



## **CHAPTER 2**

### **RELATED LITERATURE REVIEW**

This chapter is divided into major six parts; Blue Ocean Strategy, MBA Programs, Business Practices, Knowledge Based Economy and Knowledge Worker, New Japanese Higher Education Policy, and Needs Assessment. Each part is further divided into sub titles to present and analyze theories and practice in details.

#### **1. Blue Ocean Strategy**

Dr. Kim W. Chan and his ex-students Dr. Renée Mauborgne of INSEAD, Fontainebleau, France, developed the international bestseller business strategy “Blue Ocean Strategy”. It won the Best Business Book of 2005 prize at the Frankfurt Book fair, selected as one of the top ten business books of 2005 by Amazon.com, N.1 strategy book of 2005 by Strategy & Business magazine, Wall Street Journal best seller, Business week best seller, and was the national bestseller in the USA. It has been translated into 39 languages including Chinese, Indonesian, Japanese, Korean, Vietnamese, and Thai.

They studied more than one hundred fifty strategic move in more than 30 business industries (e.g., hotels, cinema, retails, airlines, energy, computers, broadcasting, construction, automobile, and steels) from 1880 to 2000, and closely examined the relevant business players in each these events. They found out the similarities in their strategic approaches, and grouped into two types. The first group competed with their rivals, while the second group avoided competing with their rivals. In particular, Kim and Maubourgne named the first group “Red Ocean” and the second group “Blue Ocean.” During the past 25 years, the Red Ocean group (i.e., the dominant competition based military strategy) has been dominant in the business world. The central strategy of the Red Ocean group was to find new ways to cut costs or differentiate their products with their competitors in order to take away market share. For the high quality products, they put high prices, and for the low quality products, the price was very reasonable. Their battles were within the market.

In contrast, the Blue Ocean strategy is focused on creating new market shares and spaces, make the competition irrelevant, and create and capture new demands by simultaneous pursuit in differentiation and low cost (Kim & Mauborgne, 2005). The table below shows the clear view of Red Ocean vs. Blue Ocean.

**Table 2** Red Ocean versus Blue Ocean

<b>Red Ocean Strategy</b>	<b>Blue Ocean Strategy</b>
Compete in existing market space	Create uncontested market space
Beat competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with its strategic choice of differentiation or low cost	Align the whole system of a firm's activities in pursuit of differentiation and low cost

(Kim & Mauborgne, 2005)

However this strategy is not anything new. From the history, we know that the Blue Ocean movement has been taken place significantly in the past either knowingly or unknowingly. For an example, in 1997, The North America Industrial Classification (NAIC) replaced half-century-old Standard Industrial Classification (SIC) system published in 1987. In this new NAIC, it largely expanded old service sector into seven business sectors; information, healthcare, social assistance and others (Kim & Mauborbne, 2005).

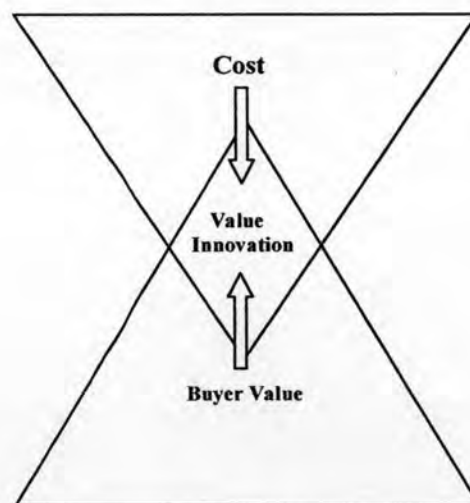
Also Kim and Mauborgne conducted case studies with hundred eight-business companies and found out the strong impact on creating Blue Ocean in business revenues and profits. Eighty six percent of business launches were aimed within the existing market space, Red Ocean, and had 62% of revenue impact and 39% of business profit impact. Fourteen percent of business launches were focused on creating a new market space, Blue Ocean, and had 38 % of revenue impact and 61% of business profit impact. From this, we know that an organizations success depends on whether they can create untapped market place, profitable leaps in value that often renders rivals obsolete for more than decades, and simultaneous pursuit of differentiation and low cost. By opening a new market place the competitions become irrelevant.

Red Ocean is based on the assumption that their market boundaries and industry structure are restricted, and is forced to compete one and other. Opposed to this, Blue Ocean is based on the view that the market boundaries and industry structure can be reconstructed, not limited. Kim and Mauborgne call this insight “Value Innovation”.

### 1.1 Value Innovation (The Simultaneous Pursuit of Differentiation and Low Cost)

Value innovation is not simply just an innovation. The whole organization’s system must be well aligned in utility, price, and cost activities. It is a strategy to embrace the entire organizations’ activities. There are no market boundaries in “Value Innovation.” Value Innovation is the key factor to determine to focus on utility, price, and cost positions to create and capture new demand. Value innovation also allows cost to come down, in order to raise the buyer’s value, which the industry never offered before. Cost saving is made by eliminating and reducing some factors that industry competes on.

**Figure 2** Value Innovation: The Corner Stone of Blue Ocean Strategy



(Kim & Mauborgne, 2005)

The organization's success to change into from "Blue Ocean" from "Red Ocean" can be highly dependent on this "Value Innovation". The era of Head to Head, cutthroat competition, Red ocean, in search of sustained profitable growth should be ended. The organization must align the whole organization's system towards pursuit of differentiation and low cost.

The first thing the organization needs to know to create "value innovation" is their standing point within their industry. In order to create value innovation, or to draw a value curve, Kim and Mauborgne introduce "Strategy Canvas" as the first Blue Ocean Strategy tool.

## **1.2 Strategy Canvas**

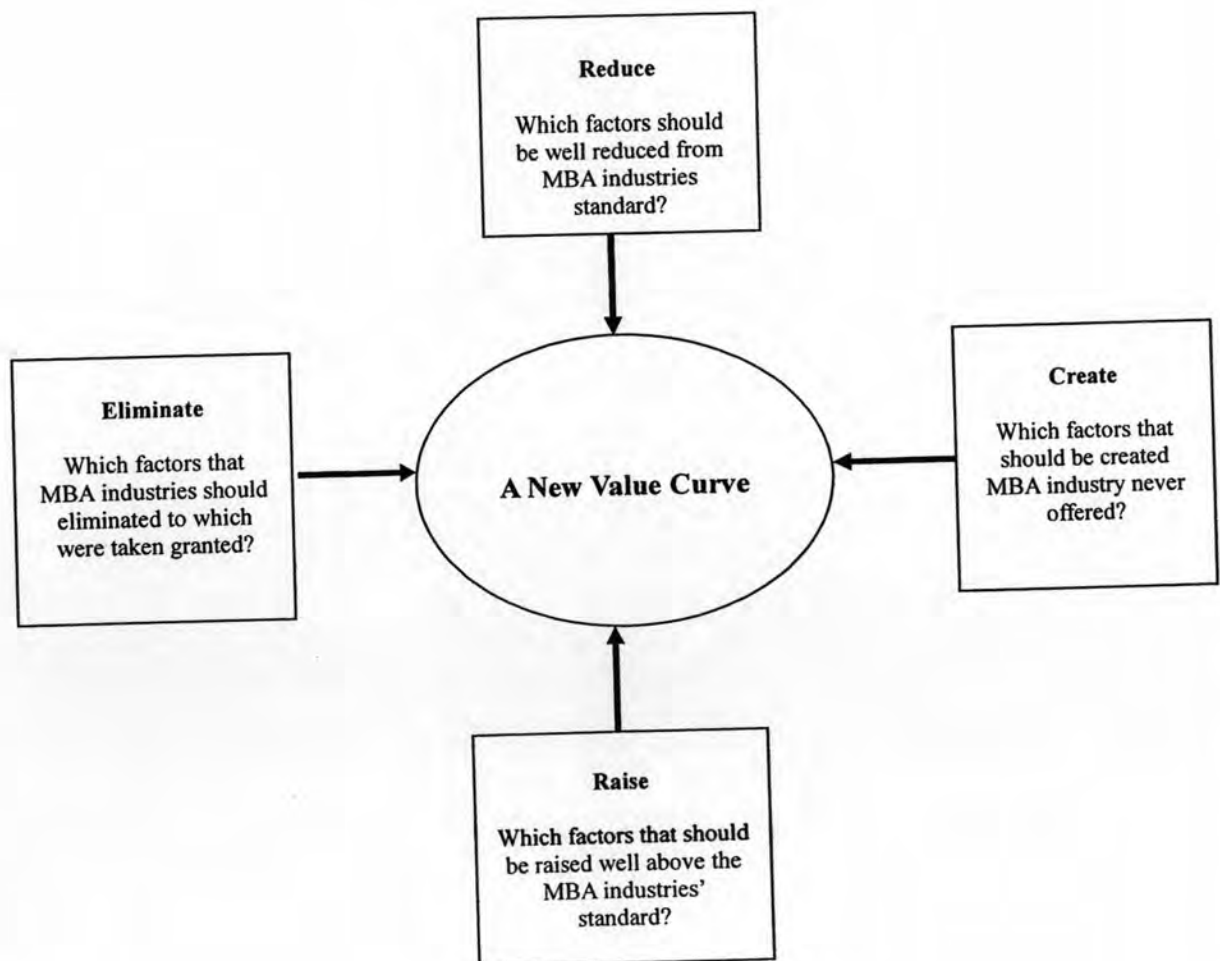
The strategy canvas is the diagnostic tool for building a compelling Blue Ocean Strategy. It also captures the current state of the known market space, and helps to understand and capture where, how, what the competitors are investing as products, offerings, and delivery, and customer services. In the case of "Casella Wines" the US wine manufacture, they divided the strategy canvas graph into two groups, the premium wines and budget wines. The criteria were price, use of ecological terminology and distinctions in wine communications, above-the-line marketing, aging quality, vineyard prestige and legacy, wine complexity, and wine range. The example of strategy canvas of "Casella Wines" is in Appendix A.

After creating the indicator of the organization's present status, we can use the same strategy canvas to draw a new value curve and the future strategic plan. In the case of Casella Wine, they discovered and the created new value curve, "yellowtail", which is a fruity tasting wine. The process to create this new value curve can be seen in the next strategy too, "The Four Action Framework." The four actions are composed of Reducing, Eliminating, Creating and Raising.

### 1.3 The Four Actions Framework

When we look back just over thirty years ago, mobile phones, biotechnology, home video, CD, DVD, and coffee bars did not exist. Even just a decade ago, nobody thought these industries would become multibillion-dollar business. In order to leap buyer value and cut costs, these industries did a study on the four actions framework. What should be reduced below the industry's standard? What should be created the industry never came up with? What should be raised well above the industry's standard? What should be eliminated from the industry? Figure below explains visually on this four actions framework.

**Figure 3** The Four Actions Framework



After surveying the wine industry, Cacella Wines came up with “Yellow Tail”, a fresh fruity tasting wine. Majority of Americans prefer beer and/or ready-to-drink cocktail wine rather than wine due to a lack of complexity when appreciating the taste. The Yellow Tail does not require the as many years to age. By eliminating aging, difficulties and complexity of wine selections and other ecological terminologies, appealed to beer, cocktail and non-wine beverage drinkers, and created new market space and fun and adventure. Also by cutting all wine enological complexities, the retail price went almost equal or slightly higher than budget wine. At the same time, it raised the easiness to select and drink by having two ranges of wines; Chardonnay (white), and Shiraz (red) with a striking non-traditional wine label with a bright yellow and orange kangaroo in a black background. The retail shop employees also became the ambassadors of yellow Tails by wearing Australian clothing with bushman’s hat and oilskin jackets. Figure below is the grid of their four actions framework for this wine company.

**Figure 4** Eliminate-Reduce-Raise-Create Grid: The Case of [yellow tail]

<p style="text-align: center;"><b>Eliminate</b></p> <p style="text-align: center;">Enological terminology and distinctions</p> <p style="text-align: center;">Aging qualities</p> <p style="text-align: center;">Above-the-line marketing</p>	<p style="text-align: center;"><b>Raise</b></p> <p style="text-align: center;">Price versus Budget Wines</p> <p style="text-align: center;">Retail store involvement</p>
<p style="text-align: center;"><b>Reduce</b></p> <p style="text-align: center;">Wine complexity</p> <p style="text-align: center;">Wine range</p> <p style="text-align: center;">Vineyard prestige</p>	<p style="text-align: center;"><b>Create</b></p> <p style="text-align: center;">Easy drinking</p> <p style="text-align: center;">Ease of selection</p> <p style="text-align: center;">Fun and adventure</p>

(Kim & Mauborgne, 2005)

Another example of the four actions framework comes from Canada's largest cultural exporter, "Cirque du Soleil", founded by a group of street performers in 1984. The mainstream of the circus audience used to be children who expected to see animal shows, star performances, and multiple show arenas with amusements, fun, humor and thrill. Circus companies spent a large sum of money to keep and train animals with high risk of danger. Also having a star performer was creating a competitive field (red ocean). Cirque du Soleil eliminated these issues. Instead they created a new attraction theme with a refined environment, multiple productions and artistic music and dance to attract adults and corporate clients. They reinvented the circus. Within 20 years, it staged 90 cities around the world with 40 million audiences. The Figure below helps us to get clear pictures of the four actions framework.

**Figure 5** Eliminate-Reduce-Raise-Create Grid: The Case of Cirque du Soleil

<p><b>Eliminate</b></p> <p>Star performance</p> <p>Animal shows</p> <p>Aisle concession sales</p> <p>Multiple show arenas</p>	<p><b>Raise</b></p> <p>Unique venue</p>
<p><b>Reduce</b></p> <p>Fun and humor</p> <p>Thrill and danger</p>	<p><b>Create</b></p> <p>Theme</p> <p>Refined environment</p> <p>Multiple productions</p> <p>Artistic music and dance</p>

(Kim & Mauborgne, 2005)

After the four actions framework, the new value curves were added to the original strategy canvas. This new value curve strategy canvas of "Cirque du Soleil" is in the Appendix A.

