



The Graduate Advisor

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The MBA Competency Test

by Dan Medjo, Managing Editor,
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After writing in our *Graduate Adviser* Winter-Spring issue about the new MBA Competency Test, what has happened since in this new field of MBA testing?

The MBA Competency Test is the brainchild of Michael Mebane and Bernard L. Beatty of the ACMB (The Association of Certified MBAs). The idea was to give MBA holders from lower ranked B-schools the chance to compete on equal footing with graduates from name B-schools, on the one hand, and to give employers yet another instrument with which to gauge the value of the education acquired by an MBA holder, on the other hand.

To date, the test has been taken by numerous MBA graduates from a wide range of B-schools (over 200). The test aroused controversy upon its announcement last year, as people suspected that very few MBAs from top-ranking B-schools would be willing to undertake this new ordeal. But the test backers have gone ahead and pursued their goal and argue that 18% of candidates taking the exam still came from the top 50 ranked schools, consistent with the proportion of all students in the US. Although, CMBA says it usually considers any school accredited by the AACSB as a top B-school even without a *Business Week* ranking.

So far, the MBA Competency Test is proving itself fair. The test does not seem to favor or discriminate against the skills taught to those from top B-schools over those from lower ranked ones. Out of the more than 150 MBAs who have passed the test last year (a list published by the CMBA on its website), only a little more than ten were from what is usually referred to as top B-schools. Among them were some MBAs from Harvard Business School, one from Yale School of Management, and a few more from places like Carnegie Mellon and Emory Universities. The test backers are quick to point out that top school graduates do not do particularly badly either: "[The] list is [of] those who passed and gave their permission to list their name publicly. Others have taken and passed the exam as well. Over 300 have taken the exam in its first months of availability," says Mr. Mebane.

The test, though, is not an easy one. Four main B-school curriculum areas are tested: financial reporting, analysis and markets; domestic and global economic environments of organizations; creation and distribution of goods and services; and human behavior in organizations. The key B-school courses that teach these test areas are Financial Accounting, Management Accounting,

Quantitative Analysis, Microeconomics, Macroeconomics, Finance, Marketing Management, Operations Management, Organizational Behavior, and Strategy. Thus, if you are planning to enter B-school and are thinking about taking this exam after you finish, you should be sure to take courses in these subjects (many of which are part of the first year, required course list at most B-schools).

Of the over 300 MBAs from AACSB accredited schools who took the test last year; fifty four percent of them earned the CMBA designation. That is about 160 successful people. Again, looking at the list of those who allowed their names to be used, only five who passed the test were graduates of the *Business Week's* top 30, two were from programs ranked in the 30—50 list, and 14 candidates were from schools *not ranked* in the top 50 by any of the publications. From this it appears that the vast majority of successful candidates were from what is generally known as the second and third tier--regional schools with mid level rankings and solid reputations in the fundamental business skills. The backers of the test felt it necessary to expressly extend "special recognition" to the MBA programs of schools such as Northeastern, Rensselaer, and Penn State at Harrisburg, whose students did especially well on the test. Here is the list (without ranking) of the "top 10 performers" in the 2002—2003 exam.

- **Patrick Moran**
Washington University, St. Louis, John M. Olin School of Business, May 2002
- **Edward Russel McAllister**
Northeastern University College of Business Administration, May 2000
- **John N. Novak Jr.**
New York University, Leonard N Stern School of Business, May 2003

- **Marvin Robert Walgast**
University of Texas at Austin, The McCombs School of Business, May 2003
- **Paul Allen Hawkins**
University of Wisconsin-Madison, Graduate School of Business, May 2000
- **Neil John Edwards**
Harvard University, Harvard Business School, June 2003
- **Christopher Richard Gillman**
Rensselaer polytechnic Institute, Lally School of Management and Technology, May 2003
- **Randall Terry Gilliland Jr.**
Wake Forest University, Babcock Graduate School of Management, May 2003
- **Claude F. Corcos**
Pennsylvania State University at Harrisburg, School of Business Administration, May 2003
- **Mingjia Liang**
University of Maryland, College of Business and Management, December 2003

It will appear a safe bet to predict that, as more and more MBAs feel compelled to take the new test "for personal differentiation in the market place," as 70% of the candidates asserted when asked why they took the test, the remaining MBAs will start feeling the pressure to join the ranks. With the hiring rates of MBAs down 20% and the world economy still substantially down, competition for top Western jobs among MBA graduates can be expected to increase even more. Employers may well begin to regard the test as another means to hedge their bets in hiring.

