



UA from UA: Unsolicited Advice from Uncle Al

This issue introduces a new column by Dr. Alexis Melteff, our curmudgeonly Professor Emeritus whose advice has guided a generation of Pericles students and other young professionals. Pericles hopes to make "Uncle Al's" column a regular feature in the Graduate Advisor and on Pericles' website.

Let me introduce myself: I am Alexis Melteff, PhD., Professor Emeritus at Pericles. Pericles asked me to write a few words of advice to those of you who are thinking about on starting on an MBA degree. This is my first column, and I encourage you to write to me at amelteff@pericles.ru with your questions and comments. I will answer them honestly.

As with any other career move, there are pros and cons to getting an MBA abroad, and of course you want to weigh the odds before making a final decision. You know the positive side: a degree in Business Administration is a passkey to an excellent job, with a salary that is at least 30% higher than average.

But you must also consider the downside: the road will not be easy, the tuition will be expensive, the time investment will be huge, the effort will be heroic, the pressure will be great. But – let me repeat – the satisfaction and the rewards will be nothing short of splendid.

But, before you say *YES, I am going to get an MBA!*, ask yourself a few questions. And remember, to thine own self be true.

Are you really, *really* serious about completing this degree? Have you spoken to faculty advisors and people who have finished the course? Do you agree with what they say? If not, are your disagreements well founded, or are you actually just kidding yourself by ignoring the wisdom of those who have been there?

Do you have the money to complete your studies? Have you checked the cost of a unit of graduate work at the universities where you are thinking of applying? Tuitions are very high these days, and dropping out in the middle of a program for lack of funds is not something you want to



We asked for a picture we could photoshop. Uncle Al sends us a picture IN a photoshop.

do. You would regret the time and the money invested.

Are you ready to stay abroad for an extended period of time? What does your family tell you? Can they do without you for a while? How will you survive in another country? If you plan to take your family, what amenities will they need? Do they speak the language? Will they need health insurance? These are serious questions.

Do not rush into an MBA program just because Dima and Masha got their degrees; talk to them, sound them out, argue with them, play the devil's advocate, and don't let them talk you into, *or out of*, starting a program.

Listen to them, weigh the evidence, argue with yourself, make up your mind. Then argue with yourself some more. Take a few

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An Advance Look at the Next Generation GMAT

By Marian Dent,
Dean

Pericles American Business & Legal Education Project, Moscow

The GMAT®

Starting on June 5, 2012, the GMAT will make the biggest upgrade in a decade by adding a new section called Integrated Reasoning. At the time of this printing, the "Next Generation GMAT," as the marketing people have dubbed it, has not yet been released.

We, like every other GMAT prep center, are guesstimating from the press releases, sample tests and professional gossip what the section will actually be like, and what effects it will have on test takers. This article gives you the published info and our professional estimate of the new exam.

If you are already familiar with the GMAT, you probably know that the exam currently consists of two 30 minute essays, analysis of an argument and analysis of an issue. This is followed by a short, optional break, followed by a 75 minute Quantitative Section, then another break, then a 75 minute Verbal Section. Currently, you receive a separate essay score of 1-6, a separate Quantitative and Verbal score of 1-60 each, and then the all important GMAT total verbal and quant score of somewhere between 200 and 800. This last score is what most B-schools are concerned about. This number will follow you throughout your MBA application process.

The Next Generation GMAT will substitute a new Integrated Reasoning (IR) Section for the analysis of an issue essay. So, starting June 5, you will receive one 30 minute analysis of an argument essay, one 30 minute Integrated Reasoning Section, a short break, and then the usual Quantitative

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and Verbal sections with a break between each.

In terms of scoring, the IR section will not affect that total number to which the B-schools pay so much attention. Your 200-800 score will still be based on just the quantitative and verbal sections of the exam. Like the essay, the Integrated Reasoning section will be a separate score, which B-schools may or may not care about.