The next issue after completing “the four actions framework”, examines how to formulate and execute the Blue Ocean Strategy. It is classified as the “Six Principles of Blue Ocean Strategy”.

#### **1.4 Six Principles of Blue Ocean Strategy**

These Six principles are divided into six parts. Numbers 1 - 4 are used to formulate and 5 – 6 are to used execute the Blue Ocean Strategy. The six principles are as followed:

1. Reconstruct market boundaries
2. Focus on the big pictures, not numbers
3. Reach beyond existing demand
4. Get the strategic sequence right
5. Overcome key organizational hurdles
6. Build execution into strategy

##### **1.4.1 Reconstruct Market Boundaries**

As stated before, the Red Ocean Strategy is used to compete within the existing limited market boundary, but in the Blue Ocean Strategy the market boundaries are not restricted. Therefore one must reconstruct and create an uncontested new market space.

There are generally two ways to create a Blue Ocean: 1) to create a new industry (for an example, eBay’s online auction industry), and 2) from an existing industry. The majority of Blue Oceans come from the later case, within Red Ocean by altering market boundaries.

Kim & Mauborgnee, 2005 suggested six paths to reconstruct market boundaries. The six paths are a follows:



1. look across alternative industries
2. look across strategic groups within industries
3. look across the chain of buyers
4. look across complementary product and service off
5. look across functional or emotional appeal to buyers
6. look across time.
7. look across alternative industries

#### 1. Look across alternative industries

NetJets is an airline company, which offers a fractional jet ownership to customers. They achieved their business revenue growth 30-35% per year from 1993 to 2000. When NetJet looked at the existing alternatives, they found that their biggest clients, business travelers have only 2 choices, fly with economy, business or first class on a commercial airline or fly on their own aircraft. Due to cost, most business travelers select the first option. The first option however is not convenient because of the long waiting line to check-in, security checks, hectic flight transfers, inconvenient flight schedules, and over night stays at the airport. JetNet managed to offer their clients the convenience and comfort of private jet at the commercial airline tickets' price by sharing one-sixteenth ownership of an aircraft with other customers. Each owner was entitled to fifty hours of flight per year.

The biggest Japanese telecommunication giant NTT DoCoMo looked at the alternative of internet and mobile phones, and came up with "i-mode" service, in 1999. NTT DoCoMo created wireless transmission of text, data, pictures and voice, providing information (e.g., news, weather focus, telephone directories) and entertainment (e.g., games, events, and music events) on mobile phone with one billing service. Customers do not need to pay at various bills at various places, all bills were added up on their telephone charges. For over four years, from 1999 to 2003, 295 million yen (\$2.6million) grew to 886.3 billion yen (\$8billion), reaching 40.1 million subscribers.

## 2. Look across strategic groups within industries

In general, two dimensions, price and performance, roughly define the strategic groups. Toyota created “Lexus”, the high-end quality of automobile like BMW, Mercedes, and Jaguar at the low-end price of Lincoln and Cadillac. In 1970’s Sony closely looked across the high fidelity music boxes with low price and transistor radio within audio industry, and came up with Walkman.

## 3. Look across the chain of buyers

The Danish insulin producer, Novo Nordisk, as well as other insulin manufactures, had been focusing on doctors as their sole buyer of their products. After looking their chain of buyers, they realized that their real buyer of their products is not doctors or distributors, but their insulin users. In 1985, they launched “NovoPen”, the user-friendly insulin delivery solution. NovoPen resembled like a fountain pen, and was designed to help patients to administer insulin without hustle and embarrassment. In 1999, NovoLet, a more easily handled pre-filled disposable insulin injection was introduced.

In the online financial information industry, they targeted their clients as IT managers. Bloomberg, a business-information provider, looked at the real user of the system, traders and analysts who actually handle their employers’ funds every day. Bloomberg also provided a built-in analytic capacity with historical data, alternative scenarios, using easy and familiar financial terms, and purchasing services that included not only shares, but also travel arrangements, real estates, jewelry, flowers, and other daily needs.

## 4. Look across complementary product and service offerings

A Hungarian bus company, NABI, was listed as the one of the thirty most successful companies in the world by “Economist intelligent Unit” in October 2002. NABI made fiberglass with lower powered engine, fewer axels, and environmentally friendly low cost bus. This bus requires much less maintenance and service fee compare to the original steel busses.

Borders and Barnes & Nobles (B&N), provided lounges, coffee bars, and knowledgeable staff to create pleasurable intellectual reading environment, not only selling books to their customers. B&N became the one of the two largest bookstores in United States within six years, having one thousand seventy superstores across the country.

#### 5. Look across functional or emotional appeal to buyers

In watch industry, Swatch, a functional budget watch has transformed its' appearance to fashionable emotionally oriented watch.

UK's one of the leading retailers, The Body Shop, emotionally driven cosmetic and fashion industry, went into function oriented non-emotional industry.

Quick Beauty (QB) House, a Japanese barbershop industry created new leap in traditional hair cut salon. They provided "air wash", to vacuum every cut off cut hair, "one use" policy in all items customers use (i.e., towel, comb, etc), traffic light system to show the availabilities of seats outside the shop, and reduced hair cut price with hygiene, efficiency and much less waiting time. In 1996, QB House had only one outlet in Tokyo. By 2003, they had two hundred shops throughout Japan, and had 3.5 million visitors. QB House is planning to expand their outlet to Singapore, Malaysia, and other parts of Asia by 2013.

The third largest cement producer, Cemex, in Mexico, reversed functionally oriented cement industry into fashionable industry by introducing "Patrimonio Hoy", traditional community saving scheme as a "loving gift" to loved ones, to build a room. While Cemex competitors were selling bags of cement, Cemex was selling "dreams" accompanied with free delivery of cements, free classes on how to build rooms, and technical adviser. In addition, after room is built, Cemex organizes a small festivity in the town where the room was built.

## 6. Look across time

Computer and software program's pioneer, Soft Apple has been keeping eyes on illegal music files for over decades. In spite of recording industry's continuous fight against illegal digital music download and pirated CDs, by 2003, every month, more than two billion illegal music files were traded. When iTunes was created, Apple made an agreement with five major music companies; BMG, EMI, Sony, Universal Music Group, and Warner Brothers, to freely browse two hundred thousands songs, and legally download an individual song for 99 cents or an entire album for \$9.99. In the music industry, Apple's search and browsing functions, and iTunes sound quality are considered to be the best. Today, iTunes offers more than seven hundred thousand songs and sold more than seventy million songs in its first year.

The computer server, Cisco could clearly see the strong and clear demand and needs for high-speed data exchange after observing that Internet users were roughly doubled every one hundred days. With this insight, Cisco created various Internet products for the Internet traffic. Today, in the market, 80% of Internet traffic goes through Cisco's products.

The following table is the summary of "Reconstructing Market Boundaries" on the difference between "Head - to - Head Competition" and "Blue Ocean Creation" based on these six paths.

**Table 3** From Head-to-Head Competition to Blue Ocean Creation

	<b>Head-to-Head Competition</b>	<b>Blue Ocean Creation</b>
<b>Industry</b>	Focus on rivals within its industry	Looks across alternative industries
<b>Strategic group</b>	Focuses on competitive position within strategic group	Look across strategic groups within industries
<b>Buyer group</b>	Focuses on better serving the buyer group	Redefines the industry buyer group
<b>Scope of product or service offering</b>	Focuses on maximizing the value of products and service offerings within the bounds of its industry	Looks across to complementary products and service offerings
<b>Functional-emotional orientation</b>	Focuses on improving price performance within the functional-emotional orientation of its industry	Rethinks the functional-emotional orientation of its industry
<b>Time</b>	Focuses on adapting to external trends as they occur	Participates in shaping external trends over time

(Kim & Mauborgne, 2005)

These six paths were the key indicators to break market boundaries to create blue ocean strategy. Kim and Mauborgne (2005) also give us some insights how to tap into creating new market space.

1: Stop benchmarking the competition. The more you benchmark competitors the more you tend to look like them.

2: Stop being content to swim in the "Red Ocean". You will never find value renovation strategies.

3: Do not count on your customers for growth. Look to "non-customers", they provide the most insights about how to create uncontested opportunities, new demand for products and services.

After reconstructing the market boundaries, the next tool focuses on the big picture, rather than on the numbers. Often in the process of building a company's strategic plan, managers get caught up in the operational details and forget to step back and look at the entire context.

### 1.4.2 Focus on the Big Pictures, not the Numbers

Organizations often talk about the figures, budgets, and increasing sales. However, in the midst of this talk they often forget how to achieve it. They tend to swim in the old Red Ocean. To overcome this problem, Kim and Mauborgne suggest implementing the “The Four Steps of Visualizing Strategy.”

1. visual awakening
2. visual exploration
3. visual strategy faire
4. visual communication

The following Table is the summary of the four steps of visualizing strategy.

**Table 4** The Four Steps of Visualizing Strategy

<b>1. Visual Awakening</b>	<b>2. Visual Exploration</b>	<b>3. Visual Strategy Fair</b>	<b>4. Visual Communication</b>
<p>Compare your business with your competitors' by drawing your “as is:” strategy canvas.</p> <p>See where your strategy needs to change.</p>	<p>Go into the field to explore the six paths to creating blue ocean</p> <p>Observe the distinctive advantages to alternative products and services.</p> <p>See, which factors you, should eliminate, create, or change.</p>	<p>Draw your “to be” strategy canvas based on insights from field observations.</p> <p>Get feed back on alternative strategy canvases from customers, competitors' customers, and non-customers.</p> <p>Use feedback to build the best “to be” future strategy.</p>	<p>Distribute your before-and after strategic profiles on one page for easy comparison.</p> <p>Support only those projects and operational moves that allow your company to close the gaps to actualize the new strategy.</p>

(Kim & Mauborgne, 2005)

To compare your business with “Visual Awakening”, one must realize the needs for change in their business practices and strategies. However, business executives are often reluctant to try something new and/or accept the change. Only after one is awoken and realized the needs of change, one can go to the next step, “Visual exploration” to explore the market. Most managers rely on outsource and reports, and they hardly do it by themselves. After the surveys were done to explore the market, the next step to follow is “Visual Strategy Fair.” This requires each representative of the team to do presentations. After the presentations, attendees and judges will make remarks on the presentations. The final step to be followed is “Visual Communication.” It is the last step of the four steps of visualizing strategy to communicate the new strategy in the most efficient way to make every employee to understand. The next criterion is how to expand our customers, to reach beyond existing customers.

### **1.4.3 Reach Beyond Existing Demand**

In Blue Ocean, they categorize three kinds of non-customers whom we can invite to be our future customers. They call it “The Three Tiers of Customers”.

#### **The Three Tiers of Customers**

It is classified into the first, second, and the third tiers of non-customers. The first tiers are the ones who are going to be your customers in near future. They are on the edge of your market boundary, looking for the better offer to take. The second tiers are the non-users of the current market offerings. They cannot afford or do not require the current offerings. The third tiers are the one who stand the farthest from the industry’s current customers. They were never considered to be the potential customers by any industry players.

In the case of Casella Wines, they looked at the first tier of customers. For the Cirque due Soleil, they invested in the second tier of customers (adults and corporate clients) who consciously choose alternative entertainment, instead of going to the circus.

Our next challenge after building up the strategy canvas with new value innovation is to introduce a model to check and guarantee the organization's healthy profit.

#### **1.4.4 Get the Strategic Sequence Right**

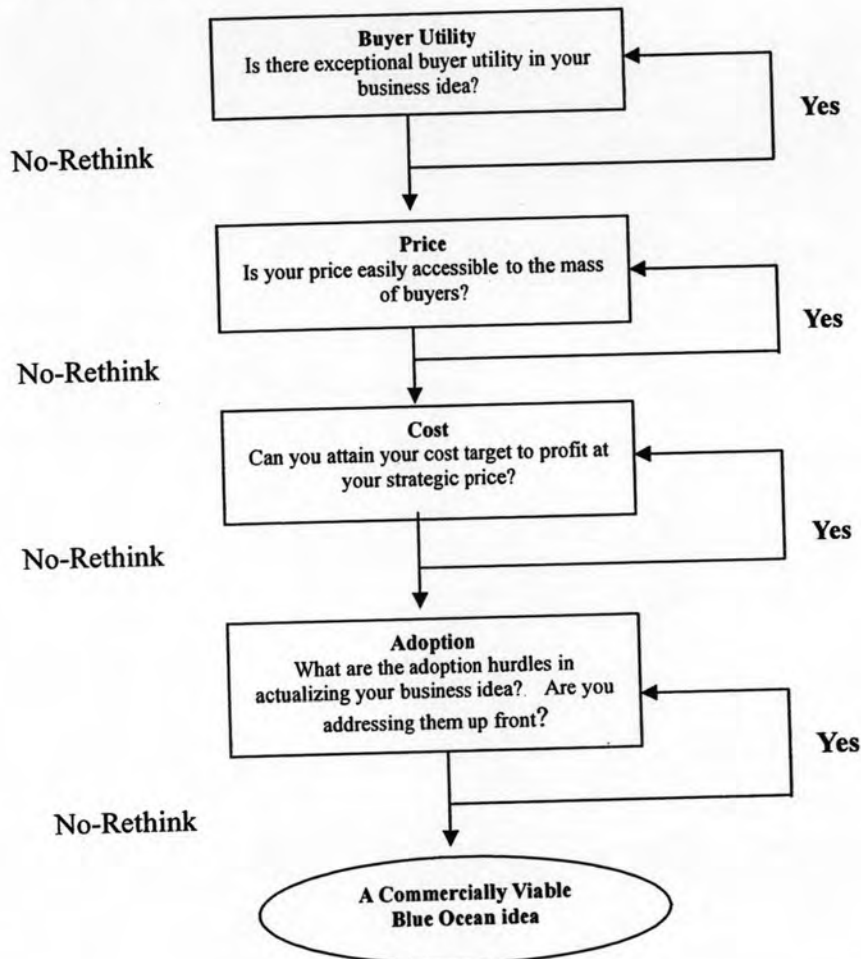
The newly developed Blue Ocean Strategy must be in the correct and balanced sequence; the buyer utility, price, cost, adoption, and to make commercially viable Blue Ocean Idea.