The test may be particularly useful for MBA graduates from B-schools outside the U.S., as these graduates seek to prove to U.S. employers the worth of their particular MBA. Russian students completing their MBAs in Russia but planning a career move West, may be particularly interested here, as they face the skepticism of Western employers who perceive that grades in Russia are overvalued and our B-schools not yet of international quality. Mr. Mebane perceived that future trend, stating that the test's backers "expect to deliver the exam in 2004 outside the US along with our partner Thomson-Prometric." The academic support they find locally will determine the countries they will approach first.

Currently, the test finds wide appeal from foreign students studying in the US: students of 28 nations have applied to take the exam. One can see the rationale here as well. Foreign students, even graduating from good Western schools, are sometimes more suspect than their native

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English speaking classmates. Passing the MBA Competency Test shows that their skills are up to par.

The test can be taken at various locations in the U.S., although with no location yet in Russia. The test this year is still given on paper at various B-school locations in the U.S., and thus MBA graduates must arrange to travel to the U.S., or plan their travel schedules not to return from their Western MBA programs until after the particular dates to take the exam. However, it is moving to computer, and very soon you will be able to schedule the exam at your convenience at various Prometric test centers in the U.S. and abroad. The exam costs U.S. \$ 330 plus a U.S. \$ 75 non-refundable fee.

Not everyone can take the CMBA. As with other professional qualification tests such as the CPA exam for accountants or the Bar Exam for lawyers, applicants have to submit their transcript to prove that they have a real MBA. The CMA breaks the testing process down in eight steps:

- **Step 1** Application submission (you)
- **Step 2** Transcript request (you)
- **Step 3** Transcript review (ICI)
- **Step 4** Acceptance or rejection (ICI)
- **Step 5** Schedule your exam at your local Prometric Testing Center (you)
- **Step 6** Sit for the CMBA exam (you)
- **Step 7** Results communicated (ICI)
- **Step 8** Standing apart from the crowd (you)

Applications can be downloaded on CMBA's website at www.certifiedmba.com



Something to Think about—Financing Your U.S. Graduate Education

By Dr. Paul J. Murphy

--Dr. Murphy is a Professor of Business Ethics, President of The America-Russia Management, Marketing and Selling Institute, and is Pericles' newest MBA Advisor.

A few years ago I did a short survey; the results were as expected. The most frequently asked question by students dreaming of getting a graduate degree in the USA was "How much will it cost?" The second most common question was "How can I finance it?" I'll bet if I did a survey today the results would be the same.

So how much does a U.S. degree cost today, and can you finance it? The answer to the first question is comparatively simple: an MBA costs between \$44,000 and \$248,000 (including tuition, books, computer, living expenses, medical insurance, lost wages—that is the annual salary you would have earned had you not been in school, and other expenses). Other graduate degrees are not much less. The answer to the second question is more complicated. For this

one you have to "think out of the box"—and think conventionally too.

Thinking Out of the Box

Here you have to be really creative. Of course, the best way to finance an MBA is to lay good hard cash on the table. But most of us don't have even \$20,000 to spare, much less the minimum \$44,000. But we might have a few thousand in our bank account to start with. What we need to do is to figure out how to get the rest without robbing a bank.

I once had a friend who had a lot of relatives. He came up with the idea of asking each one to "chip in" a little bit of cash—just a hundred or even a thousand—or a computer, or school supplies. Guess what? He reached 80 % of his goal, but he had a big family. Another friend bravely asked his wife (who was working and had a good salary) to help. She turned him down, but yours might not. Of course you can always ask the boyfriend/s or girlfriend/s to help. Or you might try any combination of these—be careful though. Another friend of mine told me about a colleague who financed his way through law school by juggling multiple credit cards, getting short-term no-interest cash advances, investing the money and living off the interest. He developed the scheme into an art, but that was him; I would advise you to be careful unless you are a financial genius.

