



Executive Education Futures:

An international report on the executive education market examining the views of participants and purchasers on current delivery and future developments.

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EXECUTIVE SUMMARY

FORWARD >>

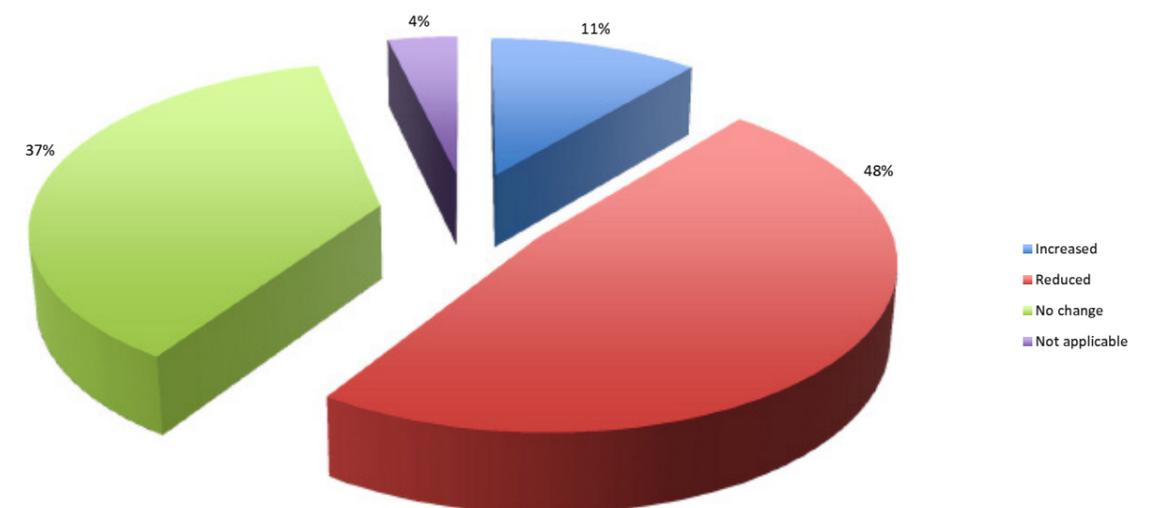
Two years ago CarringtonCrisp first ran their study, Executive Education Futures. The study took place against a background where Lehman Brothrs had collapsed and found that spend on Executive Education programs had been cut by more than half of the purchasers taking part in the research.

CarringtonCrisp, working with partners EFMD and ABS, reran the Executive Education Futures study through the summer of 2012, working with eight business schools to study what participants and purchasers wanted from Executive Education.

An online survey recorded the views of 346 participants in executive education programs along with those of 28 purchasers, all of whom were drawn from 27 nationalities.

Just over half of the respondents (56%) describe themselves as managers with 1 in 6 listing themselves as directors. Just 1% describe themselves as company owners and 27% chose 'Others'. The sample was largely employed in the private sector (61%) with 29% identifying themselves as public sector. 5% from non-governmental organisations, 2% the charity sector, 2% others and 0.5% from social enterprises. Scale of company varied widely with 11% from organisations employing fewer than 10 people and 19% having more than 10,001 staff. Just over a quarter (26%) came from what are usually called SMEs having between 50 and 500 employees, while 35% have between 501 and 10,000 staff.

Figure 1. Direction of change of spend on open programs among purchasers



Continued Weakness

Despite the optimism of purchasers two years ago, the economic crisis has been longer and deeper than anticipated. Market demand for executive education remains weak. More than 40% of purchasers have cut spend in the last 12 months, reflecting on-going uncertainty about economies globally. Only 22% see spending growth in the next year, while 48% don't know.

Where programs are still being purchased, the most popular content among both participants and purchasers is Leadership, General Management and Strategy. More than 60% of purchasers indicated that they had bought programs with a focus on leadership.

Beyond the three top choices of purchasers, programs focusing on Human Resources, Innovation, Financial Strategy and Information Technology have all been purchased by at least 1 in 5 of the corporates in the study. Among participants, especially those currently taking part in programs, there is a more diverse spread of programs being taken although Financial Strategy and Human Resources remain popular, supplemented by Marketing, Sales and Client Relationships.