1. Buyer utility: does your organization offer exceptional utility? Will many people be attracted to buy the product?
2. Price: Is the price compatible? Can lower income people afford it?
3. Cost: Can the organization make enough profit after reducing the cost?
4. Adoption: what is the hurdle the organization needs to overcome to adopt the changes?

The following Figure shows the clear picture on this "Get The Strategic Sequence Right".



**Figure 6** The Sequence of Blue Ocean Strategy



(Kim & Mauborgne, 2005)

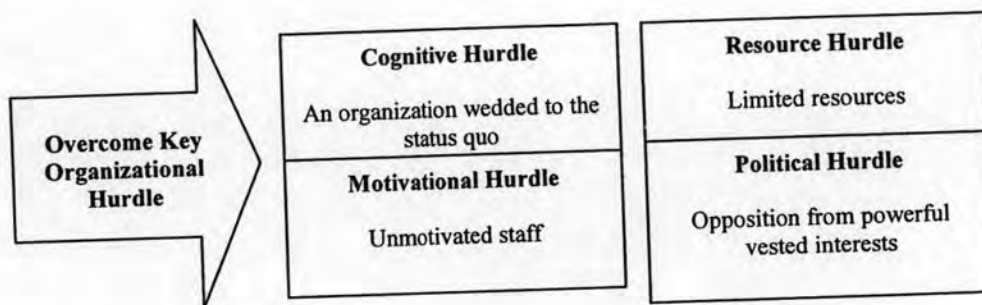
After examining these four formulation principles, 1. Reconstruct market boundaries, 2. Focus on the big picture, not the numbers, 3. Reach beyond existing demand, and 4. Get the strategic sequence right. The last execution principles are: 5. Overcome key organizational hurdles, and 6. Build execution into strategy.

### 1.4.5 Overcome Key Organizational Hurdles

The first execution principle is "Overcome Key Organizational Hurdles." There are four hurdles: cognitive hurdle, resource hurdle, motivational hurdle, and political hurdle.

1. Cognitive Hurdles (status quo): Ride the "Electric Sewer," managers cannot rely on the out-source to deal with the operational problems. They must meet with disgruntled customers to know their reality and listen to their opinions. What do they want from the organization? Do our products suit their needs and demands? By meeting them face-to-face will operational managers know the needs of the change?
2. Resource hurdle: When trying to swim in the Blue Ocean, businesses often face not having enough funding. There are hardly any budgets for pursuing the change from Red Ocean to Blue Ocean. This can be achieved this by redistributing resources from the cold spots. It is like horse-trading.
3. Motivational hurdle: When there are very limited resources and most employees are paid very poorly, how can they be motivated to pursue change?
4. Political hurdle: Whenever pursuing change, opponents who refuse to give a way are often encountered. To be succeeded in this challenging work to convincing the opponents or enemies in any situation, the one of the best solution to overcome this is to secure a consignment from the top management team. Concurrent to this, do some surveys to find out angels to support the changes and devils to protest. Who will support the change and who will fight the change? Leverage angels and silence devils. The following figure is the clear picture to overcome the organizational hurdles to execute the strategy.

**Figure 7** The Four Organizational Hurdles to Strategy Execution



(Kim & Mauborgne, 2005)

The last, but not least important part of the process is to complete the strategy execution is to create a trustful, motivated, committed, and fair environment from the top management to the workers. In Blue Ocean Strategy, it is called “Fair Process of Strategy”.

#### 1.4.6 Fair Process of Strategy

The Fair Process of Strategy is composed of four parts; strategy formulation process, attitudes, behavior, and strategy execution.

1. Strategy Formulation Process: Even though the management may have created the excellent strategy to tackle the problems, if the process has been run poorly it can ruin the strategy execution process. Therefore management must explain the procedures clearly and with attention to details to make sure all employees understand the expectations and outcomes. In order to achieve this task, managers must engage in a number of hours from tight schedules.

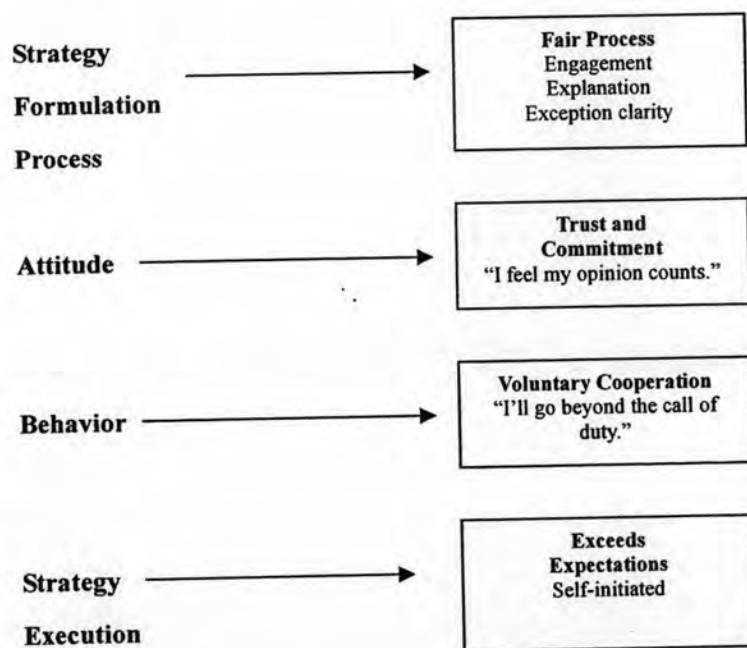
2. Attitudes: Once they understand the reason and the expectation from the top management team, there will be mutual trust between them. If the trust is established then commitment will be created. Everyone must feel that their opinion counts as a whole team.

3. Behavior: When mutual understandings and trust are developed, people will voluntarily cooperate to pursue the task given. They may even go beyond their call of duty.

4. Strategy Execution: Once the expectation is exceeded from the self-initiation, the strategy execution is completed.

Most of all, a determination to achieve this given task without the expectations of return, but with self-satisfaction, is needed. The following figure illustrates how the fair process of strategy affects mind, attitude and behavior.

**Figure 8** How Fair Process Affects People's Attitudes and behavior



(Kim & Mauborgne, 2005)

The most important factor is to create a culture of trust and commitment. This will motivate people to move towards the execution of the strategy. Buy-in from the whole team is the most critical issue to determine the overall success of the Blue Ocean Strategy.

The final section will explore imitation from rivals and imitation barriers,

### **1.5 Imitation Barriers to Blue Ocean Strategy**

Being imitated or copied is unavoidable. However there are some guidelines. The following lists are the “Imitation barriers to Blue Ocean Strategy”. List below is Imitation Barriers to Blue Ocean Strategy

- Value innovation does not make sense to a company’s conventional logic.
- Blue ocean strategy may conflict with other companies’ brand image.
- Natural monopoly: The market often cannot support a second player.
- Patents or legal permits block imitation.
- High volume leads to rapid cost advantage for the value innovator, discouraging followers from entering the market.
- Network externalities discourage imitation.
- Imitation often requires significant political, operational, and cultural change.
- Companies that value-innovate earn brand buzz and loyal customer following that tends to shun imitators.

(Kim & Mauborgne, 2005)

We must enjoy swimming as far as possible in the Blue Ocean, distancing ourselves from the imitators. In the next paragraph, I would like to present the latest companies that implemented Blue Ocean Strategy.

### **1.6 The latest companies implemented Blue Ocean Strategy**

The latest successful companies used Blue Ocean Strategy will be introduced under their nations.

1. China: Mr. Hugo Shong, the vice chairman of IDG Technology Venture Investment (IDGVC), openly gave full remarks of the companies’ success to Blue Ocean Strategy. When he first read the book, there was no Chinese edition, and he read it in English. Immediately he liked the concept and implemented into his investing firm. His firm has 120-fold return. Recently IDGVC established Chinese Media Fund, and at present the company manages \$800 million in venture capital in China. It is expected to be \$60 billion in 2014.

2. India: HCL technologies has made a big international deal in 2005, by implementing Blue Ocean Strategy (The Hindu Business Line, <http://www.thehindubusinessline.com>). Mr. Vineet Nayar, the CEO of HCL proudly told the reporters that his company's success was due to tap into the uncontested market spaces to create value chain and transformed the organization from Red Ocean to Blue Ocean (The Hindu Business Line, <http://www.thehindubusinessline.com>)

3. Japan: Japanese one of the biggest and oldest game makers, "Nintendo" introduced the Blue Ocean Strategy to enhance their sales in both Japan and USA. In particular, they concentrated in reconstructing their market boundaries, and survey the three tier of customers, who were at the edge of the industry, who refused to use products, and who never thought of using the products, are extremely far away from your industry. Nintendo focused on expanding their customers to the second and third categories (Forbes, <http://www.forbes.com>)

4. Korea: On line game industry has escaped the Red Ocean battles in game industries, and came out successfully in Blue Ocean by introducing the games in on line. One hundred million people are using 20 different countries. Its market revenue was \$3 billion in 2000, and rose to \$4.4 billion in 2004 (Korea IT Times, <http://www.ittimes.co.kr/en/node>)

## 2. World Class MBA Programs

The Economist Intelligence listed "top 100 MBA schools, 2006" around the world. The following table shows the number of the schools from various countries.

**Table 5** Top MBA Schools in 5 Regions: USA, Europe, Asia, Pacific, Japan

USA/Canada	Europe	Asia	Pacific	Japan
USA - 45 Canada - 1	UK - 22 France - 5 Spain - 4 Netherlands - 3 Belgium - 1 Italy - 1 Monaco - 1	Hong Kong - 2 Singapore - 2	Australia - 3 New Zealand - 3	Japan 1
46	43	4	6	1

From the above table, we know that the majority of top MBA schools are located in USA (46) and Europe (43), their total were 89 out of 100. Among schools in Europe, UK exceeded the number at 22. The following lists are the top 10 MBA school rankings listed in the 2006 Economist Intelligence.

#### The Top MBA schools listed in Economist Intelligence, 2006

- No.1. IESE business school, University of Navarra, Spain
- No.2. Dartmouth College, Tuck School of Business, USA
- No.3. Stanford University, Stanford Graduate School of Business, USA
- No.4. University of Chicago, Graduate School of Business, USA
- No.5. International Institute of Management Development, IMD, Switzerland
- No.6. Northwestern University, Kellogg Institute of Business Administration, USA
- No.7. Harvard Business school, USA
- No.8. New York University, Leonard N. Stern School of Business, USA
- No.9. University of Michigan, Stephen M. Ross School of Business, USA
- No.10. University of California at Berkeley, Haas School of Business, USA  
(Economist Intelligence Unit, <http://www.mba.eiu.com>)

One of the reasons that USA MBA schools exceeded might be related to historical circumstances as the USA has the oldest MBA programs.

### 2.1 MBA Schools in USA

The first USA MBA program was launched at Dartmouth University (now it is called Tuck School), in 1900 (Mittzberg, 2006). Over a century, as economy has progressed, the business competition forced organizations to have no cultural, national or religious boundaries. Due to this globalize business trends, the demand of getting a good, efficient successful managers are rising. Shareholders strongly believed that their fortunes are depending on MBA graduates' performance. To respond to their needs, Business Schools throughout the world are proclaiming to be the best school to produce such "top business executives."

At the beginning of the 1980's, MBA programs used to be the symbol for the "elite" in the business industries. As time passed by, even though it became more commercialized, people still consider the MBA as the passport to become an executive in a multinational giant business organization. Moreover, those with an MBA have incomes that are normally much higher than those without an MBA.

In 1990's, MBA programs were looked at as the training institutions for the top managers for international business organizations. After the entering into 21 century, society requested MBA to train future business founders (Wikipedia, <http://www.ja.wikipedia.org/wiki>).

However, Jack Welch, ex-CEO of General Electolonics (GE) gave some indirect message not approving the current business schools in public. During his lecture at Sloan Scholl of Management at Massachusetts Institute of Technology (MIT) in 2005, someone questioned him what to be learnt at business school. Jack answered him to just concentrate on how to net -work with others because everything else will be learnt on the job (Fortune 500, 2007). By After hearing this comment, MIT started reorganizing MBA curriculum's to emphasis on quantitative skills and interpersonal course work. Especially "teamwork" became the hottest issue among Wharton, Tuck, Chicago, Barkley's Hass School and many others.

USA is the biggest nation to produce MBA holders. USA itself has more than five hundred MBA schools, and the best seven schools are often called M7(Magnificent seven). Harvard, Stanford, Columbia, Chicago, Pennsylvania (Wharton), Northwester (Kellogg) and MIT (Massachusetts Institute of Technology) are the M7 (Wikipedia, <http://www.ja.wikipedia.org/wiki>). Recently, MBA schools in USA are considered as a place to study business insight to be successful, instead of learning exiting business theories. It is the most popular country to study MBA for non-US citizens, especially Asian.

In 1908, Harvard University started calling their graduate program "Master of Business Administration" (MBA). The programs four founders were scholars from economy, psychology, sociology, and political science and did not have business experience or contacts. However they were eager to understand and promote the "science" of business and pass that knowledge along to future leaders of the American economy. In 1925, Stanford University followed Harvard and opened their MBA program (Mintzberg, 2006). There were two main themes in MBA education at the beginning of the last century. The first focused on the general knowledge, while the second focused on specialized knowledge. At Harvard, the accountancy, business law, and American economic resources were the compulsory, and finance and railway industry were the elective subjects. The traditional lecture was the mode for teaching all subjects, except business law, which examined case studies from past legal proceedings. In 1912, the business policy class officially initiated the "case study" teaching method by inviting business people in the



respected industries. By the end of 1920's, most courses implemented the case study method, which became Harvard's prominent teaching technique. There were only 40 business schools in 1915. The number has multiplied into 140 in the past ten years. As the number of schools increased the number of MBA holders also increased. In 1920, there were 110 MBA graduates. By 1932, that number has grown to 1017 and in 1948 the number rose to 3357 (Mintzberg, 2006). By 1949, half of all MBA graduates came from Harvard.