So how else can you be creative? You can always sell a spare apartment (if you have one) or your family's dacha (move grandma out first). But instead of selling your apartment, why not take out a loan against it. Credit may just be developing here, but more and more people are getting cash by pledging their flats. Or better yet, rent your flat to a foreigner for a lot of money! I know a lot of people who do this. Think of how you can be creative once you get to the U.S. too. You can always baby sit (it pays about \$10.00 per hour), shovel snow, rake leaves, or wash cars (pays even more). Just use your imagination, you will think of something.

Conventional Means

But for those aspiring MBA and grad school candidates who are less creative--or not inclined

to be risk takers--there are some excellent "conventional" ways to finance your degree too. There are loans, scholarships (like the Muskie, Ford Foundation, Rotary, etc.), grants (from foundations, women's organizations, and professional associations), and fellowships, university teaching assistantships, corporate sponsorships, work-study programs, and even wealthy individuals who offer thousands of dollars in aid. The list is endless.

Of course there are hurdles to overcome with each. If you are lucky you will get all the money from one source. In all likelihood though, no one source will provide you will all the money you need, so again, you will probably have to again employ a combination of resources. To know how to do that, you will have to "get smart" with what is out there.

I would recommend you to get in touch with the financial aid office of the university you want to go to. This should always be your first stop. Their job is to help everyone who gets admitted to the school to figure out how to pay for it. (Of course, some people do their jobs better than others.) Anyway, they are there to help you. They deal with these problems everyday and they should be your primary resource. Carefully investigate every source of funding they have and pick the ones that suit your situation the best.


Surf the Internet too. There are lots of good loans and scholarships that could help, but not all of them are for international students. There are special loans that are available for international students. The only drawback is that many of them require a "cosigner," that is someone who is a resident of the U.S. and will guarantee repayment of the loan.

Loans

Finding a cosigner is not as difficult as you might think. In some cases, the school you are attending will guarantee the loan. Ask them. In exceptional cases, schools have been known to consign loans for students they really want. The American Association of University Woman (www.aauw.org) also sometimes guarantees loans for women scholars. Here too, you might have to be creative. I know of a very bright young student who lived with an American family during her high school exchange program. She also completed part of her undergraduate work in the U.S. and lived with her "American family" while doing so. They got to know her well. This same family offered to cosign a loan for her MBA tuition providing she would live with them and study at the local university (which just happened to be the University of Chicago).

Other loans require a credit history. Establishing credit is not hard to do if you already have a credit card—and who doesn't these days? But if you don't you can also establish credit by opening a small charge account (preferably at a US department store). Open one of two such accounts, but make sure you are never late with your payments. They will report your "slow payments" to the regional "credit bureau" which keeps a record of your credit. Slow payment can ruin your credit, which you don't want to

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happen. You will need to open a bank account somewhere too.

If you are looking for a loan, here are some useful websites to get you started. You might have a look at http://www.wiredscholar.com/financing/content/f_alt_mba.jsp (this is the Business Education Loan (BEL) website which contains information about all Sallie Mae loans. The site will tell you what Sallie Mae means. They usually require a cosigner for international students). Another site is www.mba.com. Loans here are sponsored by the Graduate Management Admissions Council (GMAC). Try also www2.accessgroup.org (this is the "Comprehensive Access Loan" which requires 3 years US. credit history or a cosigner. Sometimes, schools will cosign on this one). Other sites include <http://studentloan.citibank.com> (this is the CitiAssist loan); www.keybank.com (KEY—or Key Education Resources Loan, which either requires a cosigner, a two-year credit history and a US bank account, or property in the U.S.); www.teri.org (The Educational Resources Institute—always requires a cosigner and is limited to \$20,000 per year); www.educaid.com (EDUCAID Select Loan. It requires a cosigner too).