Change is in the air

The future looks both different and the same. Leadership, General Management and Strategy remain the most popular fields of interest in the next 24 months. Human resources and Information Technology programs become much less important for purchasers, while Business Improvement, Creativity, Change and Financial Strategy all show significant growth with at least 30% of respondents indicating an interest in these fields in the next 24 months. Although the growth is not as great Accounting and Social enterprise/Sustainability/CSR also grow in importance.

Figure 2. Direction of change of spend on custom programs

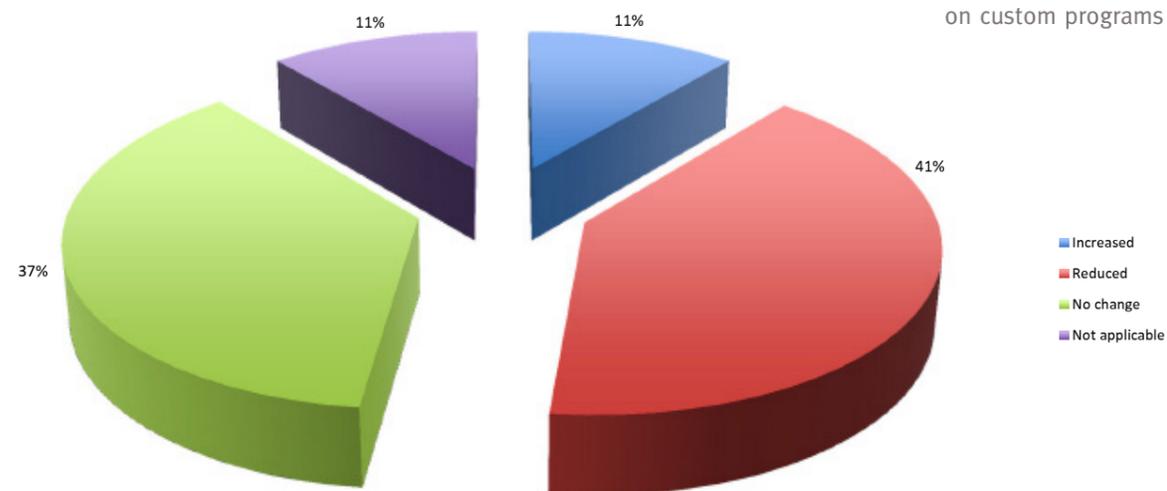
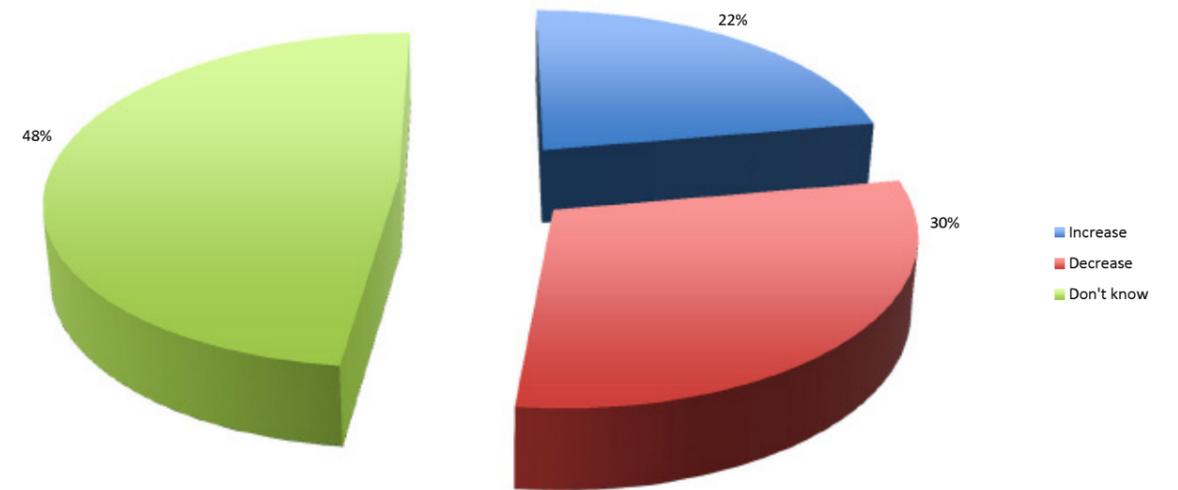


Figure 3. Direction of change of spend anticipated in the next 24 months among purchasers



The Executive MBA

Determining exactly what each school considers to be Executive Education is tricky, but many schools include their Executive MBA. Hence, a separate section on Executive Education Futures dealt with the Executive MBA and many of the findings were in line with those found in another CarringtonCrisp study, Tomorrow's MBA.