Nineteen forty-six was the turning point for MBA programs in USA. Tepper School of Business at Carnegie Mellon University was putting more emphasis on the research-based learning. They believed the class was the best place to create "operational research" techniques.

When the bubble burst in 1987, MBA graduates had no choice to create and innovate new financial strategy or marketing to increase capital, but to do the normal financial jobs at banks, corporations and mutual funds. As the economy grew, by 2004, MBA graduates were paid fifty thousand more than non-MBA graduates at the same job. Moreover, job advancement was limited to exclusive to MBA holders (Silbiger, 2005).

Next I will provide more detail about American MBA schools. The first school to be introduced is the Tepper Schools of Business, which is best known for exploring the scientific principles of business management and the latest computer technology. Their computer facilities are one of the best in whole US, implementing a wireless network that can be accessed anywhere around the building.

### **1. Tepper School of Business, Carnegie Mellon University**

Tepper school was named after David A. Tepper, an alumnus who donated US\$55million, which is the largest donation to a university in US history. Tepper School of Business has 10 research centers and have highest ratio of student-to-faculty. The reported medium salary of graduates from 2006 is as follows: (these categories are divided under function of their jobs):

#### **Function**

- Consulting (\$110,000)
- Finance (\$95,000)
- General Management (\$88,000)
- Information System Technology (\$102,000)
- Marketing (\$81,000)
- Production/Operations Management (\$95,000)

The following table shows their students' details of the school.

**Table 6** Students' details of Tepper School

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	John Mather
Faculty	Full-time (100), Part-time (14), Visiting (6)
Annual students intake	165
Ration of places to the applications	7:1
Women students	21%
Age range	23-32
Average age	27
Foreign students	36%
Students origin	Africa, Middle East (2%), America (68%), Asia, Pacific (28%), Europe (3%)
Application fees	US \$100
Programme fees	US \$41,900 per year
Application dead line	May 1 <sup>st</sup>
Program dates	21 month, starts on August
Admission requirements	First degree, TOEFL if first language is not English, references, 3 essays, interview, laptop
Average GMAT score	693

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

Compared to other US business schools, this school's application fee is quite low, US\$100.

## **2. Tuck School of Business, Dartmouth College**

The second best school selected by the "Economist Intelligence 2006 MBA ranking" was Tuck School of Business, Dartmouth College. Established in 1900, Tuck is the oldest business school in the world. The biggest difference compared to other MBA schools is that Tuck only has one degree program (i.e., the full-time MBA) in order to provide added focus on the program itself. The following table illustrates the details of their students.

**Table 7** Students' details of Tuck Business School

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	David Pyke
Faculty	Full-time (46), Part-time (31)
Annual students intake	245
Ration of places to the applications	7:1
Women students	28%
Age range	26-32
Average age	28
Foreign students	31%
Students origin	Africa, Middle East (5%), America (20%), Asia, Pacific (58%), Europe (15%)
Application fees	US \$220
Programme fees	US \$40,650
Accommodation cost	On campus US \$7,350, Off campus US \$8,244
Application deadline	April
Program dates	21 month, starts on August
Admission requirements	First degree, TOEFL if first language is not English, references, 4 essays, interview, laptop, transcripts
Average GMAT score	704

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

Tuck School has the largest Asian student population as compared to Tepper. Asian students are more than half of the whole student ratio.

The followings are the lists of core curriculum at Tuck School.

Analysis for General Managers

Capital Markets

Decision Science

Financial Measurement

Global Economics for Managers

Leading Organizations

Management Communication

Managerial Economics

Statistic Managers

Other than these courses, there are seventy-two more elective courses.

### **3. Stanford Graduate School of Business**

This business school was founded in 1925 by Mr. Herbert Hoover, the 31st president of United States of America, who was also an alumnus of Stanford University. Mr. Hoover wanted to keep students from going to the east coast to study business. Stanford Business School attracts students from various backgrounds, and three faculty members become Noble laureates since 1990.

The school mission is *"to create ideas that deepen and advance our understanding of management and with those ideas to develop innovative, principled, and insightful leaders who change the world"* (Stanford Graduate School of Business, <http://www.gsb.stanford.edu>).

The following table shows the students' details of the school.

**Table 8** Students details of Stanford Graduate School of Business

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	Sharon Hoffman
Faculty	Full-time (102), Part-time (42) , Visiting (4)
Annual students intake	378
Ration of places to the applications	12:1
Women students	33%
Foreign students	39%
Students origin	Africa, Middle East (4%), America (73%), Asia, Pacific (10%), Europe (13%)
Application fees	US \$225
Programme fees	US \$43, 380
Accommodation cost	On campus US \$10,380, Off campus US \$11,800
Program dates	22 month, starts on September
Admission requirements	TOEFL if first language is not English, references, 2 essays, interview by invitation only
Average GMAT score	716

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

As can be seen in the table, they have the highest “ration of places to the applications”, which is 12:1. The competition to take a place is the highest among all Business schools in the top 100 MBA Economist Intelligence 2006 ranking.

#### **4. Graduate School of Business, University of Chicago**

This business school has very high reputation for producing graduate that are strong in research, scholarship and the teaching of business education. They has six past and present Noble laureates. Their students are known to be the best in the field of finance. The following table shows the details of students at this business school.

**Table 9** Students' details of Graduate School of Business, University of Chicago

Name of Program	MBA
Type of program	Full-time program
Program director	Stacey Kole
Faculty	Full-time (125), Part-time (33) , Visiting (12)
Annual students intake	549
Women students	27%
Age range	26-31
Average age	28
Students origin	Africa, Middle East (2%), America (67%), Asia, Pacific (26%), Europe (6%)
Application fees	US \$200
Programme fees	US \$41,600 per year
Accommodation cost	On campus US \$11,700, Off campus US \$11,700
Application dead line	March 14 <sup>th</sup>
Program dates	21 month, starts on September
Admission requirements	First degree, TOEFL if first language is not English, references, 3 essays, interview by invitation only
Average GMAT score	701

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

As can be seen in the table above, this school has a much larger annual student intake (i.e., 549) as compared to Tuck, Tepper and Stanford.

## 5. Kellogg School of Management, Northwestern University

One of the unique aspects about Northwestern business school is their alumni and student involvement in the applicant interview process. This allows the school to continue a strong tradition and aides in the maintenance of core program values. The business school also has a strong reputation as a marketing powerhouse. Their curriculum contains the following courses: Accounting for Decision Making, Business Strategy, Finance, Marketing Management, Mathematical Methods for Management Decisions, Microeconomic Analysis, Operations Management, Statistic Methods for Management Decisions, and Strategies for leading & Managing Organizations.

In addition to the core curriculum, a “values & crisis decision making” course is one of the requirements to complete the first year. The following table is the students’ details of Kellogg School.

**Table 10** Students details of Kellogg School of Management, Northwester University

Name of Program	MBA
Type of program	Full-time program
Program director	Dipak C Jain
Faculty	Full-time (162), Part-time (75) , Visiting (11)
Annual students intake	533
Women students	31%
Age range	23-36
Average age	28
Foreign students	26%
Students origin	Africa, Middle East (2%), America (75%), Asia, Pacific (14%), Europe (5%)
Application fees	US \$210
Programme fees	US \$41,115 per year
Application dead line	March 11 <sup>th</sup>
Program dates	22 month, starts on September
Admission requirements	First degree, at least years’ work experience, TOEFL if first language is not English, references, 4 essays, interview
Average GMAT score	700

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

Kellogg graduates are also known to have one of the best education experiences among top MBA schools.

## 6. Harvard Business School (HBS)

This business school is well known for case study methods, along with the gold standard as the top brand business school throughout the world. As a result, the school has the largest number of annual student intake (i.e., 980 students). More than 80 % of HBS classes utilize the case study method. The following table is the students' details of HBS.

**Table 11** Students details of Harvard Business School

Name of Program	MBA
Type of program	Full-time program
Program director	Joseph L Badaracco JR
Faculty	Full-time (200)
Annual students intake	980
Women students	38%
Foreign students	33%
Application fees	US \$235
Programme fees	US \$39,600 per year
Application dead line	March 7th
Program dates	23 month, starts on August
Admission requirements	First degree, work experience, TOEFL if first language is not English, GMAT, 3 references, essays, interview
Average GMAT score	707

(Economist Intelligence Unit, <http://www.mba.eiu.com>)



The required curriculums are divided into 2 terms. During Term 1, students must take following five courses: Finance, Financial Reporting and Control, Leadership and Organizational Behavior, Marketing, and Technology and Operations Management. In Term 2, they are required to take following six courses: Business, Government, International Economy, Strategy, The Entrepreneurial Manager, Negotiation, Finance II, and Leadership and Corporate Accountability.

I have introduced the six top US Business Schools: Tepper School of Business, Tuck School of Business, Sanford Graduate School of Business, Graduate School of Business at Chicago University, Kellogg School of Management, and Harvard Business School. Next I will discuss the top European MBA schools.

## **2.2 MBA Schools in Europe**

European MBA students tend to be older with longer work experience than their American counterparts. The average top USA MBA schools' intake is 217, while the European MBA School is a mere 88. The "Economist Intelligence 2006, MBA Ranking" selected 37 schools out of top 100 MBA schools from Europe. The first school to be introduced here is the oldest European MBA school: INSEAD in France.

### **1. INSEAD (France)**

INSEAD pioneered the one-year MBA program in 1959. It was originally called "an acronym for Institute Européen d'Administration des Affaires". INSEAD is the top MBA School in France and ranked in the top three in Europe. They have recently opened another campus in Singapore. INSEAD's MBA program has been ranked among the top 10 by the Financial Times Business week. The economist intelligence survey ranked it No.22 (Wikipedia, <http://www.en.wikipedia.org>). There are 143 faculty members from 30 countries and 900 MBA students from 70 nations. The two authors of Blue Ocean Strategy, Dr. W.Chan Kim and Renee Mauborgne, are notable faculty members. The following table shows students' details of the school.

**Table 12** Students details of INSEAD

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	Antonio Fatas
Faculty	Full-time (147), Visiting (50)
Annual students intake	882
Women students	22%
Age range	26-31
Average age	29
Foreign students	87%
Students origin	Africa, Middle East (8%), America (16%), Asia, Pacific (27%), Europe (48%)
Application fees	US \$250
Programme fees	US \$73,625
Application dead line	July 5th
Program dates	10 month, starts on January
Admission requirements	First degree, at least 5 years work experience, TOEFL, IELTS, TOEIC, or CPE if first language is not English, references, 5essays, and interview, laptop
Average GMAT score	702

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

Their core curriculum center on the following courses: Business Fundamental, Core Functional Skills, and Global and IT Challenges in Management. The elective courses are: Accounting and Control, Asian Business & Comparative Management, Entrepreneurship & Family Enterprise, Economic & Political Science, Finance, Marketing, Organizational Behavior, Strategy & Management, and Technology Management.

## 2. IESE (Spain)

This business school was selected as the Number 1 school in Economist Intelligence 2006 MBA Ranking. This institution has a very strong connection with IPADE, the premier graduate school of management in Mexico. In 1967, when IPADE was established, they contacted IESE for guidance and support. This school also implements case study methods, corporate internship, exchange programs, entrepreneurial focuses, and encourages students to be bilingual. During September 2007, they are taking their MBA programs at Santiago in Chile, Tokyo, and Taipei. The following table shows the students' details of IESE.

**Table 13** Students' details of IESE

Name of Program	MBA
Type of program	Full-time program
Program director	Dr. Francisco Iniesta
Faculty	Full-time (97), Part-time (37), Visiting (9)
Annual students intake	223
Ration of places to the applications	7:1
Women students	24%
Age range	26-30
Average age	28
Foreign students	74%
Students origin	Africa, Middle East (3%), America (25%), Asia, Pacific (13%), Europe (64%)
Application fees	US \$163
Programme fees	US \$73,625
Accommodation cost	Off campus US \$9,375
Application deadline	June 28 <sup>th</sup>
Program dates	19 month, starts on September
Admission requirements	First degree, work experience, TOEFL if first language is not English, references and 7 essays
Average GMAT score	687

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

Adding to the above students' details, in over all ranking, they had the best open carrier opportunities and very high salary increscent after graduating the course.

### 3. International Institute for Management (IMD) (Switzerland)

There are limited places at this institute for MBA students. Their intake for MBA program is just 90 per year. In 2005, students came from 39 countries, and the largest number of students came from Western Europe (33%), followed by Asia (22%), Eastern Europe (10%), North America (9%), and Latin America (9%). IMD strongly believes that good business leaders cannot be mass- produced. The IMD MBA was established 30 years ago, Lausanne, Switzerland. The following table shows the students' details of IMD.

**Table 14** Students' details of IMD

Name of Program	MBA
Type of program	Full-time program
Program director	Benoit
Faculty	Full-time (35), Part-time (33), Visiting (33)
Annual students intake	90
Ration of places to the applications	5:1
Women students	18%
Age range	28-34
Average age	31
Foreign students	918%
Students origin	Africa, Middle East (11%), America (20%), Asia, Pacific (24%), Europe (44%)
Application fees	US \$240
Programme fees	US \$44,000
Accommodation cost	Off campus US \$10,000
Application dead line	September 1 <sup>st</sup>
Program dates	11 month, starts on January
Admission requirements	First degree, at least 3 years work experience, references, 11 essays, strong command of written & spoken English
Average GMAT score	680

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

They have the largest percentage of foreign students throughout top MBA schools. IMD's core courses are as follows:

- Accounting
- Economics
- Entrepreneurship
- Finance
- Industry Analysis
- Marketing
- Operations
- Organizational Behavior
- Organizational Leadership
- Political Economy
- Product Development
- Strategy
- Leadership,
- Networks
- Stakeholder Management
- International Consulting Projects
- Recruiting

There are extremely few elective courses available at the moment.

