comfortable with accessing and using the applications before classes start. In addition, students complete a full day of team-building exercises.
The goal is to allow students to hit the ground running. One key is for students to choose the right teammates to work with. “We do some things around personality and team dynamics [at orientation],” says Sevilla. “The process … puts their skin in the game as opposed to us assigning them to teams or just having them randomly pick based on knowing each other for six hours … If the team is not working well, it’s going to be magnified in this kind of a program.”

WEEKEND RESIDENCIES FOR STUDENTS EVERY FOUR MONTHS

Students clearly see the value in the on-campus orientation. Chris Del Campo ’15, a captain and pilot in the U.S. Air Force, is one advocate of Hough’s approach, particularly the ropes course. “It helps you break down barriers and understand why they do what they do. [You could see] people actually grow by challenging themselves.” The orientation also fosters community, says Megginson: “You bond pretty quickly with the group.”

And that’s the point. “We want to be sure they’re not only comfortable with the content and the program,” says Sevilla, “but more importantly, are they comfortable with us and with peers and with the faculty and feel like they are part of our community … We want them to feel fully connected to who we are at all times.”

Every four months, online students return to Gainesville to complete weekend residencies. Here, students take final exams, submit projects, and deliver presentations. On Sunday, they roll right into the next term, meeting with faculty, receiving their books and materials, and starting classes all over again.

Sevilla refers to residencies as “eight reunions in two years’ time.” With evenings free, Hough students are often found playing golf or dining together (which also helps them build a stronger network). “You’re working so hard with these people,” Sevilla acknowledges. “You’re immersed in their lives. You’re doing 2 a.m. conference calls, working on projects and studying for exams. You’re sharing who’s having a baby or who got promoted. You’re doing all that when you’re not face-to-face. So when you’re together, you want to give [each other] hugs.”

THE PROGRAM ALSO RANKED FIRST IN SALARY GROWTH THREE YEARS AFTER GRADUATION

In fact, these bonds last longer than the program, explains Megginson, whose voice lights up when he talks about his four-member team. “All of us stay in touch,” he says. “Every Tuesday, we would have a 7:00 weekly call for 27 straight months. Now, we still email or quick call each other [at that time] to touch base, to see how things are going professionally but also personally.” Megginson adds that he still keeps in touch with a few professors and staff members, too. “They’re good people … very, very smart.”

According to the Financial Times, Hough’s online MBAs also ranked first in salary growth within three years of graduation (up 45%). Coupled with a moderate tuition, Hough’s ROI is among its big draws. “Look at it from a student perspective,” Sevilla says. “They’re not paying a ton and seeing a return on the back end with salary. That makes a good story from beginning to end.”

While Sevilla credits this success to “great students” and “significant investments” in career services (such as a full-time career coach for working professional students), he also tips his hat to the nature of online education. “We tell our students that, during this program, you have this incredible opportunity to immediately showcase what you’ve been learning, as opposed to a full-time student who collects all this knowledge and then goes to a company on day one and has to prove what they know. We encourage our students to look for opportunities … to ask for projects even if it’s not a promotion or financial gain at that moment, so people can see what they’re capable of doing.”

HOPES TO ADD MORE ONLINE ELECTIVES AND IMPROVE LEADERSHIP DEVELOPMENT

Despite its success, Hough doesn’t intend to rest on its laurels. Positive rankings aside, Sevilla realizes that the online market can shift quickly. That’s why Sevilla established an Innovation Committee. Convening every two months, the group consists of the technology team, senior faculty, and members of the MBA administrative team. According to Sevilla, the committee examines the program’s technology, faculty training, curriculum, student services, and career development guided by one question: “How can we stay best in class?” In addition, Sevilla works closely with the technology team to evaluate emerging technologies, best practices from academic and corporate entities, and feedback from faculty and staff. “We can’t sit on this for even a short time as more competitors come into the space and technology advances exponentially,” he says. “Otherwise, we’re going to get lapped. Top down, we’re
designed to be a positive agitator of technology and innovation.”

Sevilla is also looking for ways to be more creative with the curriculum, such as offering more electives to online students. He hopes to beef up the leadership development piece and integrate more global immersion. “We’d like for online students to take [an international trip], either as a requirement or making it easier to participate,” he says. “These are galvanizing experiences, something people tell me that they remembered far beyond the program.”

Moreover, Sevilla is working to make more full-time student activities available to online students. “Clubs are the next evolution,” he says. “Years ago, [online] students just wanted the content and the credential. It was very transactional. As more students pay their own way, they want more. This year, we won three case competitions. Can we do case competitions for all students, to build community [and expose them] to things that are normally the purview of full-time students?” While attending on-campus alumni and career events might not be feasible for online students, Sevilla plans to make more activities available program-wide. “I think there is an opportunity to do so.”

Still, don’t expect the online MBA program to stray too far from its original formula. “We know who we are,” says Sevilla. “We are a cohort-based, very rigorous program that believes in bringing in exceptional students, investing in faculty … and providing a best-in-class student experience across the board, especially in the technology piece. Sometimes, it’s not creating a bunch of new stuff as much as using your strengths and investing more in that so you can continue to be at the top of your game and have students who love what you do.”
Auburn's bargain-priced degree shows you don't need to pay six figures for a business education

BY JEFF SCHMITT
MOOCs are all the rage in academia. These days, you can take online MBA courses from Harvard, Stanford, and Wharton – from the same faculty who teach them on campus. And one student has even figured out how to complete core MBA courses for under $1,000. Unfortunately, you don’t build a lifelong business network with MOOCs. And just try selling your MOOC degree to a recruiter!

But what if you could complete your MBA for just $29,000? For the price of a jeep, you could earn an online MBA from a prominent institution that boasts Apple’s Tim Cook among its alumni. At the same time, you’d enjoy the same faculty, lectures, projects, and support as your on-campus peers. With many MBA degrees priced at $100,000 (or more), this program would keep your debt low, while providing the same basic MBA courses as on-campus students receive.

THE AUBURN DIFFERENCE
That’s the value proposition at Auburn University, a public university consistently ranked among the top 50 public universities. Known for its iconic oak trees and pro-football and baseball All-Star Bo Jackson, Auburn’s online MBA program has cracked the code when it comes to fusing quality with value. At $805 a credit for 36 credits, Auburn’s $28,980 price tag is the lowest for an online MBA program from a top 100 “band name” business school.

In contrast, Carnegie Mellon’s Tepper School, the highest ranked business school in the U.S. offering an online MBA, has priced its offering at $116,160. UNC’s online MBA, dubbed MBA@UNC, costs $93,500, while Indiana University’s KelleyDirect online MBA is priced at $59,925.

That old adage that you get what you pay for is somewhat appropriate here, however. Auburn’s program is a no-frills affair, where the cost does not even include textbooks. The Tepper program, for example, includes a four-day orientation on campus along with three-day, on-campus sessions every two months during a program that lasts 32 full months. UNC’s online experience includes two global immersion trips as well as three-day sessions quarterly, while Kelley’s program includes two full weeks on campus. Auburn’s online students only meet each other in person once, when they come to campus for a three-day capstone project in the final semester, and they can graduate in as little as 21 months.

Still, it’s hard to beat the value Auburn is delivering for a fraction of the cost of the more highly ranked online MBAs—or for that matter the value against schools ranked even lower than Auburn, such as Howard University, Pepperdine University, and Hofstra University in New York. Auburn currently has 121 enrolled students in the program from 27 states and Canada. About 23% are women, though none are from outside North America.

Since being founded in 1990, the program boasts 1,500 graduates, including America’s first female fighter pilot and high-level executives from AFLAC and PricewaterhouseCoopers. Within the online program, students can pursue concentrations such as marketing or analytics and dual degrees in areas that range from management information systems to finance. With over 75% of students completing the online program within four years, it has become a resounding success.

While Dean Bill Hardgrave refers to the program’s mission as providing “a very high quality program and making it accessible to the masses,” an anonymous graduate offers a more succinct tagline: “Price, flexibility, prestige.”

THE SECRET BEHIND AUBURN’S LOW COSTS
So what’s the secret behind Auburn’s low-cost proposition? According to Stan Harris, associate dean for graduate and international programs at Auburn’s Harbert College of Business, it starts with a commitment to managing costs. “We’ve always been relatively inexpensive – by design,” says Harris. In fact, this mindset stretches across the entire business program. U.S. News & World Report recently ranked Auburn’s business program at No. 2 for “Best Financial Value,” with students graduating with an average debt of $8,500.

However, don’t associate economical with easy. Auburn maintains a university requirement that students must maintain a B average to stay in the program. “If you make a C, you better get an A elsewhere,” says Harris. “If you get a D, you’re re-taking the class.”

Low cost is just one way that Auburn’s online MBA program is designed for working professionals. Recently, it removed prerequisite coursework, replacing it with self-study materials to be more student friendly. However, most students already come to the program with strong academic credentials.

We’re looking for solid GPAs and GMATs, says Harris, who noted that online students were admitted with
average GMATs of 596 and average GPAs of 3.15. While Auburn’s admissions team factors in career progression and experience that reflect hard work, commitment, and motivation, their initial screening emphasizes quantifiable rubrics. “[The program] isn’t watered down. It’s the same thing as the on-campus students get… with the added difficulty of not being in the classroom. We need evidence of why we should trust you to be successful,” he says.

It’s a philosophy that’s embraced by the online student body. That includes D. Hernandez, a 2012 online MBA, who appreciates that the program “weeds out potential students who are not willing to do the work.”

What’s more, the $29,000 price tag lands online students the same professors who teach campus students. “Nearly every class is taught by tenured or tenure-track faculty with Ph.D.s,” Harris observes. “We don’t use many adjuncts.” Harris, who has worked at Auburn for over 28 years, describes the atmosphere as “collegial.” “Our faculty satisfaction is among the highest in the nation. People really like this place.”

Since being founded in 1990, the program boasts 1,500 graduates, including America’s first female fighter pilot and high-level executives from AFLAC and PricewaterhouseCoopers.

A LOW-COST TRADITION

To understand Auburn’s low-cost proposition, you need to step back to the early 1980s, when Auburn’s College of Engineering was among the pioneers in distance education delivery. When the distance MBA was launched, they partnered with engineering and piggybacked off their capabilities and expertise. Since then, the online MBA program has been an early adopter of technology, increasing efficiency as it evolved from VHS tapes to DVDs to online streaming.

In fact, Harris argues the technology has helped cut costs. “With VHS tapes, we’d mail them across the country…and then scrub and tape over them [when they came back]. So we had huge mailing, hand labor, and infrastructure expenses.” While DVDs were faster to burn, streaming has been a big cost saver for Auburn. We already had the infrastructure set up for streaming as a university, Harris says. “With online, cost has gone down as quality has gone up…The quality of our content has already been high, but the technology frees us to make it even better.”

HOW AUBURN’S PROGRAM WORKS

In some ways, Auburn’s online MBA is similar to other online programs. But Auburn incorporates some key differences that allow online students to stretch their dollar further. At Auburn you won’t find your father’s canned lectures or “PowerPoint Karaoke.” Here, lectures are live captured in a real classroom each year, often with a different professor. In other words, students aren’t watching four-year-old classes; they’re observing classes within hours of being conducted.

Auburn also relies on state-of-the-art video equipment and microphones to record lectures. In fact, the routing system is so sophisticated that all seat mikes go off when a student speaks. “We’re trying to give online students the experience that they’re sitting in the back of the classroom…watching it live,” Harris says.

Students can conveniently access lectures through their laptop, smartphone, or tablet using the Canvas learning platform. Here, students can access course materials and homework and communicate with classmates via discussion boards and chat rooms. In fact, Harris observes that online students often have discussions on Canvas that parallel those of on-site students in class. Online students and faculty stay in touch via email and phone. And Auburn even has the ability to stream live classes if requested in advance.

Harris adds that Auburn takes special pride in its proctoring system for online students. “We spend a lot of time vetting proctors to ensure the integrity of the whole system.” As a result, exams are often conducted by company human resources managers or community librarians. Exams must be completed within 10 days of on-campus students taking them. Whether a test is delivered by computer or paper, online students take it the same way with a proctor in the room.

THE BENEFITS OF THE PROGRAM

Naturally, this model helps Auburn keep costs low. By using the same faculty and lectures for both on-
campus and online students, Auburn can use the same material for two sets of learners using their existing infrastructure. But the strategy also delivers a richer educational experience too.

For starters, online students step into a classroom where “it’s like it happened just now,” Harris says. “We can talk about whatever happened in The Wall Street Journal today, and they can see it that night. They’re immediately up to date.” In fact, online students often contact faculty to suggest discussion topics for the next class. The real value, according to Harris, is that online MBAs “get the experience of hearing what others have to say about an issue. It’s not just the professor’s perspective. They hear what their [on-campus] peers think and how the professor reacts.”

Online students also benefit from flexibility. With professionals carrying heavy workloads and travel schedules, students can take as few as one class a semester. Harris also refers to Auburn’s online program as “asynchronous.” By that he means, unlike some programs, students don’t need to be in front of their computers at a specific time. As a result, working professionals can watch lectures when it is convenient for them…and that’s usually not during school hours.

Bottom line: These students can continue working full time while earning an MBA. “They don’t have to give as much up,” says Harris. “You can see your son or daughter play a soccer game. You don’t have to give up your career. You can move if your company wants you to …You can make investments in your family and community. That’s a hard proposition to beat … and [it’s] hard to put a number on that.”

WHAT THE CRITICS SAY

Despite its low cost proposition, Auburn’s online program has its critics. While U.S. News ranks Auburn’s online MBA program very high on faculty quality and admissions selectivity, they score them lower on technology and student engagement. While acknowledging the criticism, Harris also attributes a portion of the scores to the questions asked by U.S. News. “With technology, we were knocked for not doing streaming audio. But we do streaming video with audio. We were dinged for not having 24-hour technical support…but students have emails and cell numbers [of faculty and support staff].” Some of it is an artifact of what and how things are measured.”

Hernandez concurred with Harris’s depiction of the support. “The distance coordinator and support was excellent. I got prompt responses to calls or emails.” An anonymous student from a 2013 exit survey adds, “The flexible hours available for outreach students have to put a strain on the professors’ time, but you never felt like a burden or bother.”

On student engagement, Harris, who started in his position last year, is working to better involve online students. The program already has an outreach office and an advisor to keep an eye on online students. While the 2013 exit survey contained mostly positive feedback from graduates, Harris did notice a pattern.

“In our program, we have a huge capstone project, where we mix teams of online and campus students [who work together for a semester] to help a sponsoring business with a strategic issue. These teams present their analysis to these companies and then we have a celebration…What I’m finding is that [online] students wished they’d come on campus sooner.”

As a result, Harris is looking for ways to minimize the costs for online students to join their campus brethren at orientation. “I want them to meet the folks they watch in class [and interact with online] …and to get a better sense of Auburn as a town and a university…We pride ourselves on making [students] feel like they’re part of the Auburn family.” However, he adds that translating this familial bond can sometimes be their biggest challenge with distance students.

Still, Auburn has fostered strong relationships with many online MBA alumni. Loren Neuenschwander, a 2003 graduate and SVP and CFO of Endeavor Air, jokes that he still regularly talks to friends in the MBA office even 10 years after he graduated. And Mitch Kingston, a 2006 graduate and sales director at MARS Incorporated, appreciates the school’s alumni outreach and engagement. He says these efforts have resulted in “alumni coming back to campus to consult on curriculum, teach courses, get involved in capstone courses, and assist in developing students.”