Asked what was important when considering where to study an Executive MBA, participants highlighted studies that combine academic theory with real world application and that challenge me to think differently. Alumni of EMBA programs added the need for students with a wide mix of experience, a school with a strong reputation for teaching expertise, that provides me with new skills, that will improve my career prospects and offering flexible study options.

Looking in more detail at EMBA programs respondents indicated five particular pieces of content, each of which was selected as valuable by more than 29% of the respondents:

- Strategic Management
- Managing People and Organisations
- Leadership
- Business and Financial Environment
- Organisation Theory and Management

Among the least valuable items were Ethics and Corporate Social Responsibility. However, the positioning of ethics towards the bottom of the valuable content list does not mean it is unimportant or that organisations are content with unethical behaviour. The question asked for respondents to identify their five most valuable pieces of content. In further studies CarringtonCrisp have found that many MBA students value ethics and sustainability when they are embedded across all elements of a program, but indicate questionable value in employer eyes when it is taught as a stand alone element.

A flexible future

Another trend that bridges both the MBA and Executive Education reports is the desire for flexibility among participants. In Executive Education Futures, around one third of both current and past participants prefer to study block taught weekends, block weeks or some form of blended learning involving both face-to-face and e-learning.

What participants and purchasers want in programs is one thing, where they expect to get it and why they ‘buy’ an institution is another question. Choice of provider is frequently based on reputation and value for money rather than simply cost. However, many purchasers of executive education programs are considering using private providers rather than just those based in universities or business schools.

Just over 8 out of 10 (82%) purchasers indicated they would consider a university/business school as a supplier, 74% selected a private provider outside higher education and 41% picked a public sector provider outside higher education.

For participants there are two particular issues that are identified as important when selecting a program/provider – reputation of the provider and teaching quality. Among other prominent issues are reputation of a specific program, ranking for the business school as a whole, value for money, proximity of provider, ability to apply learning, up to date and accurate course materials, impact on return to work and professional qualification for participant.

Among purchasers, while teaching quality and provider reputation are among four reasons highlighted as important when purchasing programs, they are joined by value for money and price.