As top European MBA schools, I have introduced INSEAD, IESE, and IMD. Next, I will discuss Asian MBA schools.

### **2.3 MBA Schools in Asia**

The below is the Asian Pacific MBA ranking listed in top 100 by the "economist intelligent unit." The overall international ranking is written within the bracket.

No. 1. Hong Kong University of Science and Technology – School of Business and Management, Hong Kong (No.37)

- No.2 Hong Kong University, Faculty of Business and Economics,  
Hong Kong (No. 39)
- No. 3. Monash University, Australia, (No. 49)
- No.4 Nanyang technological University-Nanyang Business School,  
Singapore (No.77)
- No. 5 Macquarie Graduate School of Management, Australia (No.81)
- No. 6 University of Melbourne, Melbourne Business School, Australia  
(No. 84)
- No.7 International University of Japan-Graduate School of International  
Management, Japan (No.85)
- No. 8 Curtin University, Graduate School of Business, Australia (No. 91)
- No. 9 University of Otago, School of Business, New Zealand (No.97)
- No.10 Indian Institute of management, Ahmedabad, India (No.98)  
(Economist Intelligence Unit, <http://www.mba.eiu.com>)

I will begin with the top Chinese business school.

### **2.3.1 China**

#### **1. China Europe International Business School (CEIBS), Shanghai, China (CEIBS)**

CEIBS was established in 1994, as a non-profit joint venture between Chinese government and the European Union. It was originally started as China-EC Management Institute (CEMI) in Beijing in 1984. Now CEIBS is regarded as the most effective worldly known MBA schools in China. The followings are the compulsory courses in MBA 2006.

Business Writing & Presentation Skills

Financial Accounting

Statistic

Economics

Organizational Behavior

Marketing  
Management Accounting  
Operational Management  
Business Finance  
Corporate Governance & Business Ethics  
Strategic Management  
Chinese Economy  
Practicum  
Business Simulation  
European Union

### **2.3.2 Hong Kong**

#### **1. School of Business and Management, Hong Kong University of Science and Technology (HKUST)**

HKUST is the top Asian MBA School in Asia by Economist Intelligence 2006 Ranking. This business school was only recently founded in 1991. This is due to the support from Anderson Schools at UCLA, HKUST has reached international recognition within a short period of time. This business schools was also ranked in the top 50 MBA Programs, 2005 by Financial Times, and was ranked No.1 in the International Experience category of MBA from 2001 to 2005. They have 140 faculty members from the Mainland China, (34%), US (28%), Korea (12%), India (6%), Europe (4%), and others. The core courses are divided into foundation courses, functional cores, and integration cores. Foundation Courses are such as Financial Accounting Foundations, Introductory Statistic of Business, Managerial Accounting Foundations, Managerial Communication, Managerial Microeconomics, and Managerial Problem Solving. The Function Cores are such as Corporate Finance, Fundamental of Information Technology Management, Management of Organizations, Marketing Strategy and Policy, and Operations Management. The Integration Cores are such as Business law and Ethics, China in the Global Economy, Developing Business Plans, and Strategic Management.

The following were listed as elective courses:

- China Business Concentration
- Financial Service Concentration
- Information Technology Management Concentration

They also have a Mandarin language course. HKUST has only four schools, business and management, science, engineering, and humanities and social sciences. Thirty percent of the graduate student population is enrolled in the business and management schools. The following table is the students' details of HKUST.

**Table 15** Students details of School of Business and Management, Hong Kong University of Science and Technology (HKUST)

Name of Program	MBA
Type of program	Full-time program
Program director	Dr. Steven Dekrey
Faculty	Full-time (85), Part-time (13), Visiting (18)
Annual students intake	56
Ration of places to the applications	4:1
Women students	52%
Age range	24-32
Average age	28
Foreign students	84%
Students origin	America (14%), Asia, Pacific (68%), Europe (18%)
Application fees	US \$65
Programme fees	US \$32,100
Accommodation cost	On campus US\$3,100, Off campus US \$6,200
Application dead line	March 31 <sup>st</sup>
Program dates	12 or 16 month, starts on August
Admission requirements	First degree, at least 1 year work experience, references, TOEFL if first language is no t English, references, essay11 essay
Average GMAT score	620

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

From the table, we know that they have the highest women population compared to American and European business schools (52 %). They have also listed 51 schools in 15 countries as HKUST international exchange partners.



## 2. Faculty of Business and Economy, University of Hong Kong (H.K)

Similar to HKUST, this school also has a high women student population. The school was just recently founded in 2001 with a goal to develop Asian economy. Within 6 years the school has been able to bring its foreign student enrollment to 89%. From September to December 2007, they visited 23 places in 9 countries to introduce their school. The following table is students' details of this school.

**Table 16** Students details of Faculty of Business and Economy, University of H.K

Name of Program	MBA
Type of program	Full-time program
Program director	Chris W Chan
Faculty	Full-time (41), Part-time (5), Visiting (15)
Annual students intake	56
Ration of places to the applications	4:1
Women students	52%
Age range	26-36
Average age	29
Foreign students	89%
Students origin	America (14%), Asia, Pacific (73%), Europe (13%)
Application fees	US \$39
Programme fees	US \$35,900 (include semester at London Business School or Columbia Business School)
Accommodation cost	On campus US\$3,800, Off campus US \$4,500
Application dead line	April 30 <sup>th</sup>
Program dates	14 month, starts on July
Admission requirements	First degree, at least 3 years work experience, GMAT, TOEFL if first language is not English (exempt if first degree is in English or have lived in English speaking countries), references, essay, interview
Average GMAT score	615

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

Their graduates were ranked No.1, in "the number in jobs three months after graduation" category in the top 100 MBA ranking by Economist Intelligence 2006.

### **2.3.3 India**

One of the unique MBA schools in India is Sathya Sai University. It implements values and ethics in business management courses.

#### **1. Sathya Sai University**

The chancellor of Sri Sathya Sai University often calls their MBA program the Master of Man Management program. Among the 5 M's (men, materials, machines, methods and minuets) in the management theories, the most important factor is people (men). Men are the one who determine the effective ways to explore and utilize the remaining four M's (Sri Sathaya Sai Students, 2004). In this program, they prepare their students to meet social, economical, and cultural challenges with ethical values. They are strongly opposed to teaching materials, methodologies, and ideas from western countries, which is in contrast to other MBA programs in the country. They believe that western teaching or business theories cannot be transplanted blindly in India. The chancellor of Sathya Sai Institute of Higher Learning SSIHL, Bhagawan Sri Sathya Sai Baba, says that if today's business leaders can stand based on the spiritual point, not differentiating one's religion, cast, nationality, social and economical status, keeping their one's good individual and national character and love for God, they will generate good teamwork and accomplish their goal set by their organization. The chancellor says that the manager must have seven facets; Mind of Man, Awareness of Atma, Nature of Nations, Aspect of Environment, Guidelines of Goodness, Enquiry of Ethos, Role of Rules.

#### **2. Indian Institute of Management, Ahmedabad (IIM-A)**

There are several Indian Institute of Management in India, but IIM-A is considered to be the toughest in the world to get into. Over 500 applicants apply for admission. The school was set up in 1961 with collaboration from Harvard Business School. Thus, they are well grounded in the case study method of teaching. The following table shows the students' details of IIM-A.

**Table 17** Students' details of Indian Institute of Management. Ahmedabad

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	M M Monipally
Faculty	Full-time (81), Part-time (6), Visiting (31)
Annual students intake	250
Women students	19%
Age range	22-27
Average age	23
Foreign students	1%
Students origin	America (1%), Asia, Pacific (99%)
Application fees	US \$25
Program fees	US \$12,500, Rs112,500 for Indian residents
Accommodation cost	On campus US\$408
Application dead line	September 9 <sup>th</sup>
Program dates	22 month, starts on June
Admission requirements	First degree, GMAT
Average GMAT score	n/a

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

They have the lowest foreign student population among the top listed 100 MBA schools by Economist Intelligence 2006 MBA school ranking.

### **2.3.4 Thailand**

The most prestigious business school in Thailand is Sassin Graduate School, Chulalongkorn University.

#### **1. Sassin Graduate Institute of Business Administration of Chulalongkorn University**

This institute was established as an independent institution of higher education in 1982. On December 5, 1986, the name "Sasain" was graciously granted

by His Majesty King Bhumibol Aduldej of Thailand. This institute was funded by the support and collaboration of Kellogg-Wharton School. Sasin is the first graduate international management program taught in English in Thailand. It is highly regarded as one of the best programs in South East Asia.

The first year core courses of MBA program are as followed:

- Accounting for Decision Making
- Microeconomic Analysis
- Statistic methods for Management Decisions
- Finance
- Business Strategy
- Macroeconomic Analysis for Management
- Operations Management
- Leadership on Organizations
- Research Methods in Marketing

The followings are the elective courses.

- Accounting
- Entrepreneurial Studies
- Finance
- Management and Strategy
- Marketing
- Operations Management

As top Asian MBA schools, I have introduced, CEIBS, HKUST, University of Hong Kong, Sathya Sai University, IIM-A, and Sassin Graduate School. Next I will discuss about MBA schools in Pacific continent.

## 2.4 MBA Schools in Pacific

University of Melbourne is regarded as the top university in the Pacific. MBA programs at the university commenced in 1963.

### 1. Melbourne Business School, The University of Melbourne, Australia

Melbourne Business School has the reputation as the best business school in Australia. This school is co-owned by the University of Melbourne (45 %) and Australian business (55%). In 1965, the school awarded the first MBA degree in Australia. In 2004, the school quietly merged with Mt. Eliza Business School to be the biggest Australian Business School. The following table shows the students' details of the school.

**Table 18** Students' details of Melbourne Business School, The University of Melbourne

Name of Program	MBA
Type of program	Full-time program
Program director	Jenifer George
Faculty	Full-time (37), Part-time (14), Visiting (9)
Annual students intake	88
Women students	27%
Age range	25-36
Average age	30
Foreign students	70%
Students origin	Africa/Middle East (1%), America (15%), Asia, Pacific (65%), Europe (18%)
Application fees	None
Programme fees	US \$38,168
Accommodation cost	Off campus US\$7,344
Application dead line	September 30 <sup>th</sup>
Program dates	16 month, starts on September
Admission requirements	First degree, at least 2 years of work experience, TOEFL or IELTS if first language is not English, references, 3 essays, interview, laptop
Average GMAT score	n/a

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

They also have a large range of exchange programs with 45 business schools in 9 countries. The second Australian business school to be introduced is the Graduate School of Business at Curtin University.

## 2. Graduate School of Business, Curtin University

Compared to Melbourne Business School, Curtin has a higher female population (45%). The following table show the students' details of the school.

**Table 19** Students' details of Graduate School of Business, Curtin University

Name of Program	MBA
Type of program	Full-time program
Program director	Dr. Alison Preston
Faculty	Full-time (16), Part-time (21), Visiting (5)
Annual students intake	33
Ration of places to the applications	2:1
Women students	45%
Age range	26-45
Average age	34
Foreign students	76%
Students origin	Africa/Middle East (6%), America (6%), Asia, Pacific (70%), Europe (15%)
Application fees	None
Programme fees	US \$19,466
Accommodation cost	On campus US\$4,580, Off campus US\$5,725
Application dead line	December 15 <sup>th</sup>
Program dates	12 month, starts on January
Admission requirements	First degree, at least 3 years of work experience, TOEFL, IELTS or CUTE if first language is not English, references
Average GMAT score	620

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

This school also has a strong focus on Asian issues and a tie with business and industries.

In Pacific continent, I have introduced Melbourne Business School and Curtin University Graduate School. Next, I will discuss the top Japanese MBA schools.

## **2.5 MBA Schools in Japan**

Until recently, MBA programs in Japan were not considered to be in the main stream of the business education. The first MBA program was opened in 1978 at Keio Gijyuku University (Keio University) for adults' learners.

In 2007, the population of 18 years old who graduated high school will drop dramatically to one million three hundred thousand (1,300,000), compared to two million fifty thousand in 1992. The Japanese Ministry of Education, Culture, Sports, Science, and Technology (MEXT) estimated that in the case of fewer applicants than the universities' required number of fresheners and the admission rate will be 100% in both universities and college. In the Economist Intelligence top 100 MBA Ranking 2006, the only Japanese business schools was listed was Graduate School of International Management, International University of Japan (IUJ).

### **1. Graduate School of International Management, International University of Japan (IUJ)**

This business school is located in the north part of Japan. IUJ is currently running three programs: International Peace Study Program, International Development Program, and International Relations Program. The MBA program is housed in the graduate School of International relations (GSIR). GSIR was established in 1982 as the first professional school in Japan. Its goal is to challenge the needs and demands of international political, economical and management skills with global and local perspectives. They use experiences in Japan and other Asia-Pacific region as an example. The following table shows the students' details of IUJ.

**Table 20** Students' details of Graduate School of International Management, International University of Japan (IUJ)

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	Dr. Shinichi Watanabe
Faculty	Full-time (12), Part-time (9), Visiting (3)
Annual students intake	30
Ration of places to the applications	2:1
Women students	28%
Age range	24-36
Average age	29
Foreign students	83%
Students origin	Asia, Pacific (90%), Europe (10%)
<b>Name of Program</b>	<b>MBA</b>
Application fees	US\$45
Programme fees	US \$17,238
Accommodation cost	On campus US\$3,484, Off campus US\$7,621
Application dead line	March 31 <sup>st</sup>
Program dates	21 month, starts on September
Admission requirements	First degree, TOEFL if first language is not English, references, 2 essays
Average GMAT score	607

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

The school has the highest Asian students' population (90%). The GSIM was opened in collaboration with Tuck School in 1988. Since IUJ was created by a Japanese top business leader, the school has very strong relationship with both Japanese and international business organizations. They also have a good range of guest speakers. All courses are conducted in English.