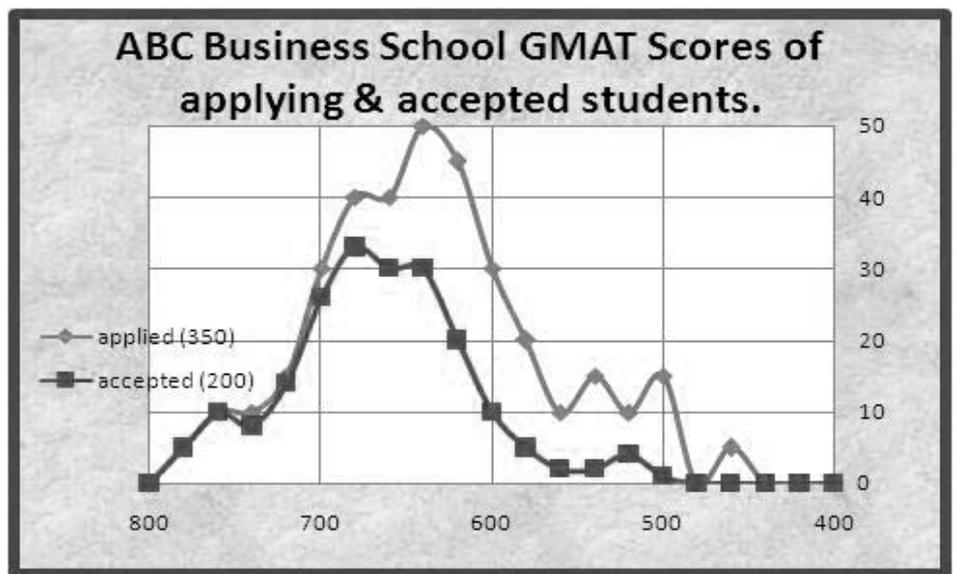
The idea of the new section is to take the individual vegetables from the various parts of the old GMAT, and make them into a salad. In other words, they want to test your ability to solve complex problems using multiple sources such as graphs, texts and charts, and a variety of skills, the way people do in actual management situations. It's the math skills tested in the problem solving section, combined with the logical skills tested in the critical reasoning section, and with reading comprehension sprinkled on top for seasoning. The GMAC (Graduate Management Admissions Council) people, who write the GMAT, believe (and their marketing people are working hard to convince us) that the new section is closer to the kind of actual work you will be facing in your MBA.

In reality, not all B-schools are yet convinced that the new GMAT section is needed.

GMAC has correctly analyzed that B-schools are now focusing more on analytical skills. In these web-based days where data is widely available and carefully analyzed for almost any major business decision, companies are telling B-schools that they want to see graduating students with strong analytical skills. B-schools are adding courses in business analytics, and are often advising entering students that statistics courses are good preparation for their MBA.

But agreeing upon the need for analytically minded graduates does not necessarily mean that MBA programs should be looking only for analytically minded candidates. There is little agreement on whether these skills should be sought in entering B-school applicants, or taught to applicants during their MBA education. Moreover, there is even less agreement on whether a half hour, 12-question, timed test can accurately measure an applicant's potential analytical prowess.

The GMAC is proud to tell us that they surveyed 740 business school managers to determine how the GMAT could be improved, but that's not many people when you consider that over 5000 B-school



Graphic to analyze for the question on next page, 1st column.

programs use the GMAT to access candidates.

Admissions personnel from some top business schools, were consulted on the changes and we can expect that some of these consulted schools might give more credence to Intergrated Reasoning scores early on. These schools included such popular locations for Russian students as Dartmouth Tuck, Stockholm School of Economics, INSEAD, Duke, LBS, Kellogg, and Stanford.

Outside that core group though, many MBA admissions directors are still not sure how they intend to use the GMAT Integrated Reasoning scores. Although GMAC ran non-scored Integrated Reasoning sections for GMAT takers in July and August of last year, and again this January, there just isn't enough statistical data to tell us how the new section scores will relate to candidates' real ability to succeed in MBA courses. Indeed, GMAC is not even expecting to release the scoring guidelines to B-schools until this April. All the schools know at the moment is that they will get a (probably 3 digit) adjusted score and a percentile score, and that they will have to modify their admissions office computer systems to account for these.

Keep in mind also that the 200-800 total score is part of what the MBA rating services are currently looking at when they decide whether a B-school makes that all important ranking jump. If a 650 or above GMAT means that a school looks better in the rankings, common sense tells us then, that for at least the next year or so, B-schools will continue to mainly look for the high GMAT total score, rather than the Integrated Reasoning score, in evaluating applications.

In any case, scores obtained on the

GMAT are good for five years, and this will not change whether or not you took the exam before or after the Next-Gen changes.

So in short, don't panic. The new Integrated Reasoning section is a change for sure. But the change doesn't mean a complete revolution in study strategies.

While you should be prepared for the new question types, for the moment you should still worry more about the all important 200-800 total score. Consider studying for the IR section just a little detour on your road to a high overall score.