DO ONLINE PROGRAMS STILL GET A BAD RAP?

Although online MBA programs sometimes get rapped for being “MBA light,” Harris doesn’t buy that argument. “How can it be light if they’re doing exactly what the on campus students are doing? It’s the same courses, lectures, professors, exams, expectations, assignments. You have a point of reference. You get the same as what is on campus…That’s our trump card at Auburn – we never have to fight that battle.”

However, Harris is more cautious when asked
whether other MBA programs are overpriced compared to Auburn’s $29,000 price tag. “With our ongoing building of infrastructure, we’ve been able to spread our costs over many, many decades. If I was starting up now, I’m not sure how much we’d have to charge. Our experience gives us a competitive advantage in the pricing model.”

AUBURN ALSO HAS AN INEXPENSIVE EXECUTIVE MBA PROGRAM

The $29,000 online MBA program isn’t the only distance MBA offered at Auburn. Students can also participate in a hybrid Executive MBA program that was named 2012’s Best Remote Learning Programme in North America by European CEO. The EMBA program has a 10-day international trip built in, along with requiring students to come to Auburn for five residences that stretch from Sunday to Friday. It comes at a price of $58,330, which includes all books, lodging, airfare for the international trip, and most meals.

Unlike the online program, the EMBA lectures aren’t live; they’re produced in a studio. While students have up to six years to finish the online MBA, the EMBA must be completed within 21 months. The student profile is also different, with the EMBA students possessing 16 years of work experience, while the online students averaging six to eight years. “It’s easier for seasoned executives to arrange to be away for residences every few months,” says Harris. “Online students often have a limited ability to do that … but students have to decide what works better for them.”

SCHOOL WANTS TO IMPROVE CAREER SERVICES FOR ONLINE STUDENTS

Harris has an ambitious agenda for the coming years. For starters, he’d like to make on-campus students more like online students through blending. “I’d like to put more content in short online modules that students can see before class. [That way], we can spend more time in class addressing the grays in the world and topics that require deeper discussion [and reflection].” Harris also plans to increase dual degrees and concentrations for online students, so everyone has the same opportunities.

What’s more, he wants to put greater emphasis on career services. Harris concedes that most online MBA students are already working and focusing on advancing within their current companies. However, he wants to build in more opportunities to make students aware of career progression and “teach them to fish” when the time is right. This is another area in which the more expensive programs provide more support, even personal coaching in some instances.

To do this, Harris has convened a committee of faculty, staff, students, and alumni to help him “see the right things” and identify what he hasn’t thought of. “You can’t rest on your laurels. You can always do better,” he says.
Virtual business degrees are gaining acceptance among universities, students, and even employers.

BY JOHN A. BYRNE
Douglas A. Shackelford is a professor’s professor. He’s a widely published scholar whose CV overflows with six densely packed pages of published papers, Congressional testimony and academic honors. A highly regarded authority on taxation, he’s been a visiting professor at two of the world’s best universities, Stanford and Oxford, and he’s been teaching at the University of North Carolina’s Kenan-Flagler Business School for nearly a quarter of a century.

So when Kenan-Flagler Dean James W. Dean Jr. began to seriously consider going into the online MBA market three years ago, Shackelford was understandably agghast. “Oh my God,” I thought, “the budget situation must be desperate. I told the dean that this is such a big bet that either he will be a hero for doing it or burned in effigy on campus if it fails.”

Undaunted, Dean plowed ahead, even appointing his initially skeptical colleague as the associate dean of the online program, MBA@UNC. In due time, Shackelford’s reservations were shed and he has since become a true convert. Now, as the school prepares to graduate its first class of online MBAs this July, the professor believes that Kenan-Flagler’s move into the online space was not only prescient. “It was brilliant,” concedes the 55-year-old professor. “Our dean really does deserve a statue.”

‘THE WAVE OF THE FUTURE’

After all, some of the best business schools in the world now offer MBAs via the Internet. Besides Kenan-Flagler, Carnegie Mellon’s Tepper School of Business will enroll its first online class this August. Online MBA programs are flourishing at many other top business schools, including Indiana University’s Kelley School of Business, IE Business School in Spain, Babson College’s Olin School, and Arizona State University’s Carey School. Every other week, a new business school seems to be announcing the launch of yet another cyber-MBA program. At several schools, including Indiana and Arizona State, incoming online MBA classes now outnumber the new full-time students enrolled on-campus.

As Robert Dammon, dean of Carnegie Mellon’s Tepper School of Business, puts it, “The wave of the future is the use of technology to deliver education more broadly to people. There are a large group of people who don’t want to leave their jobs and still want an MBA from a top-tier school.”

From Shackelford’s perspective, Kenan-Flagler’s move into the market two years ago has gained the school plaudits as an educational innovator and has challenged the faculty to think differently about teaching. The program has drawn an exceptional group of working professionals—some of them already earning $250,000 a year and up—and their satisfaction with the experience has been extraordinarily high. Nearly every quarter, when Kenan-Flagler opens the Internet door to a new cohort, the size of the incoming class has grown larger.

If you’re interested in an online MBA degree these days, chances are you’ll find a vast array of quality programs and much wider acceptance for online study from employers than ever before. In fact, so many not-for-profit universities have entered the market that they are now taking significant market share away from the for-profit players who pioneered online education years ago. Although McKinsey & Co. and Goldman Sachs aren’t yet recruiting graduates of online MBA programs, the day may not be all that far off when prestige corporate recruiters begin to routinely interview and hire MBAs with online degrees.

“The acceptance rate of online degrees as a legitimate replacement for on-campus degrees is going up,” says Haven Ladd, a partner with The Parthenon Group’s education practice. “Most HR (human resource) departments really don’t care about the differences.” Adds his partner, Robert Lytle, “The next barrier for online education is when do we see Goldman and Accenture start hiring online MBAs. It’s only a matter of time before professional service firms get comfortable hiring online graduates.”

ONLINE MBA PROGRAMS ARE GAINING ACCEPTANCE AND RESPECTABILITY

In the current digital culture era, online MBA programs are finding growing acceptance and respectability. The decision by the likes of such world-class universities as Harvard, Stanford, and MIT to offer MOOC (massive open online courses) has helped to lend much credibility to online education. “The fact that those schools put their names on online courses meant you didn’t have to consider deserting motherhood and apple pie to get an online MBA degree from a top-tier school,” says Shackelford. “The market is huge and so few people are still aware that this is an option.”

Online MBA programs can still rouse controversy, of course. Many educators continue to pooh-pooh the quality of an Internet degree. They bemoan the lack
of community and the limited networking of online education. Jonathan Cole, a sociology professor at Columbia University and the school’s former provost, says there is no evidence that online education is better than the old bricks-and-mortar model. “People learn from each other when they eat together, read together, converse together, sleep together. If nothing else, sex will reinforce bricks over clicks on the campus,” he maintains.

Duke University’s Fuqua School, which offers a global executive MBA where 40% of the work is done via Internet, refuses to even acknowledge that it is selling an “online MBA degree.” Insists John Gallagher, director of Executive MBA programs at Fuqua, “The last thing we want to do is dilute the brand, and so we would never use the word online or call it a distance learning program.”

Yet, as schools with global brands and reputations continue to move into the online market, the quality of the students who are opting to earn degrees on the Net is increasing as well. ‘It’s finally come of age,’” believes Phil Powell, the faculty chair of Indiana University’s Kelley Direct online MBA program. “Students who wouldn’t have done it ten years ago are willing to do it now. Students who are most sensitive to pedigree and quality have finally embraced the idea. Initially, the early adopters might have been students who were more interested in the convenience. But there is a critical mass of non-profit providers that have really good brands in the larger business school space. The market has moved from early adopters to more mainstream students.”

Indeed, students who once would have settled for the evening MBA program or weekend Executive MBA at the local university are instead opting to take advantage of the distance learning options from more selective, big brand universities with the resources to attract the best faculty and staff. “We are seeing some extraordinary students that any business school would be thrilled to have and we are seeing more and more of them every term,” says Susan Cates, executive director of Kenan-Flagler’s MBA@UNC. “We are getting more of these type-A overachievers who are trying to get as much out of life as they possibly can.”

Cates says she just admitted into the online MBA program an applicant who had been fourth in her undergraduate class at an Ivy League university, first in her medical school class from one of the top schools in the world. “She just finished up her residency and thinks an MBA will help her go where she wants to go faster,” adds Cates. “With her background, she is not going to do an MBA degree anywhere except a top-tier school.”

Online MBA Programs Are Now Common and Enrolling More Students Than Ever

Unlike traditional full-time MBA programs, which have been shrinking at many schools in recent years, the online MBA market is booming. Every week, a new school seems to enter the market, while the newly established leaders, are reporting increasingly higher numbers of applicants and admits. Last year, for the first time since 1999 when Indiana launched its online version of the MBA, the school enrolled a larger number of online MBA students than it did full-time, on-campus students. Indiana enrolled 245 students in the past 12 months, 135 in its fall cohort and 110 in this spring’s newest cohort, up 20% from a year ago. That exceeds the 180 students who entered the school’s traditional MBA program in the fall. “We could be looking at 170 to 180 in the fall, keeping admission standards the same,” adds Powell. “We are growing faster than we expected.”

Babson College, which opened its Blended Learning MBA program (formerly called Fast Track) to the public in 2007 with 26 students, recently graduated a class of close to 140 online students. At any given time, the school has an online enrollment of up to 350 MBA candidates. This July, when the Kenan-Flagler Business School graduates its first online MBA class of 18 students, the school also expects to enroll its largest MBA@UNC online class ever with more than 80 people. In just about every quarter since UNC launched the program, the incoming classes have grown in size. “In October, it looks like we could be 120 to 140 range,” says Shackelford of UNC.

For students who intend to stay in their organizations and use the MBA to enhance a career, the online MBA is especially proving a valuable option. Not only is it more convenient than an evening or weekend program, it’s vastly less expensive than the full-time MBA because students can forego the opportunity costs of being unemployed for nearly two years. If a student is either a road warrior or transferred to a new location, there’s also no problem in continuing their studies—another reason favoring the Internet option. And most online programs enroll students at least twice if not more times every year. Kenan-Flagler, for example, has four start dates in January, April, July and October.
FROM JUST PUTTING A CAMERA IN A CLASSROOM FOR LECTURE CAPTURE TO FULL ENGAGEMENT

Just as crucial, cyber learning is no longer some clunky and ill-defined stepchild of the educational world. Instead, many business schools are employing production values, high-end videoconferencing technology and Internet simulations that keep students deeply engaged and on their toes. They go far beyond the early Internet courses first made available on dial-up modem connections. Those first generation efforts were not unlike the very first movies to come out of Hollywood. In early cinema, points out Cates of MBA@UNC, producers simply set up a camera in front of a stage to film a play. It wasn’t until the Great Train Robbery in 1903 that the technology of filmmaking was employed in innovative ways to show the true promise of movie making.

Similarly, in the vast majority of earlier courses, professors put a camera in a classroom to do lecture capture. “The message is, ‘There was a real class and I wasn’t there. So this is second best,’ adds Cates. “We’re using the technology to help us do the same things that we do in the face-to-face program: challenging class discussions, group projects, team consulting assignments, and simulations. In an MBA program, learning from your classmates is important. So is working in teams and learning how to effectively negotiate. Students should assume they should get these kinds of things in a good online program.”

So in live class sessions online, students often peer at computer screens with a Hollywood Squares-look, seeing their fellow students in tiny boxes with an animated professor orchestrating a discussion via an audio feed. Students can tap on a button to “raise their hands” to participate, generally by typing in a question or a response into a window on the screen. But there’s much more to it than that.

In the past six months, for example, Kenan-Flagler piloted its first live consulting project with a team of online students and a faculty advisor, a retired McKinsey & Co. partner. The group is working with a public corporation on a marketing project for a product. “They will be delivering the same kind of consulting project that our full-time MBAs would do,” says Cates. As part of another global business project, the school’s online students are working on virtual teams for a large multinational corporation with students from several other business schools. The project will culminate with two-week visits and presentations in Brazil, China and India.

At Carnegie Mellon, which enrolled its first online class in August of 2013, the online students will partake in the same intensive leadership experiences, with workshops, seminars and one-on-one coaching, that were recently part of an update of the school’s full-time, on-campus MBA curriculum. Every student is given a four-hour assessment of their management capabilities that forms the basis of an “action plan” to build on a person’s strengths and minimize their weaknesses. The plan is customized for each individual who is then assigned an executive coach for the entire MBA program to “work on his or her leadership stuff.”

Unlike traditional full-time MBA programs, which have been shrinking at many schools in recent years, the online MBA market is booming.

Michele Pfund, faculty director of W.P. Carey’s online MBA, says Arizona State’s internet-based program grooms students for an increasingly virtualized business world. “Students are learning how to lead virtually – this is an ever-present need in our current society,” she explains. “When you’re working with people in the same building, you have trust, but you need to be able to make those same connections online.” Pfund says online education is often construed as impersonal, but that new technology is turning the tables. “With the changes in technology there’s no reason for me not to know what my students’ faces look like,” she points out. However, technology can also make it easier for less engaged students to hide, compared with full-time programs where peer pressure and face-to-face oversight are more in play.

TOP ONLINE PROGRAMS REPORTING HIGHLY FAVORABLE OUTCOMES FOR THEIR STUDENTS

Increasingly, no less, schools that have been in the online space for several years are now reporting highly positive outcomes for their graduates. At Kelley, which
allows online MBA students to sign up for the on-campus recruiter interview schedules available to its full-time students, the rewards have come in higher pay and upward mobility. Powell says Kelley Direct students who graduated in the past year ending June 30, 2012, began the program with average salaries of $76,750. When they graduated their pay was $104,160, an increase of 36%. Moreover, 66% of the students also earned a promotion by commencement.

Babson College says students who graduated in 2010 from its Blended Learning MBA program averaged a 30% increase in pay by the time they left with their online degrees. “They certainly didn’t graduate during the flush years of the economy yet they were getting substantial increases in pay,” says Michael Cummings, faculty director of the Blended Learning program. “They get promoted. They get great new jobs.”

At Kenan-Flagler, 30% of students in the online program for more than a year have gotten a promotion or had a job change internally or externally. One current student, says Cates, is a West Point graduate who started the MBA@UNC program as an attorney on the east coast and wanted to make a career change. “Within the first several months of the program, she was able to use what she was learning to get a job in operations with a consumer products company. She moved from the east coast to California and now she is moving to the company’s headquarters in Atlanta thanks to another promotion. Another student in our initial cohort has had two steps up in his company during the time he has been in the program. He attributes that very directly to taking what he has learned in class and incorporating the ideas at work. He is being recognized by the chief financial officer for bringing more strategic thinking to finance.”

A recent study of the online educational market by Parthenon showed that potential applicants most prefer hybrid programs that combine Internet-based classes with on-campus study sessions and projects. Pure online programs were then favored in the study, even over on-campus degrees. So far, the scant data available on online degree learning is limited. Cates says UNC’s twice-a-quarter surveys of its online MBA candidates show that student satisfaction is extremely high. “Students feel they know each other well, that they have great access to the faculty, and that they are being intellectually challenged,” adds Cates.