It’s not cost, it’s value and reputation

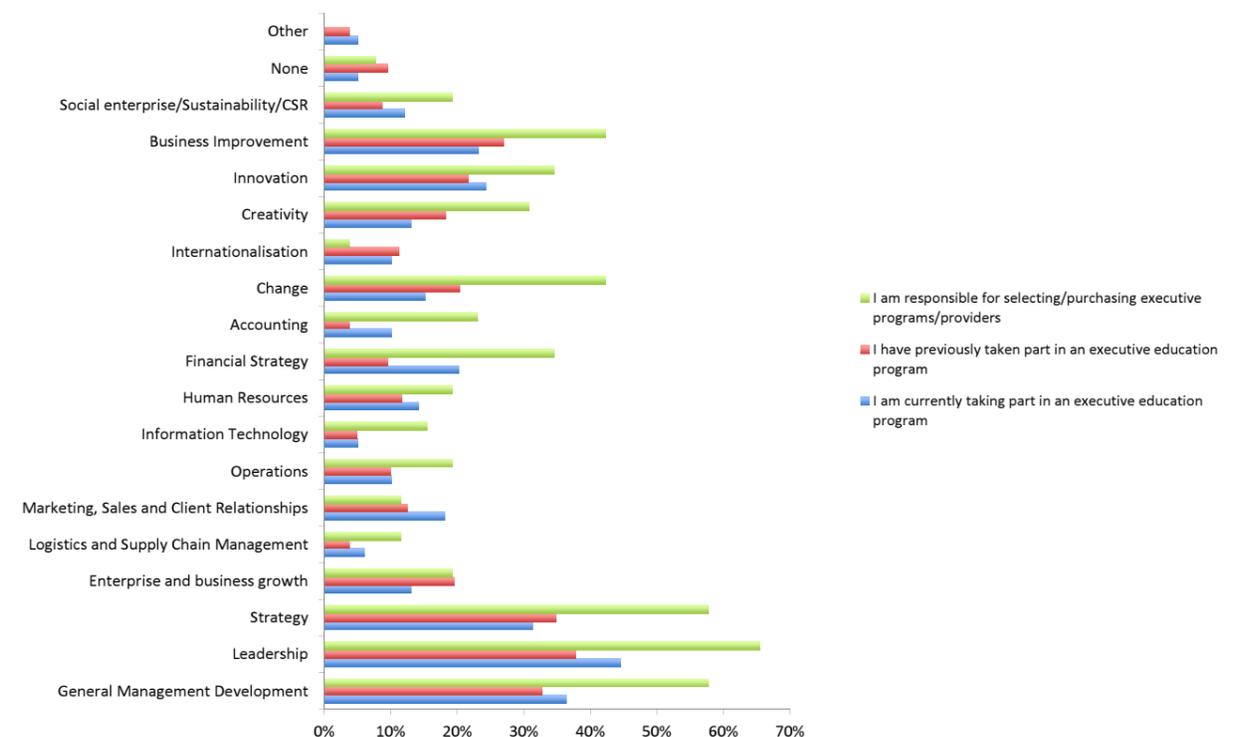
Cost, whether it is value for money or price, is clearly an important consideration when choosing a program or provider. Asked about the issue of cost, the most popular response was ‘Reputation of the business school is more important than actual cost’ followed by ‘Value for money was more important to me than the actual cost of the program’ and ‘I carefully compared the cost of the program at different providers before deciding where to study’. Less than 5% said ‘I chose the lowest cost option when deciding where to study’.

A separate question asked participants and purchasers to identify what an ideal provider would look like. Overall there is a sense that the ideal provider should have a practical focus rather than academic, be collaborative rather than stand alone, innovative rather than traditional and offering flexible delivery rather than just office hours.

Participants are more likely to say that an ideal provider should be university-based while purchasers are equally likely to position an ideal provider as university-based or be a private provider.

Purchasers are more likely to say that an ideal provider should have a focused offer while participants are equally likely to position an ideal provider as having a focused or a broad offer.

Figure 4. Fields of study likely to be of interest in the next 24 months



Purchasers are more likely to say that an ideal provider should deliver anywhere while participants are equally likely to position an ideal provider as delivering anywhere or on campus.

Having understood what purchasers and participants want from executive education, the next question for a provider is how to communicate with prospective buyers. For a number of years business schools have been aware of the importance of e-tools in reaching potential audiences. Much effort has been put in to building an effective business school website in many cases – more than two-thirds of students typically say the school website is their most important source of information when deciding what and where to study.

Linking to social media

However, a clear sales strategy now needs to go beyond the school website and in to the social media space. LinkedIn is particularly valuable for the executive education marketplace with some schools spending more than \$1 million advertising on LinkedIn in a 12 month period. Good use of social media though is about more than just advertising and requires smart interaction with groups where potential buyers are active. Forums and networks online where the target audience of purchasers are likely to discuss subjects around development and training will be important in the sales efforts of providers.

When seeking information about executive education, purchasers are most likely to use recommendations from professional networks (selected by 56% of respondents).

For participants the web dominates information sources. Most important, chosen by around 50% of all participants is a ‘provider website’ followed by Google. Among those who have previously taken part in programs a ‘provider brochure’ was chosen as the third most important information source, but among current participants the third choice was ‘LinkedIn’.

Given the importance of recommendation, it is reassuring for providers to find that more than 80% of participants would recommend their provider to a potential participant. However, the number of purchasers who would definitely recommend their most recent provider is just under half at 48%. While only 7% would not recommend a provider, 44% are uncertain of making a recommendation.