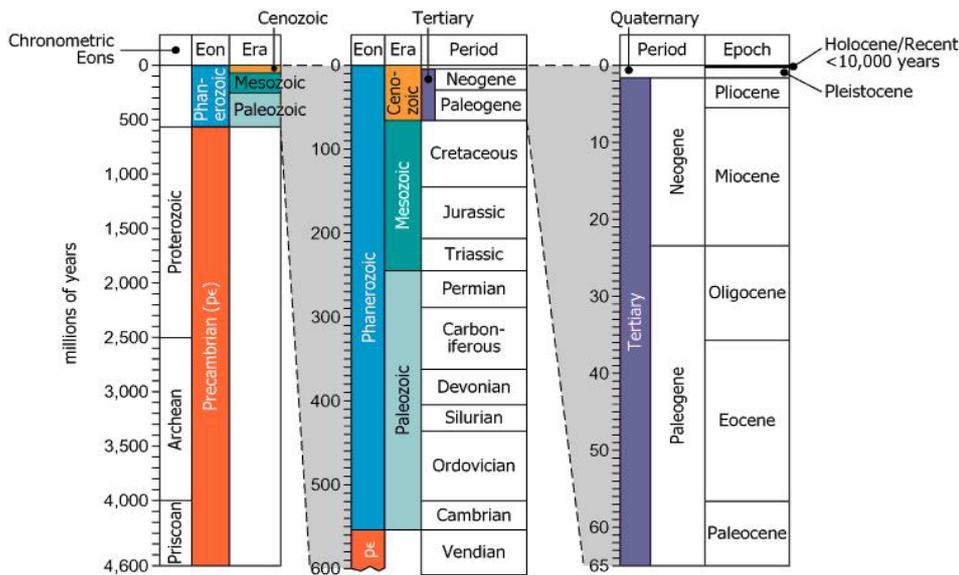
Inside the New IR Section

The GMAC is rather late in getting out study materials for the Integrated Reasoning Section. Indeed, the 13th edition of the Official Guide to the GMAT, and the new GMAT Powerprep Software will not be released until April.

Similarly, private test preparation publishers, such as the well renowned Manhattan Prep guides, are being held back from publication until the official materials are released.

This leaves very little time for studying the section. GMAC gives the rather unhelpful suggestion to study only the 12 questions on their website and prepare for the other parts of the exam until their more extensive study materials come out. We hope, however, that the rest of this article will show you what to expect now.

According to the advance information released by GMAC the integrated reasoning section will take 30 minutes and will include 12 questions, some of which may contain more than one part. GMAC is, of course, free to change its mind, but, according to their current information, the section will consist of four types of questions: graph interpretation, table



analysis, two part analysis, and multi-source reasoning.

This section of the exam is not a CAT. In other words, it's not computer adaptive and the questions will remain the same no matter how well or how badly you do on the previous questions.

Another thing to note—a simple, on-screen calculator is provided in this section.

The remaining material here will preview each question type.



Graphics Interpretation

Graphics interpretation contains the type of graphs and charts that you often find in scholarly papers and reports, together with, often complex, explanations of what the graphic data represents. The graphics are followed by fill in the blank questions, where one of several answer choices drops down to fill the blank. Here is an example:

The graph shown on the previous page indicates the number of applying and accepted students in ABC Business School. Interpreting the data shows that Approximately (select one: 35%, 50%, 65%) of the 350 students applying to ABC had a GMAT score of from 600 to 650, while approximately (20%, 30%, 65%) of students with similar scores were admitted to the school.

Although this is just a sample, if this were the real GMAT, you might have two or three different questions accompanying this graph. But all in all, this type of graph interpretation is not too different from the types of problems test takers have always been doing in GMAT problem solving.

The answer to Question 1 is 35% and 30%. From the chart you can see that 350 students

applied, while 200 were admitted. The horizontal axis logically seems to indicate the GMAT scores, where the vertical axis appears to indicate the number of students at each score level. Extrapolating the midway point of the GMAT score axis at about the midway point between 600 and 700, we find the 650 point and see that approximately 50 students applied, about 45 at about the 630 point, and about 30 at the 600 point, making a total of 125 students. Estimating the percentage by dividing 125 by 350 and we know that the answer for the first blank has to be around 35%.

Another glance at the chart shows us that the accepted line is smaller than the applied line at the 650-600 score level. It looks like 30+20+10 or 60 students out of the 200 acceptees. That's 30%

Graph interpretation becomes more difficult when the language is complicated, such as when you are given scientific or social science charts to interpret, and reading comprehension type passages explaining what the data means. The following example is from GMAC's website, www.mba.com, and we can't imagine anything more complex for a non-native speaker.