For the professors who teach in online settings, it can initially be a little disconcerting. “In a classroom, I can look at a student’s body language and facial expressions,” says Cummings of Babson. “I can tell when they’re not getting it. Now I am deprived of that.” On the other hand, the bulletin board discussions can often seem more substantive than the real dialogue in a classroom. “As a professor,” adds Cummings, “I have noticed that if a student has to write their comments, they have to understand the material. You can skate around things in a regular classroom. Your voice evaporates into thin air, but your written comments are there for a long time.”

That’s one reason why many of the best schools in online education require face-to-face meetings with fellow students and faculty. Week-long orientation immersions, weekend retreats and multi-day consulting projects onsite are all part of the more sophisticated blended programs. After a kickoff week on-campus, Babson’s Blended Learning program has students studying two courses over each seven-week module in a 21-month program. In each module, there are four weeks online, then two and one-half days of on-campus class, and finally three weeks of online study. All told, 60% of the contact hours are via the Internet, with the remaining 40% in person.

BLURRING THE LINES OF WHAT AN ONLINE EDUCATION IS

“You are seeing a blurring of the definitions of online education,” says Lytle of The Parthenon Group. “There will be a lot of movement to hybrids which include some face-to-face interaction. We are at the beginning of a period of great growth and innovation. This is not the end of it.”

While the videos, podcasts, animations, bulletin board discussions and chat messaging are largely a given in each online program, each school has come up with a different approach to its on-campus segments, generally meant to create the kinds of bonds among students that might seem more elusive online. The University of Florida requires online MBA students to come to its Gainesville, Fla., campus for weekend classes and projects every four months during the 27-month-long program. A weekend orientation program at the beginning includes a ropes and challenge course. At George Washington University, there’s four-day residencies on the school’s campus in Washington, D.C., during and right after completion of the fundamental course work. In Carnegie Mellon’s 32-month program, there will be 15 “Access Weekends” where students get together with faculty from Friday through Sunday in
one of three locations in Pittsburgh, New York, or Silicon Valley.

Besides the week-long “connect week” on Indiana’s Bloomington campus at the start of the Kelley Direct program, there is second “connect week” at the start of the second year. And for the first time this summer, Kelly Direct is bringing 20 of its students to Botswana, Africa, for a global consulting project with one of five small businesses. Teams of four students each will first fly to meet their clients, which range from a garment business to an auto body shop, in Washington, D.C., for a weekend. They will then fly back home and for the next seven weeks work closely with clients virtually. Finally, in August, they will spend a week on site with the business in Africa before making final presentations to the client.

“It’s an eight-week engagement with two face-to-face meetings with the client,” says Powell of Kelley Direct. “The students will interview customers and vendors. They’ll sit at work site and observe work flow. They will be coached by faculty, and students will be given grades based on the ultimate value of their advice to their clients.”

‘OUR EMPHASIS IS TO DO THINGS IN AN ONLINE PROGRAM THAT YOU DIDN’T THINK YOU COULD DO ONLINE’

If all that sounds familiar to students of full-time MBA programs, it is. As Powell points out, “Our whole emphasis is to do things in an online program that you didn’t think you could do online. Where will it lead? Toward the career switchers. Right now online programs serve the career accelerators. If we get an enthusiastic applicant who is a concert pianist who wants to be an investment banker, we point them toward the full-time MBA program. But in the next five to ten years, you will see more people who want to use an online MBA switch to a new industry or discipline. The program will have to help them make that transition.”

For now, however, these programs make most sense for managers and executives who don’t want to leave their jobs. The more common hurdle in an online business program is how to recreate the kind of dynamic class interaction that occur when a business school professor leads a case study discussion. UNC believes it has discovered a very good solution from its online partner, 2tor Inc., an educational startup backed by venture funding. 2tor has brought to Kenan-Flagler a way to do case studies from its partnership with the law school of Washington University, which now offers an online master’s degree in United States law for lawyers practicing overseas.

“They had to figure out how to teach the Socratic method with their law program, and it became evident to us that this would be a good way to do case study classes,” explains Shackelford. The school records a professor engaged in a rapid-fire exchange with two scripted students who have already taken the course. “At a certain point, the professor looks straight into the camera and asks the live students a question,” adds Shackelford. “Then, the student has to type in an answer. The decision might be, ‘Do you buy a company or not?’ Once you make your choice, and it could require further work, the discussion resumes. It may sound kind of corny but when you watch the video, you feel you are involved in an intellectual exchange. It is really slick and really effective. If you are a student using it, you are very engaged.”

A lot of the prep work required of teachers in an online MBA program is also finding its way into traditional MBA teaching. Many schools are using their recorded lectures, the so-called asynchronous course sessions, to “flip the classroom,” adopting a model in which professors do the basic lecture on video and use the classroom time for more interactive learning. “It has changed the culture of the school,” insists Shackelford. “I don’t believe we could think about doing education in this building without thinking about doing online now. Professors are using stuff in on-campus classes developed for the online program.”

If the once skeptical professor now sounds like an online evangelist, he is. What’s going on is a revolution in learning, says Shackelford. “There are some who are in denial that the world is changing in a big way. But the train has left the station and I think it’s really exciting.”
few years ago, hardly anyone bothered to even rank the digital versions of a school’s MBA. But as distance learning has become increasingly popular, several major publications known for their lists of on-campus degree programs have gotten into the act. 

U.S. News & World Report, which debuted an online MBA ranking in 2013, now provides numerical ranks for 172 programs, from No. 1 Indiana University to No. 169 University of North Alabama in Florence (four schools were tied at a rank of 169 this year).

Not to be outdone, the Financial Times rushed into the rankings game in 2014 with a global list of 15 programs that had IE Business School in Spain at the top, followed by Warwick Business School in Britain, Northeastern University’s D’Amore-McKim School in Boston, the University of Florida and Indiana.

The Economist also has ranked online programs in the past, though its last special report on distance learning is somewhat dated, having come out in 2010. Instead of providing numerical rankings for each of the 16 programs evaluated, the British magazine instead chose to rate the programs excellent, good, average, or poor. Only two schools’ programs were deemed “excellent” at the time: the University of Florida and IE Business School in Spain. Another three schools were rated “good.” They are the programs at Thunderbird Global School of Management, Indiana University’s Kelley School, and Euro MBA, a consortium of European business schools.
BEWARE OF LINK FARMS THAT PURPORT TO RANK PROGRAMS BUT MAKE MONEY OFF REFERRALS

The problem with all these rankings—along with their often significantly flawed methodologies—is that they are so new that many schools have declined to participate in them. The fact that the Financial Times could only come up with a list of 15 worldwide when U.S. News ranked more than 170 in the U.S. alone is proof of that. The relatively new lists fail to show the full array of business schools now offering online MBAs, including some of the very best schools.

Potential students also will find a large number of websites that purport to rank the best online options, but almost all of them are little more than “link farms” that collect a royalty or click payment when someone seeks more information on one of the listed programs. Any website that ranks online programs but fails to provide detailed explanations of the methodology with specific back-up data for each school is pretty much worthless. Be extremely wary of these fake rankings, which often attempt to mix for-profit schools with legitimate academic institutions.

Because so many brand-name universities are in the online space today, and their acceptance rates are significantly higher than for their fulltime MBA programs, there is no reason to settle for a degree from the University of Phoenix, Kaplan, Capella, or any other organization that lacks academic and professional credibility. Prestige does not come cheap, though you will be able to find some very affordable programs at highly ranked business schools.

AT LEAST 20 OF THE TOP 100 BUSINESS SCHOOLS NOW OFFER ONLINE MBA PROGRAMS

We believe the best online MBA programs are simply at the best business schools. The ultimate test for any degree is the reputation of the school that grants it. To that end, we’ve taken our ranking of the flagship fulltime MBA programs and filtered out the schools that don’t yet have online versions of their MBA degrees. That exercise led us to a ranking of the best business schools with online MBA programs for the second consecutive year.

All told, there are eight business schools in the Top 50 in the U.S. that now offer online MBA programs: Carnegie Mellon, the University of North Carolina, Indiana University, Maryland, Penn State, Arizona State University, Florida, and George Washington. Babson is just outside the top 50 and leads the other 12 business schools in the second half of the Top 100, which includes Northeastern University and Syracuse University, which recently partnered with the educational firm 2U, Inc., to move its more-than-a-decade-old online MBA program to a more sophisticated learning platform, the same one used by UNC at Chapel Hill.

The higher up the list you go, the more likely it is that the online option is as close a replica as you might get if you were on campus. It is far more likely to be taught by the same full-time faculty and to include all the business basics in the on-campus MBA curriculum. In almost all cases, the MBA degree you get is exactly the same diploma that full-time, on-campus graduates receive.

Our list also shows that you don’t have to go heavily into hock to get an MBA. Sure, the most expensive online MBAs cost about $75,000 and up, with a top price tag of $118,000 for the Carnegie Mellon program. But there’s also the no frills, though highly recommended, Auburn University program, which goes for the rock-bottom price of just $27,900. In fact, there are half a dozen programs at highly ranked business schools where you can get an MBA for under $50,000.

While new online MBA programs are being launched at a fairly regular pace, the highest ranked schools with online programs now form a significant group, offering would-be students a lot of worthwhile choices. Most of them are blended programs that combine online learning with on-campus retreats and immersions. Many of these programs also allow students to specialize or concentrate on specific fields, ranging from corporate finance and entrepreneurship to global supply chain management and sustainable enterprise.

It’s also worth noting that there are several very good non-U.S. options available, including the global online MBA program from Spain’s IE Business School and Warwick Business School’s MBA by distance learning.
# TOP 20 ONLINE MBA PROGRAMS IN THE U.S.

<table>
<thead>
<tr>
<th>ONLINE RANK &amp; SCHOOL</th>
<th>P&amp;Q RANK</th>
<th>TOTAL COST</th>
<th>TIME TO DEGREE</th>
<th>BLEND COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Carnegie Mellon (Tepper)</td>
<td>16</td>
<td>$118,080</td>
<td>32 months</td>
<td>15 “Access Weekends” Quarterly 3-day immersions 2 weeks on-campus 2 3-day residencies</td>
</tr>
<tr>
<td>2. UNC (Kenan-Flagler)</td>
<td>18</td>
<td>$96,775</td>
<td>18 to 36 months</td>
<td></td>
</tr>
<tr>
<td>3. Indiana (Kelley)</td>
<td>20</td>
<td>$61,200</td>
<td>24 to 60 months</td>
<td></td>
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<tr>
<td>4. Maryland (Smith)</td>
<td>33</td>
<td>$79,974</td>
<td>21 months</td>
<td>2 week-long residencies 3-day orientation Several weekend residencies None 3-day sessions every 7 weeks 8 weekends, 10-day global residency Optional residencies None Week-long residency 2 week-long global residencies 3 3-day residencies None</td>
</tr>
<tr>
<td>5. Penn State (World Campus)</td>
<td>33</td>
<td>$59,312</td>
<td>24 months</td>
<td></td>
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<tr>
<td>6. Arizona State (Carey)</td>
<td>42</td>
<td>$62,000</td>
<td>23 months</td>
<td>2 week-long residencies 3-day orientation Several weekend residencies None 3-day sessions every 7 weeks 8 weekends, 10-day global residency Optional residencies None Week-long residency 2 week-long global residencies 3 3-day residencies None</td>
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<tr>
<td>7. Florida (Hough)</td>
<td>48</td>
<td>$48,000/$55,000</td>
<td>16 or 27 months</td>
<td></td>
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<tr>
<td>8. George Washington</td>
<td>50</td>
<td>$77,700</td>
<td>36 months</td>
<td></td>
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<tr>
<td>9. Babson (Olin)</td>
<td>53</td>
<td>$78,432</td>
<td>21 months</td>
<td></td>
</tr>
<tr>
<td>10. Missouri (Trulaske)</td>
<td>55</td>
<td>$73,000</td>
<td>21 months</td>
<td></td>
</tr>
<tr>
<td>11. Northeastern (D’Amore-Kim)</td>
<td>56</td>
<td>$71,650</td>
<td>24 to 27 months</td>
<td></td>
</tr>
<tr>
<td>12. Arizona (Eller)</td>
<td>58</td>
<td>$45,000</td>
<td>14 months</td>
<td></td>
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<tr>
<td>13. Temple (Fox)</td>
<td>62</td>
<td>$62,208</td>
<td>20 months</td>
<td></td>
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<tr>
<td>14. Thunderbird</td>
<td>65</td>
<td>$69,800</td>
<td>19 months</td>
<td></td>
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<tr>
<td>15. Syracuse (Whitman)</td>
<td>72</td>
<td>$70,000</td>
<td>24 months</td>
<td></td>
</tr>
<tr>
<td>16. Texas-Dallas (Jindal)</td>
<td>74</td>
<td>$42,240</td>
<td>24 to 36 months</td>
<td></td>
</tr>
<tr>
<td>17. NC-State (Jenkins)</td>
<td>78</td>
<td>$37,167 (in-state)/$74,334</td>
<td>21 months to six years/ NA</td>
<td>3-day residency, optional global residency None/Blended option available A weekend residency 3-day residency at end</td>
</tr>
<tr>
<td>18. Massachusetts (Isenberg)</td>
<td>79</td>
<td>$32,175</td>
<td></td>
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<tr>
<td>19. Pepperdine</td>
<td>83</td>
<td>NA</td>
<td>24 to 84 months</td>
<td></td>
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<tr>
<td>20. Auburn</td>
<td>89</td>
<td>$27,900</td>
<td>27 months to six years</td>
<td></td>
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Source: School websites and interviews
Indiana’s Kelley School Tops the U.S. News Online MBA Ranking

Rounding out the top five online programs are No. 2 Arizona State, No. 3 University of Florida, No. 4 University of Texas at Dallas, and No. 5 University of West Georgia.

By John A. Byrne

Indiana University’s Kelley School of Business topped a new ranking of online MBA programs published Jan. 8 by U.S. News & World Report (U.S. News). The school’s Kelley Direct program, launched in 1999, now has an enrollment of nearly 750 MBA students and moved up from a third-place showing in last year’s inaugural online MBA ranking by the magazine.

Rounding out the top five online programs are No. 2 Arizona State, No. 3 University of Florida, No. 4 University of Texas at Dallas, and No. 5 University of West Georgia. James Madison University is among the big gainers on the list, rising from 49th place to tie for the No. 9 spot with Quinnipiac University and Temple University.

Several top online MBA programs at highly ranked business schools are absent, specifically the ones at Carnegie Mellon and the University of North Carolina’s Kenan-Flagler Business School. Both schools declined to participate in the U.S. News ranking. Also unranked by U.S. News is the Jack Welch Management Institute online MBA program, which has been gathering momentum in the online education space. The Welch program is excluded from the ranking because it is not part of a traditional academic college. And the U.S. News ranking does not include some superb international online MBA programs, including IE Business School’s pioneering offering.
USING RESIDENTIAL MBA INNOVATIONS IN AN ONLINE CURRICULUM

Still, Kelley’s first-place finish gives the school bragging rights for the highest-ranked online MBA program in the U.S. It’s also testament to Indiana’s commitment to online graduate education and its focus on doing well in rankings. “We transferred residential MBA innovations into our online curriculum,” says Phil Powell, the faculty chair of Indiana University’s Kelley Direct online MBA program. “For example, we introduced small business consulting projects in emerging markets, built career services organically designed for online students, and ensured co-ownership of program strategy with student leadership. This, good teaching, and staying ahead of MBA market shifts helped us earn our No. 1 ranking.”