Don't forget the boss

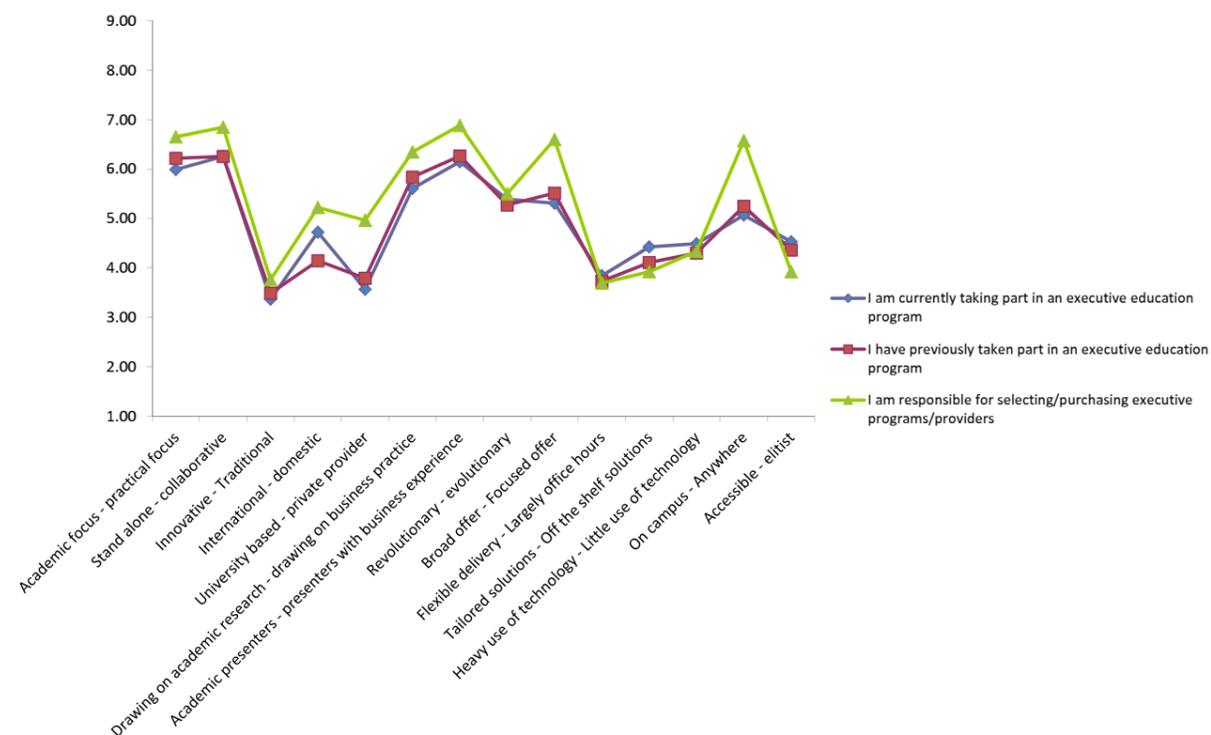
Undoubtedly, one of the drivers of recommendation will be the impact of taking a program. A majority of participants say that they regularly make use of their learning on their return to work. However, around 1 in 8 bosses seem unconnected from those who study, taking little interest in their learning on their return to work. Where a boss has had no direct involvement in the decision to send someone on an executive education program this may explain the disconnect when the individual returns to work.

Almost three-quarters (71%) of those who have previously taken a program describe their experience of applying learning in the workplace as successful or very successful, while that number rises to 76% among those currently studying.

Nearly half (48%) of previous participants regularly make use of what they learnt on their program and a further 43% occasionally make use of their learning. Only 9% say that they rarely make use of the learning from their program.

Further evidence of the impact is shown among the attitude of colleagues and bosses following an individual's participation in a program. One-third of respondents indicate that colleagues are keen to learn from their experience and just slightly fewer (32%) indicate that their boss encourages them to make use of what they learnt on their executive education program.

Figure 5. Ideal combination of attributes for a potential provider of executive education



Making the most of the investment in executive education often means having systems in place to maximise the value on return to work. A quarter of the corporate purchasers responding to the survey indicate that they have online tools to continue developing those who have attended programs, while 38% use coaching-based continued development.