Free Money

Don't forget about fellowships and scholarships too. The Muskie Scholarship is well known (the only drawback is that it has limited awards per region of Russia and visa limitations). The Fulbright Scholarship Program is equally well known. Its website is <http://www.InternationalStudent.com/fulbright/>. The Humphrey Fellowship provides one year of post graduate study for mid-career professionals (www.iie.org), and the Japan/World Bank Graduate Scholarship Program (www.worldbank.org/wbi/jjwbgs.html) is a great program if your application stresses economic and development policy. They are currently short on applicants from Eastern Europe.

The Ford Foundation also has scholarships. Check with its Moscow office. Individual schools also have their own scholarship programs. Michigan's International Scholar Award gives scholarships ranging from \$5-25,000. Michigan usually awards 20-25 such awards per year. I would recommend that you look into the Rotary International's scholarship program too, since Russia is a "Rotary country," and there is a Rotary office in Moscow. Rotary's "Academic-Year Ambassadorial Scholarships" provide funding of up to \$25,000, but they usually work with specific universities. Go to their website <http://www.rotary.org/> for more information.

Now that you have a start, good luck on your search for financing, but do not rely only on conventional means. Combine them with thinking out of the box. If you do, you will probably succeed in getting what you need to make your dream come true—and don't forget to tell Pericles how you did it.



Focus On: Chicago GSB

By Daniel Medjo, Managing Editor,
Pericles Graduate Advisor.

The Graduate Adviser has endeavored over the years to provide quality and timely advice on business education abroad for prospective Russian students. In our "Focus On" column, we periodically direct our attention to one school that stands out in our minds as a particularly good choice for Russian applicants. Thus, in this issue, we turn our focus on the University Of Chicago Graduate School Of Business (GSB) and its programs.

Chicago GSB is one of the oldest B-schools in the U.S. and has consistently featured among the top ten B-schools by any rankings. For example, the Forbes National Programs ranked it 5th in 2000, ahead of Yale, Cornell and MIT. Of course we all know that rankings are highly subjective; but the fact that the school has been so consistent in various rankings year after year speaks volumes about the quality of its program.

Chicago is "the only business school to have had six Nobel Prize winners: George Stigler, 1982; Merton Miller, 1990; Ronald Coase, 1991; Gary Becker, 1992; Robert Fogel, 1993; and Myron Scholes, 1997," says Donald C. Martin, Associate Dean, Enrolment Management. Moreover, the school offers an enticing international program in the form of student exchanges or collaboration with other reputable universities around the world.

For those prospective Russian students considering Chicago GSB, a good starting point will be to log on to its website, at www.gsb.chicago.edu, and gather as much information as possible on the school and its programs.

Admissions

Like any other top B-school, Chicago is very selective in its admission policy. But this has less to do with the depth of your pockets than the true potential value you represent for the school. It is common policy that top B-schools are drawn to students who show clear signs of having the potential to become leaders in the future or to enhance their positions and broaden their scope as already established leaders. The school evaluates academic performance, professional development, and personal qualities on an equal basis.

In a recent discussion at the Pericles office, Don Martin told potential students that a high GMAT score, while important to Chicago GSB of course, is not the be all and end all of the application process. He informed our amazed students that the 690 average GMAT score this year reflected an actual range from 800 at the top, all the way down to 450. So even if you aren't a "numbers" person, if you have other outstanding characteristics you can still have a shot at a Chicago MBA.

To maximize your chances of admission, you need to focus on your key leadership skills and

seek to present yourself as a potential student worthy of carrying the Chicago GSB torch wherever you may be or in whichever field you may be involved the future.

Another noteworthy feature about the admission process, Mr. Martin stressed, is that you need not rush to get in a first round application. In the past, like many other top B-schools, Chicago used to admit most of its candidates in the first two rounds, assuming that this was when the best people, with the most serious interest in Chicago, would apply. Now, however, Chicago has changed that philosophy as they have noticed that many top applicants, because of busy schedules or other reasons, do not apply until the last minute. So there is hope at Chicago for the late starter—they run their admissions program to give an approximately equal admissions chance to those in all three rounds of their application process.