Kelley School Dean Idalene Kesner said in a statement that she is not surprised by the No. 1 ranking. “Kelley Direct has long been the model other schools look to when developing their online graduate programs, and it continues to evolve to meet today’s needs in the business world,” Kesner said. “We use the same faculty that teach in our residential program. We also add features that emulate in-residence experiences, such as collaborative and personalized learning projects for real-world organizations, leadership and career training, and global leadership courses that include international trips.”

Since 1999, more than 2,000 students have earned Kelley MBAs through the program, and it currently has an enrollment of 728 students. The average salary of the class of 2012-13 was $107,447, a 28% increase over the average salary of the graduates when the program began. More than 65% of graduates received a promotion while completing the degree, which costs $59,925.

STUDENT ENGAGEMENT GIVEN THE MOST WEIGHT IN A NEW METHODOLOGY

This year, U.S. News revamped its methodology to put slightly more emphasis on student engagement, faculty credentials and training, and student services and technology. As a result, less weight was given to admissions selectivity and peer reputation. Both factors were reduced to a weight of 20% each, from 25% last year.

It’s not clear how those changes impacted the overall rankings. In any case, student engagement—defined as a program allowing students opportunities to readily interact with their instructors and fellow classmates, along with accessible and responsive professors—now accounts for one-third of the methodology, up from 28%. Faculty credentials and student services and technology are now given a weight of 13.5% each, versus 11% last year.

Based on its surveys, the online programs that scored highest in student engagement—the single most important factor in the ranking—are No. 1 Arkansas State University at Jonesboro (scoring 100 out of 100 points), the University of Texas at Dallas and the University of West Georgia (both scoring 97), SUNY at Oswego and Rutgers University (scoring 96), Clarkson University (95), Portland State University (94), and Arizona State’s Carey School of Business (93). The Kelley program scored 88 on student engagement.

UNIVERSITY OF TEXAS AT DALLAS NOW HAS 1,117 ONLINE MBA STUDENTS

The school reporting the largest enrollment among the top 25 is the University of Texas at Dallas, which has 1,117 current students enrolled in its online MBA program, followed by Penn State’s World Campus with 863, Indiana University with 747, and Boston University with 738.

U.S. News ranked a total of 172 online programs, from Indiana University to No. 169 University of North Alabama in Florence (four schools tied at a rank of 169). In many cases, there are schools with the same ranks, a reflection of the fact that even with numerous variables, the underlying index numbers are extremely close together. Six schools, for example, are surprisingly tied at a rank of 17.

Beyond the actual ranking, U.S. News collected a great deal of proprietary data on the programs. The schools reporting the highest average GMATs for their online classes, for instance, are the University of Nebraska at Lincoln, with an average GMAT score of 630, followed by the University of Texas at Dallas, with a 627 GMAT, and Indiana University, with an average GMAT of 622. They are the only three schools in the Top 25 with average GMAT scores above 600.

The most selective school, based on its reported acceptance rate, is Central Michigan University, which claimed to accept only 34% of its applicants. The University of Texas at Dallas is next, with an acceptance rate of 43%.
# TOP 25 ONLINE MBA PROGRAMS IN THE U.S. AS RANKED BY U.S. NEWS

<table>
<thead>
<tr>
<th>Rank &amp; School</th>
<th>2013 Rank</th>
<th>Selectivity</th>
<th>GMAT</th>
<th>GPA</th>
<th>Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Indiana (Kelley)</td>
<td>3</td>
<td>80%</td>
<td>622</td>
<td>3.32</td>
<td>747</td>
</tr>
<tr>
<td>2. Arizona State (Carey)</td>
<td>2</td>
<td>71%</td>
<td>575</td>
<td>3.30</td>
<td>588</td>
</tr>
<tr>
<td>3. Florida (Hough)</td>
<td>4</td>
<td>70%</td>
<td>584</td>
<td>3.22</td>
<td>366</td>
</tr>
<tr>
<td>4. Texas-Dallas</td>
<td>9</td>
<td>43%</td>
<td>627</td>
<td>3.26</td>
<td>1,117</td>
</tr>
<tr>
<td>4. West Georgia (Richards)</td>
<td>NA</td>
<td>58%</td>
<td>461</td>
<td>3.14</td>
<td>57</td>
</tr>
<tr>
<td>6. Nebraska-Lincoln</td>
<td>17</td>
<td>62%</td>
<td>630</td>
<td>3.40</td>
<td>190</td>
</tr>
<tr>
<td>7. Washington State</td>
<td>1</td>
<td>51%</td>
<td>570</td>
<td>3.47</td>
<td>212</td>
</tr>
<tr>
<td>8. Boston University</td>
<td>NA</td>
<td>81%</td>
<td>NA</td>
<td>3.27</td>
<td>738</td>
</tr>
<tr>
<td>9. James Madison</td>
<td>49</td>
<td>86%</td>
<td>510</td>
<td>3.12</td>
<td>44</td>
</tr>
<tr>
<td>9. Quinnipiac</td>
<td>NA</td>
<td>89%</td>
<td>525</td>
<td>3.30</td>
<td>425</td>
</tr>
<tr>
<td>9. Temple (Fox)</td>
<td>30</td>
<td>86%</td>
<td>619</td>
<td>3.14</td>
<td>48</td>
</tr>
<tr>
<td>12. Auburn</td>
<td>7</td>
<td>67%</td>
<td>567</td>
<td>3.27</td>
<td>257</td>
</tr>
<tr>
<td>12. Alabama (Manderson)</td>
<td>NA</td>
<td>69%</td>
<td>523</td>
<td>3.30</td>
<td>46</td>
</tr>
<tr>
<td>14. Arkansas State-Jonesboro</td>
<td>11</td>
<td>76%</td>
<td>570</td>
<td>3.54</td>
<td>33</td>
</tr>
<tr>
<td>14. SUNY-Oswego</td>
<td>NA</td>
<td>90%</td>
<td>525</td>
<td>3.20</td>
<td>36</td>
</tr>
<tr>
<td>14. San Diego</td>
<td>NA</td>
<td>73%</td>
<td>NA</td>
<td>3.18</td>
<td>101</td>
</tr>
<tr>
<td>17. Ball State (Miller)</td>
<td>NA</td>
<td>87%</td>
<td>527</td>
<td>3.26</td>
<td>193</td>
</tr>
<tr>
<td>17. Central Michigan</td>
<td>6</td>
<td>34%</td>
<td>498</td>
<td>3.14</td>
<td>111</td>
</tr>
<tr>
<td>17. Georgia College (Bunting)</td>
<td>15</td>
<td>46%</td>
<td>548</td>
<td>3.10</td>
<td>49</td>
</tr>
<tr>
<td>17. Penn State-World Campus</td>
<td>19</td>
<td>73%</td>
<td>568</td>
<td>3.36</td>
<td>863</td>
</tr>
<tr>
<td>17. North Texas</td>
<td>20</td>
<td>100%</td>
<td>510</td>
<td>3.38</td>
<td>71</td>
</tr>
<tr>
<td>17. Villanova</td>
<td>NA</td>
<td>88%</td>
<td>NA</td>
<td>3.51</td>
<td>51</td>
</tr>
<tr>
<td>23. California State-Fullerton</td>
<td>5</td>
<td>62%</td>
<td>572</td>
<td>3.34</td>
<td>45</td>
</tr>
<tr>
<td>23. Portland State</td>
<td>NA</td>
<td>81%</td>
<td>560</td>
<td>3.25</td>
<td>181</td>
</tr>
<tr>
<td>23. Connecticut-Storrs</td>
<td>8</td>
<td>88%</td>
<td>564</td>
<td>3.54</td>
<td>175</td>
</tr>
<tr>
<td>23. West Virginia</td>
<td>NA</td>
<td>85%</td>
<td>521</td>
<td>3.13</td>
<td>57</td>
</tr>
</tbody>
</table>

*Source: The Financial Times' 2014 inaugural online MBA ranking. U.S. News*
The British publication publishes its inaugural survey on online MBAs with just 15 programs

BY JOHN A. BYRNE

IE Business School in Spain topped the inaugural ranking of the world’s best online MBA programs published on March 10 by the Financial Times (FT). IE was followed by Warwick Business School in Britain, Northeastern University’s D’Amore-McKim School in Boston, the University of Florida, and Indiana University’s Kelley School of Business.

The highest-ranked U.S. business schools with online MBA degree programs, Carnegie Mellon’s Tepper School and the Kenan-Flagler Business School at the University of North Carolina, don’t show up on the FT’s list of just 15 programs. Presumably, that’s because they have not been around long enough for FT to survey alumni three years after graduation or because they declined to cooperate. The British newspaper said 17 programs supplied data for the ranking, though two were obviously excluded from its ranking.

In any case, the FT follows U.S. News & World Report (U.S. News) in cranking out a new list to rank online MBA degree programs. The FT list is comparatively skimpy, and its methodology mimics the approach it takes for its full-time global MBA ranking. Through U.S. News only ranks U.S. business schools, it assigns numerical ranks to 172 online programs—roughly 150 more than the FT. Because only 17 programs provided the FT with data, the list is not nearly as comprehensive and several schools appear to rank highly largely because of the absence of competition.
GREAT DIFFERENCES IN THE FT AND U.S. NEWS RANKINGS ON ONLINE MBA PROGRAMS

Thunderbird School of Global Management, embroiled in a contentious fight with alumni who are against a tie-up with a for-profit education provider, finished eighth in the new FT ranking. But when U.S. News crunched the numbers on its second consecutive ranking of online MBA programs, Thunderbird did no better than a tie for 51th place with Northeastern, which the FT ranks third in the world.

Regardless, Poets&Quants believes that a separate ranking for an online program is superfluous because the value of the degree is largely based on the overall reputation of the business school granting the degree. That reputation is typically a function of the school’s ranking for its flagship full-time MBA program.

The FT methodology weighs 18 different metrics, ranging from a school’s “research rank,” based on the number of articles published by faculty in selected journals, to the percentage of women faculty at the school. The most heavily weighted metrics are compensation: The average salary of an alumnus three years after graduation accounts for 20% of the methodology, while the percentage increase from pre-MBA salary counts for 10% of the weight.

SOME OF THE MOST IMPORTANT CRITERIA GETS LITTLE WEIGHT IN NEW RANKING

Interestingly enough, only two of the 18 metrics of the methodology bear more directly on the online experience: program delivery, which is how alumni rate the online delivery of “live teaching sessions, other teaching materials, and online exams,” and online interaction, which is how alumni rate the “interaction between students, teamwork, and the availability of faculty.” Those two measures account for only 15% of the methodology.

Looking at online program delivery alone, the winners of the FT’s alumni survey would be the University of Florida’s Hough School of Business, Indiana University, Syracuse University’s Whitman School, Thunderbird School of Global Management, Centrum Católica in Peru, Babson College, Northeastern, and IE Business School, in that order.

Isolating the “online interaction” alumni survey results, the winners would be Florida, Thunderbird, Indiana, Syracuse, IE, Babson, Northeastern, and the University of Nebraska at Lincoln, in that order.

For a school’s online MBA program to be included, the school must be internationally accredited, and the online program had to run for at least four consecutive years. A minimum of 70% of the program content must be delivered online, either synchronously or asynchronously. Finally, participants must pass a selection process before enrolling and an examination process before graduating.

The FT said that at least 20% of a program’s alumni had to respond to its survey for the school to be included, with at least 20 completed responses. A total of 844 alumni completed the survey, a response rate of 35%.
## 2014 FINANCIAL TIMES ONLINE MBA RANKING

<table>
<thead>
<tr>
<th>FT Rank &amp; School</th>
<th>Program Delivery Rank</th>
<th>Online Interaction Rank</th>
<th>U.S. News Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. IE Business School</td>
<td>8</td>
<td>5</td>
<td>NR</td>
</tr>
<tr>
<td>2. Warwick Business School</td>
<td>10</td>
<td>11</td>
<td>NR</td>
</tr>
<tr>
<td>3. Northeastern University (D’Amore-McKim)</td>
<td>7</td>
<td>7</td>
<td>51</td>
</tr>
<tr>
<td>4. University of Florida (Hough)</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>5. Indiana University (Kelley)</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>6. Durham University Business School</td>
<td>15</td>
<td>15</td>
<td>NR</td>
</tr>
<tr>
<td>7. Babson College (Olin)</td>
<td>6</td>
<td>6</td>
<td>NR</td>
</tr>
<tr>
<td>8. Thunderbird School of Global Mgt.</td>
<td>4</td>
<td>2</td>
<td>51</td>
</tr>
<tr>
<td>9. Syracuse University (Whitman)</td>
<td>3</td>
<td>4</td>
<td>39</td>
</tr>
<tr>
<td>10. Arizona State University (Carey)</td>
<td>11</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>11. Bradford University</td>
<td>9</td>
<td>12</td>
<td>NR</td>
</tr>
<tr>
<td>12. University of Nebraska-Lincoln</td>
<td>12</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>13. Open University Business School</td>
<td>14</td>
<td>14</td>
<td>NR</td>
</tr>
<tr>
<td>14. Drexel University (LeBow)</td>
<td>13</td>
<td>13</td>
<td>NR</td>
</tr>
<tr>
<td>15. Centrum Católica</td>
<td>5</td>
<td>9</td>
<td>NR</td>
</tr>
</tbody>
</table>

Source: The Financial Times’ 2014 inaugural online MBA ranking, U.S. News
He’s there in the flesh. Jack Welch, the legendary former chairman and CEO of General Electric Co.

Well, maybe not exactly in the flesh. But certainly live, unplugged, and on a computer screen, with his trademark tell-it-like-it-is persona, a trace of the Salem, Mass., accent still in his scratchy voice at the age of 78.

Sitting in front of a camera with an open blue shirt and a sports jacket, he’s fielding questions from his MBA students.

“What would be a winning strategy for helping to get the U.S. economy growing at a faster pace?”

“What does it really mean to provide exceptional customer service?”

“Can you discuss skills on listening to and accepting candid feedback?”

Welch handles each question with casual self confidence and personal anecdotes, often drilling down with follow-up questions.

Welcome to the Jack Welch Management Institute. This is Welch’s online MBA program, and each quarter he shows up on webcam for little more than an hour to engage with the MBA students. All told, the Executive MBA consists of a dozen required courses, each 10 weeks in length, delivered online with “synchronous opportunities” (Translation: You can do the class in real time if you’re able to). Besides the quarterly Q&A videoconferences with Welch, video messages from him populate the school’s website, and he’ll often respond to half a dozen messages on the bulletin boards two or three times each term.
ENROLLMENT IS UP 36% AT THE JACK WELCH MANAGEMENT INSTITUTE

At a time when many business schools are reporting declining enrollment in their full-time MBA programs, Welch’s Management Institute is doing a brisk business. The institute currently has 538 active students, up a healthy 36% in the past year. But Welch is more ambitious, having a stated goal to enroll 5,000 students within five years, far eclipsing Harvard’s 1,800 MBA candidates or Stanford Graduate School of Business’ 800 students.

Students say they are drawn to the program because of Welch’s name and reputation, the flexibility of studying online, and the low cost of the program. At $36,000, it’s considerably less expensive than the online offerings of highly ranked business schools, such as Indiana University, the University of North Carolina, and Carnegie Mellon, where the total cost ranges from $60,000 to $118,000.