Next, I will discuss about business schools in Singapore.

### **2.5 MBA Schools in Singapore**

There are two top MBA schools in Singapore, Nanyang Business School, and National University of Singapore (NUS) Business School.



### 1. Nanyang Business School, Nanyang Technological University

MBA program was launched in 1991 with help from Sloan School of Management, MIT. The following table shows the students' details of the school.

**Table 21** Students 'details of Nanyang Business School, Nanyang Technological University

Name of Program	MBA
Type of program	Full-time program
Program director	Ooi Lee Lee
Faculty	Full-time (86), Part-time (9), Visiting (3)
Annual students intake	89
Ration of places to the applications	5:1
Women students	30%
Age range	25-40
Average age	31
Foreign students	30%
Students origin	America (1%), Asia, Pacific (76%), Europe (22%)
Application fees	US\$30
Programme fees	US \$14, 458
Accommodation cost	On campus US\$2,530, Off campus US\$2,892
Application dead line	March 31 <sup>st</sup>
Program dates	16 month, starts on August
Admission requirements	First degree, at least 2 years of work experience, GMAT, TOEFL if first language is not English, references, 4 essays
Average GMAT score	650

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

They almost have a one to one student faculty ratio.

### 2. The NUS Business School, National University of Singapore

NUS is the best university in Singapore. The university was established in 1961, and NUS Business School has very strong ambition to be the best business school in the world. However, the Economist Intelligence 2006 MBA ranking listed the school as No.99 among the top 100 schools. The following table shows the students' details of the school.

**Table 22** Students' details of The NUS Business School, National University of Singapore

<b>Name of Program</b>	<b>MBA</b>
Type of program	Full-time program
Program director	Takeshi Yamada
Faculty	Full-time (107), Part-time (62), Visiting (2)
Annual students intake	63
Ration of places to the applications	4:1
Women students	27%
Age range	25-33
Average age	28
Foreign students	94%
Students origin	America (2%), America (2%), Asia, Pacific (89%), Europe (8%)
Application fees	US\$30
Programme fees	US \$19,277
Accommodation cost	On campus US\$5,783, Off campus US\$2,169
Application dead line	March 31 <sup>st</sup>
Program dates	16-22 month, starts on August
Admission requirements	First degree, at least 2 years of work experience, TOEFL or IELTS if first language is not English, references, 3 essays
Average GMAT score	654

(Economist Intelligence Unit, <http://www.mba.eiu.com>)

The school has a high foreign student ratio (94%). In total I have introduced 23 business schools in 5 continents.

Some MBA experts recommend certain courses to be introduced. In the next section, I will discuss Silbiger's and Kurtzman, Rifkin, and Griffith's MBA Program Models.

## **2.6 MBA Models**

### **2.6.1 Silbiger's Model**

Silbiger is a world-renowned MBA expert. He divides MBA programs into marketing, ethics, accounting, organizational behavior, quantitative analysis, finance, operations, economics, strategy, and MBA mini courses (research and competitive intelligence, gathering, public speaking, negotiating, interpersonal business, business law, business writing, real estate investor, leadership coach, and financial planner) (Silberg, 2005).

First of all, Silberg 2005 insists on introducing "Marketing." Under this subject, the following topics are covered; the 7 steps of marketing strategy development, the buying process, segmentation, product life cycle, perceptual mapping, margins, the marketing mix and the 4 P's, positioning, distribution channels, advertising, promotions, pricing, and marketing economics. The 7 steps of marketing strategy development are (1) Consumer Analysis, (2) Market Analysis, (3) Review of the Competition and Self, (4) Review of the Distribution Channels, (5) Development of a "Preliminary" Marketing Mix, (6) Evaluation of the Economics, (7) Revision and Extension of Steps 1-6 until a consistent plan emerges.

The next issue is "Ethics" which can be termed as the "social responsibility of business." In the past "ethics" was one of the elective courses in MBA program. After the inside trader's criminal conviction in 1980's, and in this new era with the collapses of WorldCom, Arthur Anderson, Martha Stewart's stock sales, and environmental issue, "Ethics" became a core subject in the curriculum at Harvard, Wharton, and Daren. In the "Ethics class, they cover environmental issues (pollution, toxic waste, animal right), corporate restructuring (layoffs), employee privacy issues (drug testing, Aids), and diversity issues (race, culture, ethnicity, gender and sexual orientation). The two major topics of "ethics" are relativism and stakeholder analysis. Relativism questions the causes and reasons not to follow ethics in decision-makings. Whereas in the stakeholder analysis, it provides the structure to confront ethical decision (Silbiger, 2005).

The third is “accounting” and includes topics like accounting rules, accounting concepts, the financial statements, ratio analysis, and managerial accounting. The followings are the fundamental concepts of accounting; the entity, cash and accrual accounting, objectivity, conservatism, going concern, consistency, and materiality. In the financial statement, one needs to be familiar with the balance sheet, the income statement, and the statement of cash flows (Silbiger, 2005).

The fourth subject is “Organizational behavior.” The following are the topics covered: problem-solving model, psychology lesson, motivation, leadership, creativity, on-the-job office procedure, power, the organizational model and structures, systems theory, organizational evolution and revolution, and resistance to change. In the problem solving, there are three components: problem definition, analysis and action planning to cope and tackle the issue. Building on this, Silbiger introduced the following action planning procedures: 1) Set specific goals, 2) Define develop contingencies, 3) Set at time table for action, 4) Forecast outcomes, develop contingencies, 5) Formulate a detailed plan of action in time sequence, and 6) Implement, supervise execution, and evaluate based on goals in step one.

The fifth subject is “Quantitative Analysis.” There are five major topics in this subject, which are Decision Tree Analysis, Cash Flow Analysis, Net Present Value, Probability Theory, and Regression Analysis and Forecasting. Silbiger claims that this subject is the most critical among all MBA courses. It works as the fundamental tool to manage finance, accounting, operations and marketing courses (Silbiger, 2005).

The sixth subject is “Finance.” There are 12 major topics in this subject: business structures, beta risk, the efficient frontier, capital asset pricing model, the efficient market hypothesis, investment valuations, discounted cash flows, dividend growth model, capital budgeting, capital structure, and dividend policy.

The seventh subject is “Operations.” There are twelve major topics in this subject: the history of operations research, the problem solving framework, flow diagrams, linear programming, Gantt charts, critical path method, queuing theory,

inventories, economic order quantities, material requirements planning, quality, and information technology.

The eighth subject is “Economics.” There are ten topics under this subject: supply and demand, microeconomics, opportunity costs, marginal utility, elasticity, market structures, macroeconomics, Keynesian and Monetarist theory, gross national product accounting, and international economics.

The ninth subject is “Strategy.” There are ten topics under this subject: the seven S model, the value chain, integration and expansion strategies, industry analysis, competitive strategies, signaling, portfolio strategies, globalization, and synergy.

The tenth subject is “MBA Minicourses”, which include research and competitive intelligence, gathering, public speaking, negotiating, international business, business law, business writing, real state investor, leadership coach, and financial planner.

### **2.6 2 Kurtzman, Rifkin, and Griffith’s MBA Program Model**

Other MBA experts are Kurtzman, Rifkin, and Griffith’s. They divide MBA programs into the following parts: innovation, sustainability and the environment, finance and accounting, strategy, managing, human resource, leadership, marketing, and communication.

### **3. World Class Universities in Asia**

Many Asian nations are working towards achieving a top 100 world ranking for their MBA programs.

India’ Prime Minister, Manmohan Singh announced that the government is going to establish 30 central universities to be the world class (India Edunews, National Net Work of Education, <http://www.indianedunewx.net/universities>)

Japanese former Prime Minister Abe has introduced “Asian Gateway Plan”. The vision of this plan is to bring people around the world to visit Japan to know Asia, to bring Asian to come to Japan to know the world, and to make Japan as the international country.

The main tasks are the following:

- Rearranging Airline policy
  - Create effective simple trading regulations
  - Reconstruct the plan to welcome Foreign students
  - Develop international, world class Japanese universities
  - Consideration of Japanese cultural industry strategy
  - Advertise attractive Japan to the world
  - Reconstruct attractive financial stock market
  - Reform to produce progressive Japanese farming culture
  - Interaction of local communities using special demonstrated area
  - Research and corporation in Asia’s common issues and problems
- (Yomiuri Shinbun, 2007).

As seen from the above statement, there is an emphasis to create universities that would be competitive in the world top ranking. At the same time, Japanese universities are trying to recruit more foreign students. One example is from Japan’s most prestigious university named Tokyo University that has received twelve Nobel Prizes. Among ten out of these twelve winners who took academic professional post were Tokyo and Kyoto University graduates. Tokyo University opened a representative office in Beijing in April 2005. They are planning to set up similar offices in South Korea and India, with a goal of recruiting foreign students. The largest number of foreign students (679 out of 2269 at May, 2006) at Tokyo University comes from Mainland China. In USA, Chinese graduate students play a significant role in the field of research and development. For this reason, American universities often offer huge grants (US \$ 50,000) for study and living costs to Chinese students (Yomiuri Shinbun, 2006).

#### 4. Business Practice

Newsweek Magazine published the top 500-business organizations and named them as “global 500” (2006). Business industries are more and more becoming “global. Out of 500 top companies, USA had the largest number at 157, followed by Japanese at 118. The following table shows the nationality of top 10 listed companies. The table is numbered according to ranking.

**Table 23** “Global 500”, Newsweek 2006 Ranking

Ranking	Nations	Ranking	Nations
No.1	USA (157)	No.6	Canada (15)
No.2	Japan (118)	No.7	Holland (10)
No.3	UK (58)	No.7	Switzerland (10)
No.4	France (29)	No.9	Spain (9)
No.5	Germany (24)	No.10	

(Global 500, 2006)

USA and Japan had more than 60% of the share in this survey.

#### 4.1 Global Concept

Each organization takes “globalization in its own strategy”. For an example, Dell, the biggest personal computer company, is making parts throughout the world, and only does the final four and half minutes of assembly in the USA. In contrast, Matsushita Electronics does the main assembling in Japan. However, under globalization, the difference between the winner and the loser will be much wider, which creates fear in society. Therefore, every government must make a proper political strategy to protect the loser from the chaotic situation (Yomiuri Shinbun, 2006).

## Western Concept

Western business concepts are often well received in the other parts of the world. Many well-known business strategies and theories also came from the West, such as Maslow's Hierarchy of Needs, Motivation theory, Theory X, Y & Z, Six Sigma, Balance Score Card, McKinney's 7-S Model, Michael Porter's Value Chain, Peter Sense's 5<sup>th</sup> principles, Peter Ducker's leadership theory, and Path-Goal theory. For Japanese, the quality control system by Deming was well received with high respect among all Japanese business organization, which lead to the Japanese economic successes in 1970's.

### 4.2.1 USA

Even though the US currency rate has dropped tremendously lately, USA is still the biggest industrialized nation in the world. There were 157 US business organizations listed as the top 500 global companies in the world by "Global 500, News Week 2006 Ranking".

Fortune magazine listed the top 500-business organization in 2007. They divided them into 74 industries. The largest number of the industry came from the Specialty Retailers (62), followed by Gas and Electric (49), Chemical (42), Industrial and Farm Equipment (39), Property and Casualty (33), and others. By the location of the industries, New York (57), Texas (56), California (52), Illinois (33), Michigan (22) and followed by the other states. However, the largest number of the industry does not necessarily mean the largest revenues. Arkansas has only 5 industries, but

the state revenue is raked No.7. Interestingly, the largest US Corporation, Wal-Mart, is located in Arkansas. The top states by revenue are New York, Texas, and California. The following table shows the ranking, number of the industries, state revenues and the largest US corporations.



**Table 24** The Top 5 Largest Numbers by Industries and States, the State Revenue, The Largest US Corporations Ranking

Ranking	The Largest Numbers by Industries	The Largest Numbers by States	The States Revenue (millions)	The Largest US Corporations
No.1	Specialty Retailers (62)	New York (57)	New York (1,566,692.0)	Wal-Mart Stores (Arkansas) (351,139.0)
No.2	Gas and Electric (49)	Texas (56)	Texas (1,352,401.2)	Exxon Mobil (Texas)(347,254.0)
No.3	Chemical (42)	California (52)	California (1,025,401.2)	General Motors (Detroit) (207,349.0)
No.4	Industrial and farm Equipment (39)	Illinois (33)	Illinois (635,867.7)	Chevron (California) (200,567.0)
No.5	Property and Casualty (33)	Ohio (28)	Michigan (616,843.4)	Conocophillips (Houston) (172,451.0)
No.6	Motor Vehicle Parts (28)	Pennsylvania (25)	Ohio (465,243.4)	General Electric (Connecticut) (168,307.0)
No.7	Semiconductors and Other Electronic Components (23)	New Jersey (24)	Arkansas (408,578.1)	Ford Motor(Michigan) (160,126.0)
Ranking	The Largest Numbers by Industries	The Largest Numbers by States	The States Revenue (millions)	The Largest US Corporations
No.8	Energy (21)	Michigan (22)	Minnesota (357,139.1)	CitiGroup(New York) (146,777.0)
No.9	Mining Grude-Oil Production (20)	Minnesota (20)	New jersey (348,438.0)	Bank of America (Charlotte)(117,017.0)
No.10	Food Consumer Products (20)	Virginia (17)	Connecticut (323,195.7)	American International Group (New York)(113,194.0)

(Fortune 500, 2007)

Next will explore the relationship between the large number of industries and the high growth rate of industries in the USA. Within the fastest-growing industry ranking we can see some similarities. Table below is the top 10 ranking of the grouped fastest-growing industry. These groups were divided into three categories: 1) growth in revenues, 2) growth in profits (1 year) and 3) growth in profits (5 years).