Finally, Chicago does not have a quota system for various regions of the world. In other words, it does not attempt to admit X% from Eastern Europe/CIS, Y% from Latin America, etc. In applying to Chicago, you are not competing against other Russian students, but against the general pool of applicants. Chicago has about 25 alumni from Russia, but that is pure coincidence. If 200 top quality Russian students were to apply this year, then those 200 would still stand an equal chance of admission to all other applicants.

Money Talk

Chicago GSB offers its prospective international students the standard opportunities for financing their studies in the form of two school-administered private, credit-based loan programs.

The premises for the loans are that students holding any type of visa are not eligible for the U.S. government sponsored loan programs available at the school. Therefore, the school has come up with these two private loan programs to help needy foreign students pursue their studies at the GSB.

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gsb.uchicago.edu/dynamic.asp?nNodeID=539

For the FAQ page, please go to: <http://gsb.uchicago.edu/dynamic.asp?nNodeID=849>

To contact a member of the admissions staff, please email: admissions@gsb.uchicago.edu

To contact a current student, please email: askastudent@gsb.uchicago.edu

Fortunately, there is also a Chicago alumni club in Moscow, headed by Maxim Donde, a 1999 graduate and presently a vice president at TNK-BP. It will probably be a good idea to contact him for information (at mdonde@gsb.uchicago.edu) on the Chicago GSB experience and much more. Good luck!



Announcing the Jessup International Moot Court Competition!

The Law Offices of White & Case, along with the American Bar Association Central & Eurasian Law Initiative is sponsoring the third annual Russian rounds of the Jessup International Moot Court Competition.

This competition is the oldest and most prestigious program of its kind. It is open to any law students studying in a degree granting university program.

Participating schools should form a team of 2-5 people to argue a hypothetical case on an assigned international law topic. The winning team will be sent, all expenses paid, to the international rounds in Washington D.C.

The competition is really catching on in Russia now. Last year 19 Russian teams completed the competition, and Russia sent two teams to Washington, with the team from Mari State University finishing second in the world!

Interested students should apply by December 22, 2003. Contact David Miller, davidmiller@whitecase.com, for more details.

One loan program requires a cosigner, who must be a U.S. citizen or permanent resident with a good credit history. In addition, the prospective student needs to have a U.S. social security number, which is usually obtainable once you have entered the country and stayed for a few months. This loan program allows one to borrow the full cost of the course, including living expenses. The total amount available is U.S. \$150,000.

The other loan program does *not* require a cosigner. The prospective student applying for such a loan must be credit-worthy, which means that he must offer strong evidence of a spotless credit history. The maximum amount available under this program is U.S. \$ 70,000 in two equal installments for each year. More detailed information on these programs can be obtained by contacting Priscilla Parker at the Financial Aid Office (773-702-3964: 6030 South Ellis Ave. Chicago, IL 6037).

Global Reach

For the prospective international students not wanting to relocate to the U.S. for the length of the program, Chicago GSB has overseas campuses that have been around for some time now. The first one opened in 1994 in Barcelona, Spain; the second, in Singapore in 2000. The International Business Exchange program of the school also links it with 33 partner schools in 21 different countries, such as Austria, Belgium, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, and the UK. So if you feel uneasy about relocating to the U.S., you could always transfer to one of the partner schools in these European countries, which might be more convenient for some Russian students. The program allows Chicago GSB students to study in these partner schools while partner schools' students are welcome at Chicago. Some of these partner schools even offer the possibility of earning their degree, along with Chicago's.

The Future Holds Promise

The future at Chicago is now associated with its U.S. \$175 million capital campaign launched in 2000 that aims to position the school for even more success and excellence in the 21st century. The campaign includes a U.S. \$125 million building complex that is scheduled to open for full-time students in September 2004.

So for those of you prospective Russian students considering Chicago GSB, you probably will do well to start planning in advance now, with plenty of time before your application deadline. Seek to gather as much information as possible, and follow the news for any information on the school. Here are some helpful links/e-mail addresses for prospective students:

For the main Full-time MBA website, please go to: <http://gsb.uchicago.edu/fulltimemba/>

To download or their online application, please go to: <http://gsb.uchicago.edu/apply/>

To schedule an interview, please go to: <http://>



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