Steven Scott, chief engineer for NASA Goddard Space Flight Center, says it wouldn’t be possible for him to get an MBA any other way. Scott works incredibly long hours and frequently travels, making any commitment to a more traditional MBA program impossible. The same is true of Kathleen Thompson, 31, director of acquisition and integration for PGi, a web conferencing company. Thompson says she has taken classes from hotel rooms in Dallas, St. Louis, Kansas City, Denver, Chicago, New York, and Orlando—as well as from numerous airplanes 35,000 feet in the sky. “Thank God for GoGo Internet,” she laughs.

“I’m on the road two to three weeks out of the month so the flexibility of the program was important. It had to accommodate my travel schedule and my 50-to-60-hour work week. The other reason is just because of Jack’s leadership skills. I was very familiar with Jack and his principles. After diving in, I saw a complete alignment with him and how I want to run things,” Thompson adds.

‘LEARN IT ON MONDAY, APPLY IT ON TUESDAY, SHARE IT ON FRIDAY’

What differentiates this online program from many others is its emphasis on the pragmatic. The curriculum is infused with Welch’s core beliefs and ideas on business and management, from the importance of candor in managing employees to the more controversial differentiation policies he made famous at GE. Welch wants the students, as he puts it, to “learn it on Monday, apply it on Tuesday, and share it on Friday.”

The courses most heavily influenced by Welch’s teachings are Leadership In The 21st Century, Strategy, and People Management. Those so-called signature courses come early in the curriculum, which ends with a capstone business simulation done with virtual teams of students. The program can be completed from a laptop computer anywhere in the world—from a hotel room to an airplane flight—in two years. Most students, however, take one course at a time, requiring anywhere from 15 to 20 hours of work a week, which would allow them to pass through the program in two-and-one-half years.

The institute itself is run like a business, not an academic enterprise. Welch is constantly asking students what they think of the program and how it can be improved. He treats them as customers as well as students. He also keeps close tabs on the institute’s “net promoter score” (NPS)—used to gauge the loyalty of a firm’s customer relationships. The institute boasts a highly impressive score of 65%, which would put it in a class that includes Apple and Google. The average NPS score is 10% to 15%.

CUSTOMER SATISFACTION SURVEYS AS COMMON AS FINAL EXAMS

Customer satisfaction surveys at the institute are as common as final exams. “They ought to know that when they fill out a survey we are all over it,” insists Welch. “We look at that NPS score like an animal. We want to find out every detail about it and we want to fix something whenever we have a score that is not at the top of the range. Everybody at our school is measured on it.”

As Andrea Backman, dean of the institute, informs the students during the latest Welch videoconference, “We are employed to make sure your experience is a thousand times better than you ever expected it to be. Let us know when it’s great and let us know when it can be better.”

A satisfaction survey completed in October 2013 by a sample of 94 students found that 93% said they were highly likely to recommend the program to others, while 98% said it was a valuable investment (with 27% saying it was the most valuable investment they have ever made). Perhaps even more surprisingly, 54% of the responding students said they have received a promotion, a raise, or some professional recognition
since they started the program. One in four students said they are achieving significant career advancement since starting the Welch MBA.

**AVERAGE SALARY OF GRADUATES SPIKED 20% IN THE PAST YEAR**

From 2012 to 2013, the institute says that the average salary of its graduates has increased 20% since graduation to $122,984. Based on the average pay boost, Backman says that the payback time for the Welch MBA degree is about 1.8 years.

Welch initially started his institute in 2010 with for-profit education provider Chancellor University. After two years, he moved the institute to Strayer Education Inc., a stronger player with deeper resources in the for-profit education market. So far, there are more than 130 graduates of the program.

It goes without saying that this is not anything like a two-year MBA with a summer internship that lines up a student for a new job at graduation. Online MBA programs are best suited for managers who want to learn the business basics and who generally want to advance in their own organizations. Though Backman contends that some applicants have considered the institute along with some Ivy League options, it’s certainly fair to say that a Welch MBA won’t have the cache of the imprimatur of a Cornell, Dartmouth, Yale, or Harvard degree. After all, applicants to Welch’s institute do not have to take the Graduate Management Admission Test (GMAT) to get into the program, although they must have five years of professional experience and a 3.0 grade point average from their undergraduate institution.

‘THE REVOLUTION HAS HAPPENED’

What of the often-stated notion that online learning is hardly equal to on-campus study? “Even the best schools are moving into the online space,” argues Backman, who has worked in distance learning at DePaul University and the University of Virginia. “People aren’t going to want to sit in a lecture hall for two years. The revolution has happened. The online environment is more personal than a classroom setting because students get a lot of individualized support from faculty. It does give you more time to think about your responses.”

When Welch recruited Backman from the University of Virginia, where she was director of online and off-grounds programs, earlier this year, she asked him why is he so interested in online business education. “I’m not in it to make money,” she recalls Welch saying, “but I want to rid the world of bad managers and I don’t think there is a program out there that does this.”

Just how involved is Welch is this enterprise? “He is incredibly involved and students have access to him,” says Backman. “I was hoping when I made the move that I would have a lot of interaction with Jack and get to learn from him. That has been 100% the case. The ability to get coached by Jack is way more than I anticipated.”

Welch is more ambitious, having a stated goal to enroll 5,000 students within five years, far eclipsing Harvard’s 1,800 MBA candidates or Stanford Graduate School of Business’ 800 students.

The Welch curriculum is filled with case studies, role-plays, podcasts, business games, and video snippets of counsel and advice from a number of leading executives, many of whom reinforce the Welch message and several of whom worked directly under him at GE. They include Boeing CEO James McNerney, who Welch once considered as his successor at GE, and Nielsen CEO David Calhoun, a former vice chairman of GE.

“We are trying to build a repository of people who will resonate with all of our students,” says Backman. “That is a huge differentiator with us. They are not just coming and delivering a message. They are talking about how they applied the principles they teach and with what impact. It’s different than having a guest lecturer come.”

**INCOMING STUDENTS CAN BE ASSIGNED A SUCCESS COACH**

Backman says incoming students are assigned a “success coach” who helps students fit the program into their already busy schedules. “We also have
writing coaches for students, especially if they come from an information technology background or speak English as a second language.” That’s because writing is an essential part of an online program, the way to communicate insights and learning. About 30% of the grades at the Welch Institute are based on discussion questions and student responses to them. MBAs are also expected to reflect on what they applied at work during the week in a section of the website called Learning Journal.

And the faculty? The institute says that its professors have taught at such places as Cornell University, Northeastern University, the University of Virginia, and Boston University. They have graduate degrees from Wharton, Harvard University, the London School of Economics, and the University of Minnesota’s Carlson School of Management. “Our adjuncts are usually working professionals who happen to have a PhD,” says Backman. “Almost all the faculty have had industry experience or are in it right now. We expect the faculty to be both coaches and experts, and we have a mix of academics and practitioners.”

Students include a wide range of managers and executives from small-to-mid-sized private companies to such major corporate players as Boeing, FedEx, Home Depot, Marriott, Nielsen, and Verizon. One of the biggest questions would-be students often have is what it is like to study and learn without classmates beside you.

‘IT IS A VIRTUAL EXPERIENCE BUT IT IS STILL INTIMATE’

When Thompson signed up for the program, she was initially concerned about whether she could bond with fellow students and faculty who were not in the same room. “It is a virtual experience but it is still intimate,” she says now. “I’m a very social person and that was important to me. I have direct contact weekly with the staff and faculty. The dean is really involved, and the professors go above and beyond to assist and to challenge you.”

And then there is her Sunday morning coffee klatch.

Now into her third course—Financial Management I—Thompson still meets with her original study group at 9 a.m., using web conferencing software. Her fellow students are piped in from Egypt, Florida, Texas, New York, and Illinois. “Some of us have moved into different classrooms, but we are sharing what is going on at work and what we’re learning. We talk about the biggest moment of the week and obstacles and challenges in our professional worlds. It’s not just book work. It’s real learning you can apply the next day.”

Backman came away with several ideas to improve the program after a recent “blue sky” session with students. She says the institute expects to launch some shorter five-week courses, introduce more business simulations in classes, and explore the possibility of a graduation ceremony where Welch hands out the diplomas in person as enrollment continues to climb. “There are no limits or constraints in thinking,” she says. “We do have a lot of ideas on the student networking side of things, to find meaningful ways for students to connect via social media. We have circles of students outside of the classroom. We want to do more to connect students.”

During the recent videoconference, Welch was asked by one student for advice on how to best accept criticism from his boss. In typical Welch tough-love fashion, he told the manager to suck it up. “You have to sit back and show the person giving you the candor that you are receptive and that you are not trying to get ready on the edge of your chair to combat the arguments,” Welch instructed. “The only person that counts in this discussion is your boss. You have to show your boss that you are wide open to suggestions and you really want to learn. Suck it up and try to deal with the criticisms, even if you don’t think they are valid.”

Welch then pauses and offers this reflective aside. “I got a lot of candid feedback in my career: Most of it was, ‘You are too damn abrasive, you are too aggressive, slow down, be patient.’ I never got all the way there but I got a lot better at it.”
A pilot pursues his MBA virtually through Indiana University’s Kelley Direct program

BY LAUREN EVERITT
Benjamin Golata’s second office is a cramped affair, built in the 80s with worn seats and a metallic smell; it can only be reached by a shaky set of steps and at certain times the noise level can be deafening. It also reaches speeds of 619 mph. And the views are out of this world.

Golata, 27, or Captain Golata as he’s known around Travis Air Force Base in Fairfield, CA, is an Air Force pilot of the KC-10 Extender, essentially the oil tanker of the sky. These jumbo-sized planes carry more fuel than most people will consume in their lifetimes. Fighter jets zip up to the KC-10, and in a feat of aerial finesse, connect to a tube the size of a fire hose all while flying in tight formation. It’s as simple as pumping gas, except while hurtling through the air at hundreds of miles per hour, thousands of feet above the earth.

For Golata, it’s merely another day’s work. But it doesn’t end there. On this particular evening, he’ll drive home to Vacaville, CA, power up his computer, and pull up a Google Hangout. He’s got a two-hour group meeting where he’ll rehash decisions for a market simulation project with classmates from around the country. Afterward, he’ll spend another hour or two reviewing business law cases so he can post his observations in an online course forum before finally calling it quits. Most nights, he spends three to four hours on coursework.

Golata is one of 1,072 students enrolled in Indiana University’s Kelley Direct program, where he’s earning his MBA online. Kelley was among the very first business schools to offer the virtual version of the degree in 1999. Since its inception, 2,298 MBAs have graduated from the program. This year, the program topped U.S. News & World Report’s ranking of the best American online MBA programs.

Increasingly, top-tier B-schools around the world are adopting online formats, and students like Golata are signing up for them in record numbers. For many online MBA students, the Internet-based experience allows them to keep a job they love, while laying the foundation for a successful future career.

Golata has always wanted to be a pilot. “Ever since I was this big,” he says, holding his hand a few feet from the floor. “I’m just one of those kids who always looked up at the sky and always wanted to do it, so luckily I get to live my dream, which is pretty awesome,” he says. But racking up flight miles and missions has its drawbacks: Golota didn’t want to abandon flying, but he recognized spending time in the cockpit might hurt his prospects of a more corporate career in aviation consulting. “As you can see, my MBA doesn’t really apply to much here,” he says, gesturing to a daunting array of gauges, knobs, and switches in the cockpit.

“But I don’t want to come out and be behind on my business skills.”

Last-minute, covert missions prevented him from signing up for a bricks-and-mortar program or even a part-time one. “There’s no way I could do it, absolutely no way,” he points out. Hence, Golata began his search for online MBA programs. He considered MBA@UNC, the online offering by the University of North Carolina’s Kenan-Flagler Business School, but the hefty tuition deterred him from applying; an MBA@UNC degree costs roughly $96,774.48, nearly $40,000 more than Kelley’s $60,000 tuition.

“Golota didn’t want to abandon flying, but he recognized spending time in the cockpit might hurt his prospects of a more corporate career in aviation consulting.”

For Golata, Kelley Direct’s flexibility was key. The program allows students to take from two to five years to complete the 51-credit curriculum. He started in September 2012 taking one class at a time to test the work-life balance and has scaled up to as many as two and half courses. He plans to complete his MBA in two and half years, graduating in February 2015. He’ll also tack on a master’s in finance by taking four additional courses, one at a time, to wrap up both degrees by February 2016. After that, he may just relax - for a bit, anyway.

So far, Golata has been pleased with the program – it was exactly as he expected, he says. Its hallmark versatility extends to the lectures themselves, which are broadcast live through Adobe Connect, a web-conferencing platform, and taped for students who miss the real-time sessions. For Golata, who has flown missions to Hawaii, Guam, Spain, and the Middle East, watching lectures on his own timetable is critical. It allows him to keep up with coursework during two-month deployments; he squeezes in a few hours of work during the mandatory 12-hour rest periods before flying.

Despite the perks of an online program, critics contend that the degree may not carry as much...
credibility as a campus-based program. But the stigma of virtual learning is diminishing as prestige schools like UNC and Carnegie Mellon jump on the online bandwagon. This is even more true with the advent of Massive Open Online Enrollment Courses (MOOCs), which are finding favor among elite institutions like the University of Pennsylvania’s Wharton School, MIT’s Sloan, and Virginia’s Darden School.

Detractors also claim that classmate bonds are surely weaker in a virtual environment. Plus, programs such as Kelley’s don’t include a summer internship – a ticket to employment for many MBAs. Golata doesn’t seem particularly perturbed about the internship – he’s already working full-time, after all. As for the online format? “If anything, I think it allows us to communicate better with our classmates because you have to say what you’re saying effectively, especially if you’re going back and forth over email – otherwise you’ll have 500 emails in your inbox, and no one will know what’s going on,” he points out. It’s one of the few skills from the MBA curriculum that has translated readily to his current career as a pilot, where communication can mean the difference between a successful mission and a life-threatening situation.

Having completed his undergraduate studies at the Air Force Academy, which boasts a student-faculty ratio of 8:1, Golata was most concerned about faculty accessibility. He was pleasantly surprised by their responsiveness. “In the syllabus, they give their home phone, their cell phone, their email address,” he says. The school expects instructors to respond to email within 24 hours, though Golata says they typically reply much sooner.

Despite the top technology and quality faculty, pursuing a rigorous degree and holding down a full-time job simultaneously can be exhausting. Golata has six classes remaining for his MBA and four for his master’s in finance. He’s dropped a few hobbies and after-work activities to fit in his studies. “I’m starting to get to that point where it’s like, ‘I see the light; let’s get there,’” he says with a rueful smile. Come February, it’ll be one more mission completed for this pilot.
THE ONLINE MBA STIGMA

It may be waning, but does it still exist?

BY LAUREN EVERITT
In 1989, the University of Phoenix Online debuted its first degree program. By 2011, the world’s most popular for-profit school boasted 307,871 enrolled students—the most of any degree-granting college in the United States—and an MBA program. Its wild growth and its for-profit status left the school with the dubious distinction of being little more than a diploma mill.

Online degrees have been trying to shake off that reputation ever since. Despite the lingering stigma, several Top 20 business schools have joined the digital fray and have begun lending their legitimacy to online credentials. But can the online degree ever really shed its early Scarlet Letter?

As recently as 2009, the Graduate Management Admission Council reported that only 9% of surveyed companies actively recruited candidates from online MBA programs, whereas 77% recruited full-time MBA students—seemingly bad news for online biz grads.

But five years later, some online education analysts claim the tide is changing. Vicky Phillips, founder of GetEducated.com, has followed the online education space for more than 20 years. According to Philips, a school’s brand factors in far more heavily than the format. “As long as the MBA is offered by a bricks-and-mortar school, that MBA program’s reputation follows it online,” she believes. “If you ask an employer the difference between a University of North Carolina MBA earned online or on campus, they’re going to rate those approximately the same. They don’t care.”