**Table 25** The Fastest Growing Industries

Ranking	Growth in Revenues	Growth in Profits (1 Year)	Growth in Profits (5 Years)
No. 1	Securities	Packaging	Wholesalers: Diversified
No. 2	Oil and Gas Equipment, Service	Oil and Gas Equipment, Service	Mining, Grude-Oil Production
No. 3	Internet Services and Retailing	Wholesalers: Diversified	Health Care, Insurance, MNGD. Care
No. 4	Commercial Banks	Semiconductors, Other	Insurance: P&C (Stock)
No. 5	Engineering, Construction	Metals	Petroleum Refining
No. 6	Hotels, Casinos, Resorts	Securities	Health Care, Pharmacy, Other SVCs
No. 7	Health Care, Insurance, MNGD. Care	Mining, Grude-Oil Production	Publishing, Printing
No. 8	Mining, Grude-Oil Production	Hotels, Casinos, Resorts	Hotels, Casinos, Resorts
No. 9	Wholesalers: Diversified	Engineering, Construction	Securities
No. 10	Telecommunications	Insurance: P&C (Stock)	Oil and Gas Equipment, Service

(Fortune 500, 2007)

These five items appeared in all three categories. 1. Securities, 2. Oil and Gas Equipment Service, 3. Hotel, Casino and Resorts, 4. Health Care, 5. Whole Sellers, diversified. In particular, out of these five items, the issue of Morgan Stanley's historical property deal with ANA Hotels in Japan amazed many Japanese. ANA is one of the biggest multi conglomerate Japanese groups, and never had foreign partners or bought by non-Japanese companies in the history.

The most profitable industries will be discussed next. The following table is divided into three categories: 1) return on revenues, 2) return on assets, and 3) return on shareholders' equity.

**Table 26** The Most Profitable Industries

<b>Ranking</b>	<b>Return on Revenues</b>	<b>Return on Assets</b>	<b>Return on Share Holders' Equity</b>
No. 1	Mining	Oil and Gas Equipment, Service	Airlines
No. 2	Pharmaceuticals	Petroleum Refining	Oil and Gas Equipment, Service
No. 3	Commercial Banks	Metals	Petroleum Refining
No. 4	Financial Data Service	Food Services	Metals
No. 5	Network, Other Communication, Equipment	Network, Other Communication, Equipment	Food Services
No. 6	Medical Products and Equipment	Medical Products and Equipment	Household and Personal Products
No. 7	Railroads	Pharmaceuticals	Pharmaceuticals
No. 8	Securities	House Hold and Personal Products	Industrial and Farm Equipment
No. 9	Publishing, Printing	Health Care: Pharmacy, Other SVCS	Network, Other Communication Equipment
No. 10	Insurance: (P&C) Stock	Apparel	Mining, Grude-Oil Production

(Fortune 500, 2007 Ranking)

From this table, we know that Network, Other Communication Equipment appeared in all three categories. The table illustrates the importance of Network and other Communication Equipment as they both appear in all three categories.

### 4.3 Eastern Concept

Eastern society values ties with friends, families and organizations reference?). From INSEAD's and Innovasia's survey, we know that most Asian entrepreneurs trust their social networks and university contacts to source their talents. Social values and relationships play a vital role in candidate selection. They survey found that 81% use their personal network, 15 % rely on both personal network and recruit agencies, and last 4% reply on recruitment agencies as the source new talent. These findings illustrate the importance of eastern culture in business practice. This may be one of the reasons that Asians come across as quite. Often many Asian business entrepreneurs like to use their Eastern philosophy to organize their company's vision, mission, and strategies. It also affects the way they entertain their customers.

Eastern philosophy might be interpreted as Eastern wisdom or local knowledge in the actual practice in West. For an example, Indian businessmen are familiar with Mahatma Gandhi's "Ahimsa" (non-violence in their thoughts, words, and deeds), and "7 Sins" principles. In the field of commerce, doing business without ethical consideration is the sin. Japanese are very fond of "Zen" practice, which is grounded in simplicity, righteousness and compassion towards all. Lately, Japanese "Go" became a very popular business strategy and shows how to win the game while considering others. Another popular eastern wisdom implied in business is "Sun Tzu's the art of war", which is the oldest military operations in the world. Given the difference in culture norms, values and beliefs between the East and West, it may be difficult to transit business theories. Therefore, USA born business theories might not be culturally relevant in Japan or Asia.

Recently, the "East" has become the center for the technology and venture. This is especially true in technological and car industries. The first reason is the cheap labor. The gap between management and low level skill workers is getting larger. From the middle of 1990's, Asian countries have been investing in research and development. Each year they produce many highly qualified technology graduates from around the region. The following Table shows the number of the graduates and their expertise.

**Table 27** Asia's graduates and the countries performance

	<b>India</b>	<b>China</b>	<b>Taiwan</b>	<b>Singapore</b>
Number of graduates	Over 300,000 (Technology Graduates)	Over 300,000 (Technology Graduates)	Over 45,000 (Technology Graduates)	Unknown
Their Technology and Venture	Tenfold increase in patent filling over last decade	Over 50 high-tech Zones	Strength in chips, PCs and hardware design	Best IP protection in Asia Billions of dollars in investment to develop biotech innovations

(Bangkok Post, 2006)

Under this Eastern Concept title, I will introduce Asian countries based in Asia. The first country is "sleeping dragon" China.

#### 4.3.1 China

"Alibaba.com" is the one of the fastest growing company in China. It only started in 1999 with 18 people, and succeeded to merge and create a perfect balance between western management systems and Chinese personal relations, interpersonal norms, face saving, avoiding direct confrontations, preferring team works, and making rooms to respect each other, ...etc. To reach out employee's social network, the company has "family days" to inform them about company activities (Bangkok Post, 2007).

"Haier" the leading Chinese electrical appliance manufactures, found out that their local rural people use the washing machine to wash their vegetables. They also need to wash their clothes everyday in humid cities. They modified the standard washing machines to a compact one and ventured to USA. Now Haier has 26% share of US compact refrigerators (Harvard Business School, <http://www.harvardbusinessonline.hbsp.harvard.edu>).

### 4.3.2 India

Today, Indian business organizations are investing all over the world, in soft power, food, fashion, films, literature, art, and music. After five centuries of colonization, who would have thought that India would be listed as the second largest investor in London and third in whole UK (The Economics, 2006). It is the 11<sup>th</sup> largest economy in the world, and the world number one producer of fruits, vegetables, tea, milk, and dairy products. India's GNP growth exceeded 8 % in last 3 years, Kamal Nath, "Indian GNP growth", ET Finance Bangalore, (29 December 2006): 21.

"Infosys Technologies" is the top IT and the second largest software exporter in India, "Infosys Technology", The Nation (12 January 2007): 6. Non-executive chairman N R Narayanmurthy started the company with his wife's dowry (cash offerings as wedding gifts from the bridal to the brides). Now Infosys market capital exceeds \$23 billion. He is also a university representative of INSEAD, contributor to corporate governance initiatives at Harvard Business School, Yale University, Wharton School, and University of Pennsylvania. "Top MBA schools" Bangkok Post (11 September 2006): 13. His success story is regarded as the business bible for many young businesses aspirants.

Another famous business entrepreneur is Mr. Ratnal Tata, CEO of "TATA", India's leading business organization. He has recently received Honorary Doctorate Degree from London's School of Economy for dedicating his life for the advancement of Indian industries and economy. "TATA" has become the nation's brand name. Recently Tata introduced new lower range "pick up truck" to be assembled and sold in Thailand to compete with Japanese Toyota, Isuzu and others.

Thompson Financial (TAFE), India's second largest tractor and farm equipment is considering to take over the largest Yugoslavian tractor maker, Industrija Masina Traktora and Siberia's largest tractor maker Motora Rakovica (Forbs, <http://www.forbes.com>).

### 4.3.3 Japan

Japan has been experiencing deflation for a nearly a decade after the bubble burst. However, the most recent survey shows that confidence is being raised among Japanese. Japan finally is coming out from long dark deflation tunnel. As evidence, the Japanese tobacco Inc. just completed the biggest-ever foreign acquisition of the British cigarette maker “Gallaher” Group PLC for \$147billion US dollar.

Toyota, the biggest Japanese car manufacture, ranked third (after General Motors and Ford) in the US automobile industry 2006. In the beginning of 1970’s, American car industry workers produced cars nine times more than Japanese car industry workers. To over come this, the Japanese implemented Deming’s quality control system to increase production, high quality, and low costs products (Economist, <http://www.economist.com>).

The founder of Sony, Mr. Morita, claims that the work ethics of Japanese are much stronger than other countries. Japanese simply honor “work.” The Japanese management system places a priority on the welfare of their employees and would deal with looming profit rather than lay off their staff (Economist, <http://www.File://D:/EconomistClassic>). This Japanese working spirit may have been a factor in becoming one of the strongest economic giants. However, this situation is slowly changing.

The leading international human strategy-consulting firm, “Towers Pelin” has conducted a survey that examined work attitudes and motivation in 16 countries (Japan, India, Italy, Spain, China, UK, France, Korea, Holland, Canada, USA, Ireland, Germany, Belgium, Mexico, and Brazil). Japanese scored the lowest on work motivation (President, 2006). They also concluded that Japanese businessmen have the highest rate of complaints unhappiness towards their top management. Japanese businessmen also listed the stress-free comfortable working environment, talented management team, and their skill improvement as the top three to work enthusiastically.

By 2050, the present population of 127 million will drop to 100 million, and more than a third will be over 65 years old in Japan. This means that the workforce age will be 15 - 65 years old and the workforce will be half of what it is today. Japanese bureaucratic are trying to increase the birth rate, put more women in the workforce, and recruit foreign workers who have good qualifications. At the moment, Japan has the record high registered foreigners (two million which is 1.57 percent of population). If we compare this figure to the USA (12%), it is still relatively low (Bangkok Post 2007). However, the Japanese business enterprise still does not hire as many women, which is not the trend in the US or other nations. Moreover, women who return to work after childbirth are not well accepted by their colleagues, bosses and their in-laws. To promote change, Japan's economy administrators should treat women in the workforce without bias. However, some surveys still show that a majority of top executives are male (Bangkok Post, 2006).

#### **4.3.4 Thailand**

Japan is the largest investor in Thailand and Japanese are the largest foreign population in Thailand (22%). Two hundred thousand Japanese executives live in Bangkok and Chiang Mai. Japan not only has a business connection with Thailand, but also a societal connection. Thailand and Japan have many cultural similarities. For example, the major religion in both nations is Buddhism. Recently, Japan and Thailand celebrated a 120 years friendship. In fact, the Japan's and Thailand's history date back to the Ayudhaya period. A Japanese warrior, Nagamasa Yamada, served during the first Ayudhaya regime.

#### **Japanese companies in Thailand**

The Bangkok Post headlined that Thailand and Japan joined up to drive SME (Small and Medium Enterprise) development on October 4, 2006. In this meeting, they sign an agreement on a second master plan to develop SME in Thailand 2007-2010. Also Ms. Takako Suzuki, the chairman of Small Medium Enterprise and Regional Innovation of Japan (SMRJ), agreed to support and establish a SME university and prepare relevant course at vocational colleges in Thailand. In Japan, SMRJ helped to establish 9 SME universities in Japan (Bangkok Post, 2006). This will further the progress on the China-Plus-One project in Thailand.



China-plus-one concept: This is one of the political and economical terms used among Japanese. China is a communist country. In order to set up a factory, they require very special non-ethical procedures and systems, and an enormous amount of money and time to spend. As soon as Chinese workers learn the needed skills from Japanese factories, they often set up their own factories that run at a cheaper cost. Moreover, if a Japanese company does not satisfy the communist governments requirements, they have the right to take the entire factory and business from the unfortunate Japanese business owner. To protect themselves from this very unstable and unpredictable situation, Japanese business organizations promoted this China-plus-one concept.

Toyota dominated the Thai automobile industry by having 42.2 %, followed by Isuzu, 26.2 % share in 2006 (The Nation, 2007). This led Toyota to achieve the fourth consecutive annual sales increase. Toyota exceeded not only in the domestic market, but also was the largest exporter from Thailand to IMV (Innovative Multi-purpose Vehicle) project.

Matsushita will invest B.800 million Thai Baht to move key facilities to Thailand (Bangkok Post, 2006). They are going to manufacture ventilation fans, home applicants, condensers and motors. This move will be followed by other Japanese business organizations in very near future.

### **Thai Business**

The following is a headline from Thai business newspapers.

Gartner reported that Japan is the best market for Thai outsourcing services (Bangkok Post, 2006).

Thailand's market research industry has achieved the second fastest growth (23.2%), after China (24.8), and Thailand may take over China as the fastest growing market in this field at near future (Bangkok Post , 2006).

Thai food industry is urged to invest in India “Investment in India” Bangkok Post (8 September 2006): 3. India’s total population is 1.07 billion people. From the total population, 400 million are middle class who are attracted to take ready-made food and foreign origin food.

Mr. Ohmae, world best-known Japanese strategic thinkers claimed that Thai will gain a lot with closer ties with Japanese. For an example, Thai government can attract elderly Japanese to stay in northern part of Thailand. Also Thai craftsmanship can become a big industry to supply for Japanese market “Thai Industries” Bangkok Post, 2006).

One unique aspect about business in Thailand is that leaders incorporate their Buddhist practice or their believed religious teachings as compared to other nations. Some nations are allowed to discuss their religious beliefs. Dr. Sumeth Tantjivejjakul, the secretary-general of Chai Pattana Foundation, emphasizes Buddhist moral principles like virtue, righteousness, honesty, humility, sacrifice, patience and refraining from committing sins to be practiced among business leaders in Thailand (Bangkok Post, 2006). Also IBM’s local managing director, Mrs. Suphajee Suhamphan relies on meditation and Buddhist principles to run a leading exclusive company along with a family (The Nation, 2006).