Continuing decline in executive education spend makes it difficult to draw clear conclusions about the future of the market place. However, there is a strong suggestion that program content requirements are changing. General Management, Strategy and Leadership remain popular, but Change, Innovation, Creativity and Business Improvement are all growing in popularity.

There is also strong evidence that supports a demand for providers who deliver programs with applied content, do so collaboratively, have strong teaching quality and offer value for money.

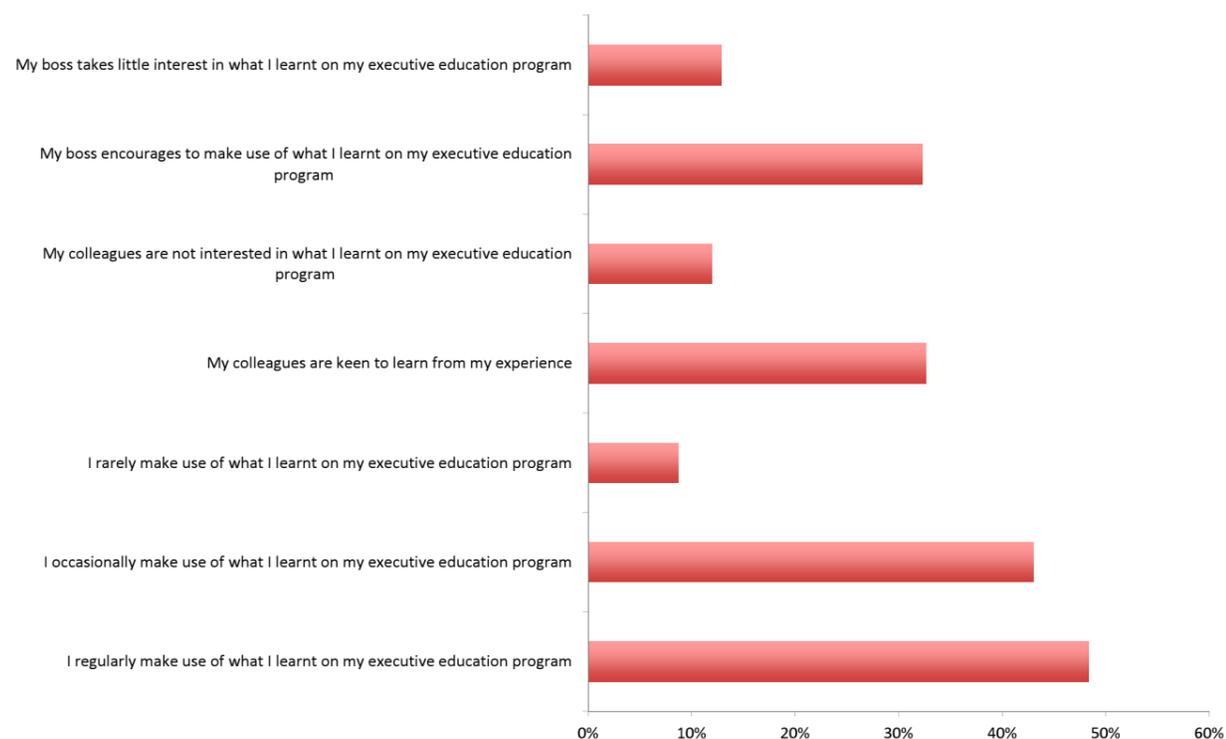
However, the overwhelming trend in this year's Executive Education Futures report is one of uncertainty. With declining spend and consequently less activity in the marketplace it becomes harder to define key trends. With weakness in the global economy and particular problems in a number of European countries, uncertainty

seems set to continue in the executive education marketplace.

For a provider uncertainty makes planning difficult, but there are perhaps some things that can guide that planning:

- Look to collaborate across institutions and the private sector
- Ensure flexibility in delivery of programs to suit individual and corporate needs
- Offer flexibility in the content of programs rather than taking something off-the-shelf
- Provide clear case studies of the impact of taking part in programs, going so far as to demonstrate return on investment in some cases
- Review content and ensure it is up to date and applicable to business today
- Develop a clear strategy for marketing the school offer, especially through e-tools such as social networks

Figure 6. Experience among participants of embedding learning from a program within the workplace





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