‘THE STIGMA HAS STAYED HIGH AGAINST FOR-PROFIT UNIVERSITIES’

What employers do care about, however, is whether the institution is non-profit or for-profit. “The stigma has declined progressively against online education in general, particularly in the last three years,” Phillips points out. “However, the stigma has stayed high against for-profit universities.” In other words, recruiters from Goldman Sachs or McKinsey aren’t going to be wowed by an MBA from Rochville or even bigger brands like Strayer.

Still, employers are more open to online education from established non-profit players like the University of North Carolina at Chapel Hill, which offers MBA@UNC, and Indiana University’s Kelley Direct online MBA. These schools typically use the same faculty and follow the same curricula across their full-time and online programs.

‘OLD TECH VERSUS NEW TECH IS LIKE COMPARING ‘ROCKS WITH DIAMONDS’

Plus, technology has improved drastically since the days of projector screens and dial-up modems. “I’d say that the comparison of online education today to the old distance-learning, closed-circuit TV systems is not just a comparison of apples to oranges. It’s almost a comparison of rocks versus diamonds,” says Robert Bruner, dean of the University of Virginia’s Darden School of Business. “And I think it’s going to get better and better.”

While Darden doesn’t offer an online MBA, the school does run an Executive MBA program, which blends online coursework with in-person residencies. Bruner maintains that the hybrid format is key. Personal relationships established during the on-campus sessions make for more meaningful interactions when students are sitting behind their computer screens. “Online is a promising complement, but I don’t think it’s a substitute,” Bruner maintains.

‘ON-DEMAND DEGREE FORMATS ATTRACT GEN Y STUDENTS’

The demographic for online education is also changing, with convenience playing a key role. The first virtual degrees were popular among mid-level businesspeople with families and jobs. These career professionals weren’t keen on relocating, much less going without a salary for two years. That’s changed. Today, the cyber education space is attracting younger students, often in their 20s, according to Philips. These Gen Y students are opting for digital degrees because the flexibility fits their on-demand lifestyle. “We now live in an I-want-everything-anytime-on-my-own-terms world,” Phillips says.

So if a school’s online degree carries the same gravitas as its bricks-and-mortar program (and it’s more convenient), why are so many students still
quitting their jobs and relocating for in-residence programs? Dean Paul Danos of Dartmouth College’s Tuck School of Business offers a straightforward answer: “That classic MBA program is the best experience you can have. It changes your life, builds your network, it gives you options all over the world,” he says. “I’m 100% certain that the residential MBA is the high-water mark of value add in higher education in every way.”

‘DISTANCE IS ONE THING, AND SCALING IS SOMETHING COMPLETELY DIFFERENT’

Still, he does see a place for online education. While Tuck does not offer an online MBA, in 2010, the business school debuted a Master’s Program in Health Care Delivery Science. The degree, similar to Darden’s Executive MBA, blends online learning with in-person coursework. Tuck also goes to great pains to keep the student-to-faculty ratio low and the interaction level high, according to Danos.

But not all online and hybrid programs are committed to preserving quality as they grow, and this problem could hurt the reputation of online education. “Distance learning is one thing, and scaling is something completely different,” Danos believes. “What people have to understand is that actual knowledge is going to be able to be delivered in all kinds of ways, but giving people personal attention? That’s hard to do at scale.”

The efficacy of online education also depends on the subject matter, according to Bruner. Virtual learning is a “beautiful device” for delivering hard-and-fast knowledge, he says, but it’s less successful at helping people develop soft skills, such as selling, negotiating, and leading teams—all critical abilities in the business world. Online education also falls short in fostering character development, social awareness, and empathy, Bruner adds.

ELITE MBA STUDENTS ARE ‘BUYING THE LEXUS’

Not everyone shares that view, of course. Phillips doesn’t buy it. She contends that students learn just as effectively and are just as satisfied with online education as they are with in-person instruction. “There is no significant difference,” she says. “You’re not going to learn more or better or be more satisfied with learning one way or the other.”

Candidates to elite business schools are completely capable of mastering finance or accounting online as thoroughly as they would at an Ivy League institution, Phillips says. But there’s one thing students are willing to pay thousands of dollars more for: “good old-fashioned, pressing-the-flesh networking.” “It’s a consumer market, and that’s why they’re not going to Southeast Missouri State for $10,000 bucks but instead earning an MBA for $100,000,” contends Phillips.

It’s also true that the very elite schools (e.g. Harvard, Stanford, Wharton, Kellogg, and Booth) don’t offer online MBAs. And reputation still matters to these top-tier students and the employers who hire them. “They’re buying the Lexus and they want the leather seats, the in-car bar, the satellite radio—that’s what they’re buying,” Phillips says.

‘HUMAN BEINGS WILL ALWAYS PUT VALUE ON LEARNING TOGETHER’

There’s also growing evidence that employers are less likely to discriminate between online and on-campus MBAs. “The recruiters who look at our hybrid EMBA really don’t differentiate between the two,” Bruner observes. “I would say the online program, even the hybrids, require a higher level of maturity and determination to make the online components a meaningful and successful learning experience.”

Most education experts would agree that the online MBA has shed much of its stigma. The next battle will be to prove itself in terms of the student experience. But don’t expect online education to replace the traditional MBA anytime soon. The market is big enough for both, according to Danos.

“There are some people who simply want to learn online, plain story, and there are others who really want that deep transformational experience that an in-person MBA can give,” Danos says. “All bets are off 20 to 30 years from now, but my assumption is that human beings will always put value on learning together.”
A MOOC, you say? Isn’t that a slur? Maybe in New Jersey. These days, MOOCs are considered by many academics to be the future of education.

So you want an MBA? But you can’t afford to take two years off and invest upwards of a quarter of a million in tuition, books, living expenses, and lost wages? Boy, do I have a proposition for you!

Now, it’s a little unconventional. And it’ll require a load of self discipline on your part. When it’s over, you’ll have an Ivy League education on your resume. And it won’t cost you a cent!

Sound too good to be true? Maybe it is. But I got your attention. And that’s one of the first things you learn in a foundational marketing class. And one of the world’s best business schools—Wharton—offers one of those for free through a MOOC.

A MOOC, you say? Isn’t that a slur? Maybe in Jersey. These days, MOOCs are considered by many academics to be the future of education. MOOCs — an acronym for massive open online courses—are classes that can be accessed globally over the Internet. Thanks to their flexibility, students covet them.
WHAT YOU NEED TO KNOW ABOUT MOOCs

It can be hard to pinpoint exactly what a MOOC is. To paraphrase Justice Potter Stewart, “You know it when you see it.” Most MOOCs rely on set start and end dates, though a few are self-paced. They can be scaled to accommodate tens of thousands … or just a select community. Occasionally, students can earn grades and college credits through MOOCs. Most times, they’ll just receive a certificate of completion.

Tests can be proctored, but many MOOCs rely on the honor system. Textbooks are often optional (though some courses come with eBooks and downloadable software). Although professors deliver content through videos and PowerPoints in MOOCs, many engage with students on message boards in real time (and even keep office hours for their online students). Although MOOCs are grounded in distance education, many students form regionally based online communities to facilitate peer support.

Still, there is one characteristic that marks all MOOCs: They are available to anyone. And that’s why they’re becoming a booming business. Sure, many MOOCs are free. But they’re also drawing millions of students. That’s why platforms like Coursera, edX, and Udacity are partnering with schools to house content. For example, edX started as a consortium between Harvard and MIT – and has since added the University of California at Berkeley and the University of Texas to its membership (alongside recently joining forces with Google). Coursera was launched by Stanford professors and offers undergraduate and graduate courses from schools ranging from Wharton to Stanford.

BUILDING YOUR OWN MBA CURRICULUM FOR FREE OUT OF MOOCs

And that begs the question: With so much content available for free, do students even need to enroll in college anymore? MOOCs have democratized education globally (provided you have an Internet connection). Could students conceivably treat education like build-your-own IKEA furniture?

Take business school education. For decades, entrepreneurs have counseled professionals to find a mentor and earn your MBA in the “school of hard knocks.” Sounds tempting, but knowledge is power. And it’s very costly to make those same fundamental mistakes in launching a business. So ask yourself these questions: 1) What if these would-be MBA candidates could review course catalogs and identify foundational courses and electives that would fill their knowledge gaps? 2) What if they could use this research to construct a learning plan that would build their knowledge step-by-step like a normal curriculum? 3) And what if they could locate these courses on MOOC platforms like Coursera and edX?

It’s a tempting proposition. Imagine taking two MOOCs every eight weeks. You could theoretically finish your MBA in the same time it takes to complete a traditional program. Now, ask yourself these two key questions: 1) Is the right content available? 2) Does it come from a reputable source? The answer to both questions is “absolutely.” You can find much of the content covered in an MBA curriculum online at little to no cost.

And even David Wilson, the outgoing chief executive of the Graduate Management Admission Council, which administers the GMAT test, says it may well be possible. “The next MBA degree may not be a degree but a portfolio of certificates,” says Wilson. “The market will determine the worth of it.”

Just take a look at this list of core MBA courses (along with the available MOOCs that cover this content):

- Corporate Finance (Ross / Intro To Finance or Wharton / Intro to Corporate Finance)
- Financial Accounting (Wharton / An Introduction To Financial Accounting)
- Economics (Caltech / Principles of Economics With Calculus)
- Business Strategy (Darden / Foundations of Business Strategy)
- Statistical Analysis (Princeton / Statistics I)
- Marketing Principles (Wharton / An Introduction To Marketing)

Disregard that quaint notion that MOOCs are watered-down curriculum. Leading institutions are using their teaching and research stars – not adjuncts or TAs – in their MOOCs.
In other words, you can now take the foundational MBA curriculum from the leading institutions for free. And that doesn’t include the dozens of elective courses available in areas like finance, marketing, and sustainability (far more electives, in fact, than would be available in a pricey Executive MBA program). So is this worth considering?

Let’s take a look at the advantages (besides not paying tuition). Face it: No one cares where you earned a degree once you get your foot in the door and prove yourself. Completing your MBA requirements via MOOCs shows employers that you’re a disciplined, forward-thinking first-adopter, who has the self-control to be trusted to work on your own. With MOOC dropout rates hovering around 90%, your approach also demonstrates that you possess the grit to survive difficult circumstances.

STUDY WITH A NOBEL PRIZE WINNER AND OTHER SUPERSTAR PROFESSORS

And disregard that quaint notion that MOOCs are watered-down curriculum. Leading institutions are using their teaching and research stars – not adjuncts or TAs – in their MOOCs. At Yale, Nobel Prize-winner Robert Shiller is conducting a MOOC on financial markets in February. Similarly, Columbia Professor Jeffrey Sachs, who moonlights as a special advisor to United Nations Secretary-General Ban Ki-moon, is holding a MOOC on sustainability.

Why? First, the best teachers are usually the most innovative and passionate faculty members, and MOOCs are the new frontier in education. They bring together thousands of students from around the world – more students than professors might reach in years of teaching. And MOOCs are still in their infancy with plenty of room for growth. Why wouldn’t a forward-thinking professor take part in such a ground-breaking educational trend? What’s more, institutions realize that MOOCs are a way to show their best face to the world. They are a vehicle to build brand and attract students to programs. As a result, schools are taking extra pains to make sure these courses work. Bottom line: You will probably receive higher quality instruction in a MOOC than in a classroom environment. And that gives you another advantage over your brick-and-mortar peers.

And you can enjoy all of these benefits without quitting your job, losing two years of work experience, and shelling out six figures for tuition. In fact, you won’t even need to study for your GMAT, pony up for a consultant, or face those daunting odds of getting into a top 10 business school. And you can start your MBA immediately from home, rather than uprooting your life and waiting for the fall. Plus, you’ll interact with students from around the world while mastering an educational medium conducive to lifelong learning. Imagine adding a page to your resume that lists courses and completion dates alongside names like “Wharton” or “Stanford.” It stands out. And it suggests that you can succeed at the highest levels.

One more benefit: If you can’t find a MOOC for a particular area, you can always take a paid brick-and-mortar or online course at some institution (or enroll with Udemy, whose course prices range from $19-$500).

THE DOWNSIDE OF FREE CLASSES: NO SKIN IN THE GAME

Obviously, there are drawbacks. You won’t be able to flaunt your GPA. If you struggle with English, you won’t find many courses with foreign language subtitles on Coursera or edX. Despite message boards and interactive discussions, MOOCs still lack that face-to-face give-and-take that facilitates learning, particularly when case studies are involved. In a class of hundreds (or thousands), you’ll probably receive little personalized attention or support. And just being on your own is difficult. It takes a lot of drive to complete assignments and tests. Without structure, it is easy to lose interest, particularly when free classes

MOOCs have democratized education globally (provided you have an Internet connection). Could students conceivably treat education like build-your-own IKEA furniture?
mean you have no skin in the game. What’s more, MOOCs put you at the mercy of technology. Despite their earnest efforts, professors are still adapting to teaching out of a studio.

Most important, MOOCs can’t deliver the real draws of business school: The network and internship. Theoretically, MOOCs can give you the tools to run circles around your more pedigreed peers, but their internship opportunities and alumni network will give them a huge head start (even if you keep working). Fair or not, degrees matter. Without certification from a renowned educational brand, few employers will trust that you’ve mastered advanced coursework.

So should you make the plunge? That’s up to you. But consider this: In 2014, Harvard joined Wharton in making foundational business courses available online (Harvard’s are not free but still substantially cheaper than tuition). With that, you can expect a MOOC arms race to ensue among the top business schools. Internationally, FutureLearn, the United Kingdom’s answer to Coursera, is working with more and more schools to add their business courses online. And India’s EduKart is growing rapidly too. Now, student reviews of MOOC courses are available online via Coursetalk, enabling you to compare course fit and quality.

Even if you don’t want to take a full course, there are plenty of tutorials available to help MBA candidates. The Khan Academy and Eduson are just two examples. In short, the pace has accelerated as more courses are launched every month. As institutions grow more comfortable with the technology and pedagogy, the quality can only improve. And even if the classes you want aren’t available, be patient and stick around. They’re certain to come online soon enough.

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TO GIVE YOU A TASTE OF WHAT’S OUT THERE NOW, POETS&QUANTS HAS ROUNDED UP THE TOP BUSINESS MOOCS FOR SEPTEMBER. SEE BELOW FOR OPTIONS THAT RANGE FROM FINANCE TO SOCIAL ENTREPRENEURSHIP.

INTRODUCTION TO FINANCIAL ACCOUNTING

**SCHOOL:** Wharton School of Business  
**PLATFORM:** Coursera  
**START DATE:** September 5, 2014 (10 Weeks)  
**WORKLOAD:** 6-8 Hours Per Week  
**INSTRUCTOR:** Brian Bushee  
**CREDENTIALS:** An instructor in Wharton’s Executive Education program. Bushee also teaches the Introductory Financial Accounting course in the MBA program and Wharton’s Seminar for Business Journalists. As a teacher, he has won Wharton’s Excellence in Teaching Award and the Helen Kardon Moss Anvil Award for being the faculty member “who has exemplified outstanding teaching quality during the last year.” Before teaching, Bushee worked in the private sector for CoreStates Financial Corporation and Coopers and Lybrand LLP  
**GRADED:** By completing the course, students can earn a signed Statement of Accomplishment from the instructor. There is a $49 fee for a certificate. (Wharton is careful to note that completing the course does not make the participant an alumni member.)  
**DESCRIPTION:** This course is divided into 10 modules, which cover topics like balance sheets, income statements, cash flows, capital assets, liabilities and debt, and stockholder equity. By the end of course, students will be able to analyze financial statements and annual reports and understand how accounting standards and managerial incentives shape financial reporting processes. Although the course relies on PowerPoint slides and case study videos to share content, Bushee will pause the proceedings to ask questions and facilitate short discussions. The course also includes eight homework assignments and two exams.  
**REVIEW:** “Very, very well done course. Lectures were well presented, chock full of information, clear and relevant. Despite a rather dry subject, the professor kept it interesting and even funny at times. Highly recommended!”