#### **4.3.6 Vietnam**

Two-thirds of Vietnam’s population is under thirty years old. Their literacy rate is 91%. Vietnam’s GNP has been growing about 7% consecutively from 2001 to 2005. Many Japanese companies in Thailand are setting up their factories and branch offices in Ho Chi Min and Hanoi. Honda and Yamaha have already started production in Vietnam (Yomiuri Shinbun, 2006). Economists and businessmen expect Vietnam’s economy to reach the same level as Thailand within five years. After BRICs (Brazil, Russia, India, and China), as Japanese call it “China Plus One”, they started considering Vietnam as their South East Asia base. On December 2006, they opened a new road to connect from Laos, Cambodia, Myanmar, Thailand and Vietnam, which will increase trafficking of men and goods.

Lately, Vietnam was selected as Asia's next IT Hotspot by a business week' survey. In the past, manufacturing was the major driving factor in Vietnam's economy; however, technology and service sectors are catching up rapidly. Within a year, white-collar and other specialist's salaries rose fifty percent. Vietnam's technology market current worth is US \$800 million, and this industry growing 20 % on average per year. Vietnam economic growth will soon catch up with China. To prove this prediction, Vietnam's government made English and Computer technology required from Grade 1 – 12. In the primary grade, every student has English for 4 hours in the morning, and computer studies in English for another 4 hours in the afternoon on Saturdays. At the junior high school, the number increased to 6 hours in English and 6 hours in computer studies in English on Saturdays. When they are at the high school, they have whole Saturdays to learn English, and Sundays for computer studies in English. The government started this policy 3 years ago. One day, we might see all executives from Vietnam in various global industries in the region.

## **5. Knowledge Based Economy and Knowledge Workers**

For most Asian countries, 1980's were the turning point. As the middle class grew, the demand to access higher education increased to meet upward mobility. There was a shift from "productive society" to "knowledge-based society". Japan, South Korea, Singapore, Taiwan and other Asian countries realized that to develop their economy to a "knowledge-based economy" and their industrial society to a "post-industrial information-based society". They would have to invest in higher education institutions.

Hong Kong is striving to attract new highly talented and skilled knowledge workers from mainland China and other foreign countries to make the country the hub of the Knowledge-based-economy in Asia. The critical point is to create an innovative atmosphere with an open-minded attitude. As both Dr. Kim and Dr. Renee suggested, "the fair play process" can be introduced to pass the top management decision to the bottom line workers with face-to-face explanation.

However, oppose to the increase demands of the knowledge workers in the knowledge-based economy, they are usually not given the face values. Even though most business organizations accept the fact that knowledge workers are the key to success in many business field, they continues to manage these new bread of employees with the same old typical industrial tactics (Harvard Business School, <http://www.harvaedbuisnessonline.hbsp.harvard.edu>). In another words, the greatest success to rapid revenue growth is not dependent upon quantity and quality of knowledge workers, but rather exists in changing the mind and strategy of the top management teams. Peter Drucker suggested that we need to ask ourselves the following questions: 1) what is our strength, 2) where do I belong to, and 3) what should my contribution be. He also suggested that we should not change ourselves. Just have a deep insight to know oneself, and value the skills we already have. This will allow us to accept the work in a tailored way to suit who we are. Based on this philosophy, we should do the right thing, at the right time, since the work period in our life is short and limited. Drucker's statement might help top management to transform their industrial orthodox mind (Drucker, 2005).

#### **6. New Japanese Higher Education Policy (Privatization of Graduate School)**

This new Higher Education policy was constituted to counter the following problems:

The decrease in size of college age cohorts non active instructional mode of delivery using information and communication technology Japanese Higher Educations' academic and research standard are far behind from the international competitions, especially compare to the English speaking countries. In order to solve listed problems, they have initiated the following actions: Expand students cohorts to adult learners and foreign students. Install infrastructures effective and efficient information and communication technology both on and off campuses, increase number of courses in English Increase competition among Japanese higher education institutions for getting national research fund.

In order to achieve these tasks with efficiency, Japanese Minister of Education, Culture, Sports, Science and Technology (MEXT) decided to focus on graduate schools more than ever.

In the past, among industrial areas, top business executives never wanted to have postgraduate students. They feared that since the industry's main objective is to increase profit, while the university's aim is to search academic truth, there might be a conflict. For this simple reason, Japanese industry always preferred to take bachelor degree holders and train them to be experts in their fields, and/or to nurture them to be top management on their own effort. However since the late 1980's situation started to change. After Japanese had reached a high business status, the industry started to look for knowledge workers with high standard academic knowledge and advanced technology skills to meet diversified global competitions at graduate schools. By the beginning of 1990's, all major industrial organizations were marching to force MEXT to reconstruct Higher Education Policies to suit their needs to win international global competitions and to improve Japanese graduate schools' international standard in innovative, creativity and academic research skills.

To assure the above issue, the former "Economist" chief editor, Mr. Bill Emotto said that "University Reform" was the one of the key issues to make the Japanese economy stronger. Compared to European Universities, Japanese Universities are not strong in their own "Research" field nor can they translate their research into business. Japan must have top research based universities like Stanford or Massachusetts Institute of Technology (MIT) in the USA. Having top research universities will help Japan to sustain their position as the world top economic giant for a longer period of time.

### **5. Needs Assessment**

The needs assessment is extremely useful in the field of education, especially when the questions are diversified and open ended.

## 5.1 Needs Assessment Tools

There are mainly three type's ways to conduct needs assessment.

There are as followed:

Questionnaires

Interview

Focus Group

### 5.1.1. Questionnaire

Questionnaires are extremely useful for conducting needs assessment

because:

- Respondents can remain anonymous.
  - Respondents can return it whenever they feel confident.
  - It's an efficient means to collect respondents' opinion.
  - There are many types of questionnaires to select: open-ended, multiple choice, rating or ranking, and Likert-scale.
  
  - Different forms of questionnaire can be distributed to different kinds of audiences. However there are some disadvantages with questionnaire. I
  - It requires a significant investment in time and preparation to make good Questionnaire.
  - It requires a considerable amount of time to distribute, process, analyze, and report.
  - It's not as flexible as compared to interviews or focus group discussions.
  - A large number of people are reluctant to respond to questionnaires.
- (Economist Intelligence Unit, <http://www.ceimc.gatech.edu>)

### 5.1.2. Interview

Interview can be conducted as a set of questions, face-to-face, and open-ended questions, which can vary in time and length.

The advantages are as follows:

- It is especially useful when there is a need to explore the undefined nature or if there is considerable complexity.
- It can collect information within a period of short time
- It can be modified from one respondent to the another

There are also disadvantages in conducting interviews

- It can frighten or intimidate the respondents.
- In face-to-face interviews, people might give an answer that they think the interviewer would like to hear, not how they really feel.
- It can be taken the same interviews or questions, depends on the nature of interviewee and interviewer.
- It can be very difficult to schedule interviews, especially person-to person interviews. Sometimes, telephone interviews are hard to conduct.  
(Economist Intelligence Unit, <http://www.ceimc.gatech.edu>)

### 5.1.3 Focus Group

It is a set of questions asked by one person to a small group of people, and usually conducted in person, which can vary in size (normally four to seven is suggested) and length (normally should not last more than an hour), and can be anonymous.

The followings are the advantages of the focus group.

- It is very useful when there is a need to explore the undefined concepts or complex issues
- It is effective in helping respondents to explore complex or controversial issues that one person may feel uncomfortable or unable to do alone.
- The focus group protocols can be defined sharply or very open

The followings are lists of disadvantages of the focus group.

- It is time consuming to set up and pursue
- If members are from different categories in status, position or expertise, some respondents may feel uneasy
- Depends on the interviewer and interviewee, questions can be taken positively or negatively
- If management support is not strong, it is difficult to schedule  
(Economist Intelligence Unit, <http://www.ceimc.gatech.edu>)

## 5.2 Matrix of Needs Assessment

Needs Assessment matrix can be divided into the type of information and source of information. The sources of information are observation, interview, and documentation. The type of information is audience, task, and content. The following table (Needs Assessment Matrix) illustrates how to tackle this issue efficiently.



**Table 28** Needs Assessment Matrix

<b>Type of Information</b>	<b>Observation</b>	<b>Interview</b>	<b>Documentation</b>
<b>Audience</b>	Observe in work environment	Interview audience or supervisors	Review employee files or personnel records
<b>Tasks</b>	Observe audience or expert performing	Interview expert or other performers	Review job descriptions, policy statements, and trouble reports
<b>Content</b>	Observe experts or creators of products/process	Interview SMEs, policymakers, marketers, or managers	Review product plans, specifications, and marketing guidelines

(Economist Intelligence Unit, <http://www.ceimc.gatech.edu>)

Observations are considered to be the most direct method, even though there are some inferences in interpreting data. Interviews are considered to be the easiest method to collect data, although the results of interviews with observations and document analysis may differ. Questionnaires and focus groups are also relatively effective. Documentation reviews can give useful information, however, it might be difficult to obtain all the desired documents.

## **6. Research Findings related to MBA Programs**

Since the 1960's, there has been a great demand and rapid expansion of MBA programs in today's world market. This study proved that there was a strong correlation between rationalization of business environments and nations' participation in the world market and polity, and development of business schools. Also, if the country had an expanded education system, more rationalized business environments, and more linkage to world society, they were more likely to establish MBA schools (Moon, 2002).

Some critics, however, were concerned that the MBA curriculum was not keeping up with the changes in the industry. This study investigated the factors that were needed to change the curriculum. Surprisingly, the findings showed that the internal factors were more important than external factor. Innovation was regarded as the critical factor to successful change. This study also divided the sample groups into top-ranking and non-ranked MBA schools. Top ranking schools rated competitive ranking, globalization, and market shares as the most important factors. Whereas non-ranked schools rated accreditation and available resources as the most important factor (Risi, 2005).

Female students are still a minority at many MBA programs. The percentage of female students has never increased over 30% in past 15 years in USA. This percentage is even lower than medical or law schools. Between the 2 top MBA schools, Lauder Institute at University of Pennsylvania and Wharton School, female students typically chose to study at Lauder institute (Bevan, 2004).

Web-delivered Master of Business Administration programs have also become very popular. This study examined the quality expectations for face-to-face and web-delivered MBA programs. American students rated the content and class structure as the highest expectation as compared to international students. Female students rated faculty and staff compassion as highest, and younger students rated faculty and staff responsiveness as the most important factor. Also, students in face-to-face courses had much stronger expectations in quality of faculty members than web-delivered students. Overall, program content and class structure, responsiveness to students' needs, and quality of faculty members were the most significant indicators to select MBA programs (Bezjian, 2005).

This study also analyzed the important factor for selecting MBA programs. Four hundred and eighty senior undergraduate students at Thai business schools, 440 senior undergraduate students at American business schools, 480 MBA students at Thai business schools, and 400 MBA students of American business schools were the sample in this study. Both Thai and American students perceived the followings as the top priorities to retain the quality of MBA programs:

1. Program Content
2. Class structure
3. The quality of professors

Interestingly, students' perception of the quality of the program led to their satisfaction with MBA program. If they perceived their MBA as a high quality program, their satisfaction towards the programs was high. If they felt that their MBA programs were not meeting the standard, their satisfaction was very low (Adisornprasert, 2001).

There are some criticisms about MBA programs' personal character development. This study showed that there were significant differences in perceptions on personal character development between academics at business schools and managers at Human Resource (HR) departments at various companies. HR managers stressed the need of personal character development in MBA programs. Opposed to their opinion, MBA academics do not view this as a concern (Shuayto, 2001).

Another study based on the conflicts between societies and academics expectations in MBA programs are the environmentalists. From the beginning of 1990's, global business leaders, scientists, and policy makers started expressing serious concern about the business practices and environmental problems. Business school is the place to create future business leaders. To have a healthy Earth to sustain us, there must be a better understanding between business practices and environmental problems. However, results of this study showed that there is no significant component between business and environment in MBA courses. The critical issue most often taught is entrepreneurship, business innovation, and profit motive, pollution. The critical issue least taught are bio-diversity, consumer behavior, and environmental restoration (Fortescue, 2005).

This study analyzed public relations and corporate communication skills in the curriculum. Five hundred and forty two professors at southwestern MBA and top MBA programs were the sample for this study. The study showed that the need to address "Public Relations". "Public Relations" or "Corporate Communication" in MBA programs. For example, these issues were only addressed in one or two classes. Under the Public Relations, marketing, crisis communication, and corporate reputation were the most frequently mentioned aspects of this diversified subject. In particular, the professors at southwestern MBA programs suggested the implementation of public relations and communication more frequently in their program contents. Also they would like to improve "public relation" in the course (Carroll, 2000).

Another curriculum content issue is the case study. For many decades MBA program use "case study" methods in their instruction. This study focused on the theory of case discussion in leadership, rather than on pedagogical methodology. The study suggested the most effective case study leadership, a successful case study leader, and the characteristics of successful case discussions (Smith, 2005).

A lot of Asians attend schools in the USA to further their study. MBA programs are the most popular subjects. This study analyzed how difficult it is to get a job after graduation for foreign students who earn a degree in the USA. After graduation, North American students found jobs quite easily and their salary was higher than Asian and European students. Also North American and South American students received a better signing bonuses (Scism, 2005).

Now, we look at the American business school goes to Asia, not Asian student go to USA to study. Webster University joined a program with Shanghai University. The main question of this study was whether Western techniques worked in this joint Chinese MBA School. The findings were very positive to prove that it did work. Also this study indicated that Western business concepts were needed to integrate China into World Trade organization (Acker, 2003).