SCALING UP YOUR VENTURE WITHOUT SCREWING UP

**SCHOOL:** Stanford University  
**PLATFORM:** NovoEd  
**START DATE:** September 8, 2014  
**WORKLOAD:** 4-6 Hours Per Week  
**INSTRUCTOR:** Huggy Rao and Bob Sutton  
**CREDENTIALS:** Huggy Rao is a renowned teacher and author in the Stanford Graduate School of Business. Rao, who teaches courses in organizational culture, design, and change, is the
author of Market Rebels and was awarded the Sidney Levy Award for Teaching Excellence and the W. Richard Scott Award for Distinguished Scholarship at the Kellogg School of Management.

Robert Sutton is considered a rock-star professor whose work transcends academia. The author of two New York Times bestsellers – The Asshole Rule and Good Boss, Bad Boss – Sutton teaches at Stanford’s Engineering School, where he has founded various programs and centers.

GRADED: Not Specified

DESCRIPTION: Based on seven years of research, this course focuses on helping students successfully build their business. Drawing from case studies featuring organizations ranging from Facebook to the U.S. Marine Corps, Rao and Sutton examine how companies can instill the right belief systems to promote buy-in and ownership from employees. It examines the contexts in which standardizing or customizing models better facilitate expansion, along with the tradeoffs for each approach. The course incorporates readings, lectures, and exercises alongside video interviews with successful entrepreneurs and VCs. The course culminates with a live webinar, where students present a scaling plan for their businesses.

REVIEW: No Reviews Yet


SOCIAL ENTREPRENEURSHIP

SCHOOL: Wharton School of Business
PLATFORM: Coursera
START DATE: September 8, 2014 (6 Weeks)
WORKLOAD: 3-4 Hours Per Week
INSTRUCTOR: Ian MacMillan, James D. Thompson, Peter Frumkin

CREDENTIALS: MacMillan teaches entrepreneurial management courses at the University of Pennsylvania. A chemical engineer by trade, MacMillan has consulted for companies like IBM, DuPont, and KPMG. A prolific author with credits in The Harvard Business Review and The Sloan Management Review, MacMillan has also published five books on identifying growth opportunities, establishing market innovations, and managing change initiatives. He is also the co-author of The Social Entrepreneur’s Playbook with James D. Thompson.

Thompson, the co-founder and director of the Wharton Social Entrepreneurship Program, teaches courses in entrepreneurship in Wharton’s executive MBA program. He holds an MBA from the University of Cape Town and a Ph.D. in philosophy from the Swiss Institute of Technology. He has won numerous awards for his writing and research, including a Best Paper Award from the American Marketing Association in 2013.

Peter Frumkin heads the University of Pennsylvania’s Center for High Impact Philanthropy, along with overseeing the school’s Master’s in Nonprofit Leadership program. He has authored or co-authored five books on nonprofits. He earned a Ph.D. in sociology at the University of Chicago and previously taught at the University of Texas and Harvard.

GRADED: Students who complete the course can purchase a signed certificate for $49

DESCRIPTION: Looking to channel your entrepreneurial energy into your social passions? In this course, you’ll learn how to conceive, launch, manage, and scale social enterprises. Here, you’ll be exposed to local programs that have provided food, housing, and energy to the needy – and did so by applying design thinking and concept-testing methodologies to available resources. The course includes two tracks: an Open Track, where students complete cases and peer assignments, and a Signature Track, where students produce a project that is evaluated by Wharton TAs.

REVIEW: No Reviews Yet

ADDITIONAL NOTE: This course will draw heavily from The Social Entrepreneur’s Playbook, which is available at no charge online for all registered students. Copenhagen University is also conducting a 12-week Social Entrepreneurship course beginning on September 1st.

UNETHICAL DECISION-MAKING IN COMPANIES

SCHOOL: University of Lausanne
PLATFORM: Coursera
START DATE: September 22, 2014 (7 Weeks)
WORKLOAD: 5-7 Hours Per Week
INSTRUCTOR: Guido Palazzo and Ulrich Hoffrage

CREDENTIALS: Palazzo, who holds a Ph.D. in philosophy, teaches business ethics at the University of Lausanne (Switzerland). Along with ethical decision-making, his research centers on globalization and human rights. Hoffrage teaches decision theory at the University of Lausanne, where he also conducts research on “cognitive illusions, risk communication, and consumer decision-making.”

GRADED: By completing the course, students can earn a signed Statement of Accomplishment from the instructor.

DESCRIPTION: “I could never do that.” Ever say that after reading about executive fraud in the business pages? Well, don’t be too sure. Anyone can break the rules. That’s the theme of this course, which examines the conditions under which good people will compromise their values. According to this course, the willingness to bend the rules is sometimes a long process, where leaders and front-line employees gradually become “ethically blind” to corrupt practices due to their cultural environment, peers, and routines. Pulling from disciplines like management, psychology, and philosophy, students will learn how institutional power and context can shape their decision-making, so they can avoid pitfalls that have ruined many careers. The course consists of video lectures, live discussions, and forums, where students can share their own experiences with unethical business practices. Students will be evaluated on homework assignments, particularly essays.

REVIEW: No Reviews Yet

SURVIVING DISRUPTIVE TECHNOLOGIES

SCHOOL: University of Maryland
PLATFORM: Coursera
START DATE: September 29, 2014
WORKLOAD: 7 Hours Per Week
INSTRUCTOR: Henry C. Lucas, Jr.

CREDENTIALS: Lucas teaches in the University of Maryland’s Robert H. Smith School of Business, including an MBA course on Strategic and Transformational IT. Lucas, who holds a Ph.D. from MIT, has authored over a dozen books and various articles on the impact of technology in organizational design, the return on investments in technology, implementation of information technology, decision-making for technology, and information technology and corporate strategy.

GRADED: After completing the course, students can earn a signed Statement of Accomplishment from the instructor.
**THE AGE OF SUSTAINABLE DEVELOPMENT**

**SCHOOL:** Columbia University  
**PLATFORM:** Coursera  
**START DATE:** September 2, 2014 (14 Weeks)  
**WORKLOAD:** 5-7 Hours Per Week  
**INSTRUCTOR:** Jeffrey Sachs  
**CREDENTIALS:** Sachs is a professor of sustainable development and health policy and management at Columbia University, where he also serves as director of The Earth Institute. Outside of the university, he is a special advisor to United Nations Secretary-General Ban Ki-moon, a position he also held with former Secretary-General Kofi Annan. Sachs has also authored three books that have made The New York Times’ bestsellers list: The End of Poverty, Common Wealth: Economics for a Crowded Planet, and The Price of Civilization.  
**GRADED:** Students will receive a signed Statement of Accomplishment for successfully completing the course.  
**DESCRIPTION:** This 14-lecture course covers the challenges inherent in creating economic development that is both widely shared and environmentally sustainable. This sweeping course, which covers topics like the food supply, climate change, human rights, education, and poverty, attempts to answer one question: How can societies be better organized to produce greater equality and opportunity that doesn’t denigrate the natural environment? Each weekly lecture is taught in one-hour video segments, with online readings and assignments accompanying each session.

**REVIEW:** None.

**ADDITIONAL BACKGROUND:** EdX offers a number of global courses, including The Age of Globalization from the University of Texas-Austin and Globalization’s Winners and Losers: Challenges For Developed And Developing Countries by Georgetown University.

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**CORPORATE FINANCE ESSENTIALS**

**SCHOOL:** IESE Business School  
**PLATFORM:** Coursera  
**START DATE:** September 29, 2014 (6 Weeks)  
**WORKLOAD:** 2-3 Hours Per Week  
**INSTRUCTOR:** Javier Estrada  
**CREDENTIALS:** Estrada is renowned for translating complex financial frameworks into easy-to-understand concepts with real-world applications. He is the author of the Financial Times’ Guide to Understanding Finance, which has been translated into numerous languages (including Chinese, Italian, Korean, and Spanish). He has also written The Essential Financial Toolkit – Everything You Always Wanted to Know But Were Afraid to Ask. A finance professor at Barcelona’s IESE Business School, Estrada holds master’s and doctorate degrees from the University of Illinois. He is also the founding editor of the Emerging Markets Review.

**GRADED:** After completing the course, students can earn a signed Statement of Accomplishment from the instructor.  
**DESCRIPTION:** This course covers the financial basics involved in how companies maximize return and investors mitigate risk. Each week, Estrada will examine a foundational corporate finance concept, including managing return on investment, crafting a diverse portfolio, estimating the cost of capital, identifying the most lucrative investment targets, and determining whether a company is creating or destroying value. Each weekly session includes a 45-60 minute lecture supplemented by readings. Students will be evaluated through quizzes. Those who achieve a cumulative score of 60% earn a Statement of Accomplishment, while those with scores of 85% or above receive a statement “with distinction.”  
**REVIEW:** No Reviews Yet.  
**ADDITIONAL NOTE:** Although Estrada doesn’t require students to read his books, they will provide a more in-depth understanding of the concepts covered.

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**INNOVATION: THE KEY TO BUSINESS SUCCES**

**SCHOOL:** University of Leeds  
**PLATFORM:** FutureLearn  
**START DATE:** September 15, 2014 (3 Weeks)  
**WORKLOAD:** 4 Hours Per Week  
**INSTRUCTOR:** Dan Trowsdale  
**CREDENTIALS:** Trowsdale teaches design at the University of Leeds’ School of Mechanical Engineering. Before entering academia, Trowsdale spent over two decades working in product design, including conceptualization, branding, development, and rollout.

**GRADED:** Students who complete the course will receive a Certificate of Participation.  
**DESCRIPTION:** In this course, Trowsdale takes students through the innovation process, from idea to commercial product. Using case studies from industries like food and fashion, students get a step-by-step look at how ideas become reality, along with a broader view on how these innovations inevitably reshaped their parent organizations and the marketplace as a whole.

**REVIEW:** No Reviews Yet.

**ADDITIONAL BACKGROUND:** EdX offers a number of global courses, including The Age of Globalization from the University of Texas-Austin and Globalization’s Winners and Losers: Challenges For Developed And Developing Countries by Georgetown University.
SCHOOL: MIT  
PLATFORM: EdX  
START DATE: September 30, 2014 (11 Weeks)  
WORKLOAD: 6-8 Hours Per Week  
INSTRUCTOR: Chris Caplice  
CREDENTIALS: Caplice teaches logistics and supply management at MIT, ranked No. 1 (graduate) and No. 2 (undergraduate) in this field. He oversees the MIT Freight Lab, which researches ways to improve the design and management of freight transportation. He also manages the MIT Center for Transportation and Logistics and MIT’s Global SCALE Network. Caplice, who holds a Ph.D. from the University of Texas, also serves as the chief scientist for Chainalytics, a supply chain consulting firm.  
GRADED: Students can earn a Certificate of Achievement by completing all coursework. However, they can also audit the course to access all course materials.  
DESCRIPTION: The first of a three-part series, Supply Chain and Logistics Fundamentals covers the underlying tools and techniques inherent in designing and managing supply chains. In particular, the course covers consumer demand forecasting, inventory control, and transportation management. The course is taught from a managerial perspective, with special emphasis on increasing speed, cutting costs, and avoiding surpluses.  
REVIEW: No Reviews Yet.  
ADDITIONAL NOTE: Students should come with a basic understanding of statistics, calculus, and probability.

DISCOVERING BUSINESS IN SOCIETY  
SCHOOL: University of Exeter  
PLATFORM: FutureLearn  
START DATE: September 8, 2014 (8 Weeks Long)  
WORKLOAD: 5 Hours Per Week  
INSTRUCTOR: Robin Mason  
CREDENTIALS: Mason is the dean of the University of Exeter Business School (United Kingdom). He also teaches courses in game theory and macroeconomics. A Cambridge Ph.D. Mason is particularly interested in the concept of uncertainty in his research.  
GRADED: Not Specified  
DESCRIPTION: Taught in conjunction with the Association of Chartered Certified Accountants (ACCA), this futurist course examines how business and society will evolve over the next 50 years. As part of the curriculum, students will examine how emerging technologies, shifting demographic populations, environmental degradation, and dwindling resources will impact how businesses structure themselves and make decisions.  
REVIEW: No Reviews Yet.  
ADDITIONAL BACKGROUND: By completing this course, students seeking an ACCA qualification are exempted from the ACCA paper F1, Accountant in Business.
AN MBA FOR UNDER A GRAND? SERIOUSLY!

One ambitious student cobbles together a business school curriculum from MOOCs

BY LAUREN EVERITT
If everything goes according to plan, Laurie Pickard, 32, will earn her MBA in three years for less than $1,000. She’ll take classes from Harvard, Wharton, and Yale, among other top-tier schools. And she’ll tackle it with $0 opportunity cost by keeping her full-time job as a rural enterprise development and entrepreneurship specialist at USAID. She’ll accomplish all of this from Kigali, Rwanda.

It’s a premise that sounds too good to be true. But Pickard is determined to pull it off. If successful, she’ll arguably be the first person in the world to cobble together an MBA program from Massive Open Online Courses (MOOCs), free or low-cost classes accessible to anyone with Internet access.

Pickard didn’t plan to pave the way for earning a dirt-cheap business education. In fact, she initially had her sights set on a more conventional path—and she boasts the background to get into an elite program. Pickard’s resume includes a B.A. in politics from prestigious Oberlin College, an M.A. in geography and urban studies from Temple University, and stints with the Peace Corps and the International Finance Corporation in Nicaragua.

“I was looking at traditional, U.S.-based, high-end, expensive MBAs, and then I kind of dropped that idea in favor of shorter, European-based MBAs … that take half the time and cost a quarter as much,” she says. By her own admission, Pickard was “not an early adopter” of the MOOC movement. But after a friend enrolled in a finance course with MOOC provider Coursera, she reconsidered the traditional MBA. “I was thinking, ‘I could do that.’ And so I started looking into what was out there, and that’s when I got this idea that I should just do an MBA out of free courses,” she says.

Pickard scoured the internet to find other MOOC MBAs but came up dry. She uncovered a few articles that discussed the subject from a speculative standpoint, but aside from Poets&Quants’ story, none suggested ways to actually do it. Pickard decided she would document her own journey in a blog, The No-Pay MBA, so other like-minded students could use her path as a resource. So far, five to 10 students attempting the same thing have reached out to her.

Only a year ago, it would not have been possible to even consider getting the equivalent of an MBA via MOOCs. But in the space of just nine months in 2012, from February to November, the number of institutions offering free online business courses has more than doubled in the same time frame to 83 from 39.

‘YOU HAVE NO IDEA WHEN THEY’LL BE OFFERED AND IF THEY’LL EVER BE OFFERED AGAIN’

Pickard developed her program by reviewing the B-school curriculums at Wharton, Harvard, Stanford, and MIT. She designed it to be flexible because MOOC courses are not guaranteed: “You have no idea when they’ll be offered and if they’ll ever be offered again,” she points out. Rather than setting a strict course list, she organized her degree path by themes. Her first semester tackles three topics generally found in a standard MBA core curriculum: management, business ethics and leadership, as well as finance and accounting. The courses range from An Introduction to Operations, taught by Wharton’s Christian Terwiesch, to International Organizations Management, led by a group of professors from the University of Geneva.

Pickard selects her classes from a variety of MOOC platforms, including Coursera, Open Yale, iTunesU, and Udacity. So far, she has been most impressed with the variety and quality of Coursera’s offerings and Udacity’s practical-skill approach. But she’s eagerly awaiting the release of Harvard Business School’s MOOCs—the official launch date remains unknown.

Four months in, Pickard has completed five courses. Initially, she planned to complete 16 courses over two to three years, but she’s enjoying the process so much, she’ll likely keep going and exceed the credits required by most MBA programs. “There are so many course offerings out there, that it’s like a choose-your-own-adventure story,” she says. “I loved school, so it’s kind of like that excitement you get when you first get the course catalog for the semester, and you’re looking through it like, ‘Oh, I want to take that, I want to take that, I want to take that course,” she says. Although the courses vary in terms of quality and difficulty, Pickard points out that the same problem affects bricks-and-mortar programs.

‘MY MIND IS CHANGING, AND MY THINKING ABOUT BUSINESS IS REALLY EXPANDING AND GROWING’

Pickard also doesn’t seem to mind the virtual component. Given that her husband, a foreign service officer, is stationed in Rwanda for the next four years, the online aspect is actually a boon. “My mind is
changing, and my thinking about business is really expanding and growing,” she says. “I feel the same way that I felt at other times in my life when I was really immersed in an education experience. So from that standpoint, there’s a true benefit to MOOCs.”

But the MOOC MBA certainly isn’t for everyone. For starters, maintaining the drive to actually “attend” and complete online classes for two or three years can be tricky. A University of Pennsylvania study of 1 million MOOC users found that only 4% actually completed the courses. Pickard describes herself as very motivated and disciplined. She dedicates Saturday and sometimes Sunday mornings to coursework and spends 30 minutes each workday reviewing lessons. But it can still be challenging, which is why she created a blog, she says. “I’ve made a public commitment, so it doesn’t matter how many readers I have, even if it’s just me and a few of my friends. It motivates me to know that there’s some kind of external evidence of whether I made good on my commitment,” she explains.

MOOC critics wage that the massive online format doesn’t allow for meaningful interactions with other students and faculty. Pickard’s largest course had 120,000 students. An assignment to post a comment in a class-wide discussion forum resulted in a jumbled mess of thousands and thousands of messages. “There was too much going on to really engage substantively,” she says of the message board. Some MOOC students arrange city-wide meetups around particular courses, but an international student, such as Pickard, may be the only person in his or her entire country enrolled in a class.

However, Pickard’s not particularly concerned about missing the classroom interaction—something she had as an undergraduate and as a master’s student. “Because I’ve done that before, and I’ve experienced that, and I can search out experiences that can replicate that in other places, I don’t feel that I’m missing all that much from taking courses online,” she explains.

FOR PICKARD, THE KNOWLEDGE IS MORE IMPORTANT THAN THE CREDENTIAL

But often relationships forged in a traditional MBA program reach far beyond the classroom into the future; for many business students these networks are the key selling point of a $100,000-plus degree. Pickard readily admits that she’s not getting the same connections as a Harvard or Stanford MBA but also asserts that her situation is unique: She’s pursuing an MBA primarily to acquire skills, not connections. “My development network is more important to me than a business school network, which is why I was thinking, ‘What I really want here are the skills to move into the business end of the development work I’m doing,’” she explains.

I’m actually surprised by how many people are hung up on the degree itself, which I’m not. There’s just a lot of emphasis on that piece of paper, even over and above having the knowledge … but I think that will change.

The real elephant in the virtual classroom is how employers will perceive a business education that doesn’t come with a bona fide degree. Many MOOC courses offer a Statement of Accomplishment (SOA), often for a fee. Pickard is skeptical of their value. Most job seekers wouldn’t bring their transcripts to an interview, much less a stack of course completion forms, she points out. Plus, the levels of difficulty and quality between courses range widely, making it tricky to decipher how much credence to give a particular SOA; for instance, some programs give equal weight to homework assignments and exams. “I’m still struggling with how to present it overall,” Pickard says. “For me, at this point, it really does hinge on the blog, so I can direct somebody there to explore what I’ve done … but for a more in-depth look at what I did, since it is non-traditional, I think somebody would need to do a little bit of research on me.”

For Pickard, the knowledge is more important than the formal credential, anyway. She has no plans to enter finance or consulting, where an MBA is often a prerequisite for top jobs. Rather, building on her experience as an agriculture and food security
volunteer in Nicaragua, she plans to work in sustainable supply chain development, with a focus on coffee. She’d also like to expand her No-Pay MBA blog into a resource and community for similar-minded students looking to save money without missing out on the B-school network.

Pickard certainly has her work cut out for her. The critics of MOOCs are an active bunch with plenty of fodder to pull from. But the No-Pay MBA says these naysayers are missing the potential of an Internet education. “I’ve seen a lot of articles come out recently talking about the failures of MOOCs and people saying it’s not as good as a classroom experience … it’s not the egalitarian revolution in education that people were hoping for, but I see so many positive things about MOOCs,” Pickard says.

She’s particularly adamant that for the right person, a MOOC education can be just as effective as classroom-based and online MBA programs. “If you can learn from a book, you can learn from a MOOC, and you can probably actually learn better from a MOOC than you can from a book,” she says. Pickard’s willing to bet on it with a blog and $1,000—if right, she’ll come out with a quality business education and save tens of thousands of dollars in the process.

10 MONTHS LATER...

When Poets&Quants reconnected with Pickard nearly one year later, she was back in the U.S. to celebrate her marriage one year earlier with a wedding celebration in upstate New York. She was still working with USAID in Kigali, Rwanda, and, impressively, continuing the MOOC MBA in the midst of it all. “I’m still plugging along,” Pickard says. She’s sticking to the original three-year timeframe and plans to take even more classes than she initially projected.

But she’s made a few changes. For starters, she tweaked the curriculum to hone her hard skills with more technical courses, such as data analysis and finance. “So much of what you find online are the soft skills…but things like communication, teamwork, and leadership, you get exposed to in any office setting, and a lot of them are easy and intuitive,” she points out. However, she’s not ditching the soft skills entirely and is taking classes in social psychology and business strategy.

Pickard has also found a way to counter a major criticism of MOOCs: the lack of hands-on experience. For one, she volunteers as the U.S. Embassy’s commissary, where she keeps the books. Beyond that, she’s secured a virtual internship through CourseSolve, which connects MOOC students with real-world company projects. Pickard selected a market research assignment with CourseSolve, itself, as the final project for her Foundations of Business Strategy course. While unpaid, Pickard maintains that the internship allows her to test her new skills without having to relocate or pick up another job.

As for maintaining motivation, Pickard credits the blog and the proliferation of new MOOCs. “I have a MOOC alert set, and it seems like every day there are more and more out there,” she says. She’s optimistic that employers will eventually see the value of MOOCs, and that the producers of the online courses will offer more formalized accreditation. Until then, Pickard is hopeful that her successful completion of an entire MOOC curriculum will vouch for her work ethic and motivation. “I have this idea that one day MOOCs can really differentiate themselves by the people who are able to complete them … I hope to show that I finished all of these things, and that it’s important because not everybody is able to do that, even if they signed up for the class,” she says.

Since starting the blog, Pickard has been contacted by some 25 to 30 people, who were either inspired by her experience or who were already pursuing a similar path. But some of the inquirers simply couldn’t believe she wasn’t pursuing an accredited MBA. “I’m actually surprised by how many people are hung up on the degree itself, which I’m not,” Pickard says. “There’s just a lot of emphasis on that piece of paper, even over and above having the knowledge … but I think that will change.” Her own efforts will no doubt play a part in the transformation.
HOW EMPLOYERS PERCEIVE ONLINE MBAS

A former MBA recruiter for Google weighs in on what employers really think about virtual degrees

BY SANDY KHAN

Sandy Khan is a world-class, London-based MBA talent acquisition consultant and founder of mba arena. Sandy works with international employers and business schools bringing innovation to global MBA hiring through storytelling and human-voice hiring at Austin.

THE VALUE OF AN ONLINE MBA FOR STUDENTS IS CLEAR

If you are looking to advance your career but don’t have the time or money for classroom study, then an online MBA might be the right choice. There’s increasing sophistication and variety among online and distance-learning options (e.g., blended MBA programs, MOOCs, SPOCs, etc.), which means a growing number of candidates are now pursuing online MBAs. The benefits are attractive...

1. Get the same curriculum as a classroom program and usually the same faculty. Basically you’re receiving the same quality business education at an accredited and reputable B-school.
2. You don’t have to relocate, so there’s less disruption to your life and less cost.
3. Freedom to travel or relocate for work or personal reasons.
4. You can keep your current job and your current salary.
5. You can APPLY the learning to your current job. Applied learning gives you an opportunity to make a business impact today and to share real-world learning with classroom peers versus post MBA or during a short internship.
6. There’s no urgency to find another job. You’re working, you’ve got a pay packet so all’s good. You can focus and enjoy the MBA learning experience.

7. Resources at your fingertips. Many of the services you’d get on-campus (e.g. career counseling, library access) are available online. If you have a blended program, a combination of on-campus and online learning, as they do at IE B-school, you can have meetings with career counselors and participate in employer networking events on campus.

8. The virtual campus is very real. Online MBA classes and workgroups emulate the way real global business projects are undertaken. New, fast-paced, global businesses are moving to virtual teamwork, hot-desks, flexible work, and online communities to bridge departments/functions across global offices.

Most of my team at Google and Microsoft, for example, were based in Europe or the U.S., and I worked with global recruiters. More than 90% of my engagement with my team and internal stakeholders was virtual.

The business world and online MBAs are about effective asynchronous (self-paced) working and synchronous (real-time) engagement. Employers need people who are comfortable with technology and know how to make an impact (e.g. facilitate decision-making, buy-in, and knowledge sharing), enable capabilities (e.g. helping others to do their jobs more effectively), and get business done fast using collaborative online tools and platforms.

9. Online MBAs are usually cheaper than on-campus ones. In most cases, B-schools’ overheads are lower for virtual degrees.

10. Flexible duration. Online MBAs can be completed in as few as 2.5 years but can also be extended by several years.

DO EMPLOYERS WANT TO ‘BUY’ ONLINE MBA TALENT FROM B-SCHOOLS?

Okay, I’ve shared 10 reasons as to why there’s increasing demand for online MBAs among students, but if you’re doing an MBA to advance or switch careers with a new employer, then you need to understand the needs and preferences of employers and how recruiters operate with your B-school when it comes to hiring MBA talent.

There are three types of recruiters:

1. Campus recruiters:

These recruiters focus on a long-term, relationship-based talent sourcing strategy. They see MBA candidates as potential future leadership hires, customers, business influencers, and strategic partners.

MBA hiring from campuses is an expensive business. It’s fast, and it’s competitive because the pool of talent is small. To qualify for most jobs and leadership development programs, candidates MUST be MBA students or recent alums, preferably with three to six years of experience.

B-schools are the primary source of talent for campus recruiters, who must work hard at creating a super campus brand and engaging with students at on-campus presentations, networking events, and clubs and by offering internships and projects. These recruiters prioritize hiring talent early and fast to avoid losing them to the competition. They also focus on programmatic hiring, which involves a polished drill sequence of touch points: present, network, interview, offer, hire within a small window of time. (Invariably, September through December is peak hiring season at most global B-schools).

If it’s the same admissions process at a target school, the same curriculum, the same faculty, the same resources - campus recruiters wouldn’t discriminate between an online or a classroom MBA.

To be visible to campus employers, an MBA candidate must:
- Be on-campus for hiring events and be ready with a pitch
- Be in the resume book
- Be a member of student clubs
- Be available for summer internship or projects

Bottom line: If it’s the same admissions process at a target school, the same curriculum, the same faculty, the same resources - campus recruiters wouldn’t discriminate between an online or a classroom MBA. We care about access to a critical mass of high caliber MBA talent who start and finish their MBA around the same time. That way, we can offer a structured and consistent hiring process and meet our hiring demands for the year.
Right now, there isn’t a critical mass of job-seeking MBAs in online programs at elite B-schools who have the profile that campus recruiters want. So until there is, structured MBA hiring programs with big employers will continue to revolve around classroom MBAs.

Things will change when elite global B-schools offer online MBA programs and encourage their corporate partners to have a mix of on-campus and virtual hiring campaigns. B-schools will certainly need to package and promote online MBA classes in the same way to recruiters. We’re a long way off from that, but I know a lot of employers would welcome lower resource costs and a less intense on-campus hiring process. The virtual campus is not a bad thing.

2. Experienced Hire and 3. Executive Search/Headhunters:
Do they care that you’re pursuing an online MBA?
The typical profile of most online MBA candidates today would be attractive to experienced-hire recruiters (who prefer 7+ years of experience) and executive-search consultants or headhunters (who look for C-suite level talent).

Online MBA students typically have more years of work experience compared with their on-campus MBA peers; they’re working and performing well, hence they may have the support and/or sponsorship from their company to undertake an online MBA. They’re “passive” candidates, not actively looking, but open to new opportunities because they take ownership of their professional growth and development.

Note, these recruiters are not targeting you for your online MBA. No, they’ll want you because you’re forward thinking, you have a global mindset, you possess passion and aptitude for strategic impacts, you can sell, you can build strategic partnerships, you can manage senior stakeholders, and you can build effective teams and lead them. In a nutshell, you have a super track record of creating and delivering business results. The MBA would be considered a bonus but not essential. It wouldn’t be the key reason for a recruiter to approach you.

That said, when you’re interviewing, you can use your online MBA experience to impress and sparkle.
If you read my last article, you know it’s no secret that recruiters and hiring managers like stories. As an online MBA candidate, you can build a convincing library of stories on how you’ve applied (or are applying) the learning from your online MBA to your company (e.g. pitching new ideas, experimenting, influencing, impacting, reviewing, or refining … you get the idea).

Experienced hire and executive/headhunter recruiters do not source exclusively from target schools, unlike campus recruiters. The B-school rankings do not carry a lot of significance, so it really doesn’t matter where you undertake/undertook your online MBA.

HOW TO SELL YOUR ONLINE MBA
To impress recruiters and hiring managers, online MBA students and alums can “show” that they can add business value by participating in activities such as themed discussions online (e.g. business trends/issues) or reverse mentoring (e.g. hiring managers can ask questions about business challenges that keep them awake at night and students can offer advice and fresh thinking).

Many forward-thinking employers are all about relationship-based recruiting versus transactional. They’re interested in getting to know candidates, often via social media platforms, BEFORE bringing them into their hiring process. You know recruiters all source from a global database…it’s called LinkedIn! Build a solid online profile.

BOTTOM LINE:
Online degrees still haven’t replaced the on-campus recruiting experience, but they’re gaining ground. For experienced and executive job candidates, online education can be a solid bet for career advancement without quitting your job or breaking the bank.
Achieve on your terms.

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