"The diagram [above] shows, in three column groupings, various divisions of Earth's geological history since its formation approximately 4,600 million years ago. In the leftmost column grouping, the Precambrian eon is subdivided into chronometric eons shown on the far left; but otherwise, in the rest of the graphic, each subsequent column to the right shows the subdivisions of the timeframes to its left. Each of the rightmost two column groupings is a magnification—with additional information—of a portion of the grouping directly to its left."

"Fill each blank using the drop-down menu to create the most accurate statement on the basis of the information provided."

"The Miocene epoch spans closest to (Select one 3% 25% 85%) of the era of which it is a part."

"According to the diagram the beginning of the (Select one Cambrian period, Triassic period, Pliocene epoch, Precambrian eon) marks the onset of a new eon, era, and period in geological history."

To answer these two questions you first have to figure out the GMAT explanation of the diagram. Basically they are saying that the first chart spans a huge time period, while the second one shows more detail about a small part of the first chart's time period, and the final chart shows even more detail about a small part of the second chart's time period. Then you have to notice the distinctions made between Eon, Era, Period and Epoch, which are noted at the top of each chart. After that, it's just a matter of reading carefully and estimating.

The Miocene "Epoch" is show in the far right chart, and it looks big compared to the Pliocene, but you notice that it is all part of the Cenozoic Era, and this Era is what the question is asking about. This Era is about same size as 'Quaternary' called Tertiary. Against Cenozoic Era the Miocene is pretty small. Just eyeballing it, the obvious answer is 25% rather than a very tiny 3% or a huge 85%.

For thesecond question you need to look at the largest amount of time among eras, eons and periods, because the want a label that breaks up all of them. An Eon is the longest time designation and we see that there are only two, Phanerozoic and Precambrian. The word "Pre-Cambrian" actually gives you a hint at the answer; but just to make sure look at the middle chart and see that indeed the Cambrian era marks the start off the Phanerozoic Eon. None of the others choices can claim to change an Eon.

Table Analysis

Table analysis questions ask you to interpret data contained in something like an Excel spreadsheet. You can even sort the data the way you can in Excel, although you can't run calculations or create Excel formulae.

Although many of us who work in business or the professions may feel more comfortable with reading spreadsheets than with interpreting scientific charts, the questions here can be tricky. Some questions have complex tables with a lot of different data to interpret. Contrarily some questions seem to have simple tables; but these can have complex explanations and can ask you questions that are much more like the questions in the data sufficiency or critical reasoning sections of the GMAT.

Ages of Respondents	Percentage of the voting age population	Number of respondents	number surveyed who oppose the regime	% opposed to regime	number who intend to vote against President	% who intend to vote against President	number who intend to vote against Parliament	% who intend to vote against Parliament	number who financially support rival parties	% who financially support rival parties	number who have/will attend demonstrations	% who have/will attend demonstrations
18-21	11	650	422	65%	650	100%	423	65%	78	12%	228	35%
21-25	16	556	350	63%	545	98%	317	57%	100	18%	222	40%
25-30	18	587	335	57%	522	89%	411	70%	252	43%	194	33%
30-35	16	393	263	67%	346	88%	275	70%	236	60%	79	20%
35-40	9	296	62	21%	284	96%	260	88%	231	78%	36	12%
40-50	10	282	51	18%	259	92%	254	90%	152	54%	23	8%
50 or above	20	236	21	21%	205	87%	224	95%	90	38%	9	4%

For example, you may be asked whether the data in the spreadsheet is sufficient to let you calculate certain conclusions relating to the underlying subject of the data. Or you might be asked to logically evaluate whether the data given in the table would be helpful in explaining some totally different information.

In sum, keep in mind that, although the table might look simple, the written description and the questions based on the table can be quite complex.

Here is an example:

..UA from UA, continued from Page 1

days off from arguing, then review your decision with a clear head. I said clear, but not empty. Go on line, visit university sites, ask probing questions, keep a log for yourself, write down the pros and cons, and of course keep an open mind. Only then make one of the most important decisions you have ever made. *Whatever you decide will affect the rest of your life.*

If my words here are making you nervous, you may want to postpone starting a program for a little while. This is usually a good move. If you are not certain of what will be expected of you, take the time to find out. Talk to your advisors, write to me.

Once you have made up your mind to go ahead, be sure your preparation is thorough, and you are ready to take the preliminary TOEFL and GMAT exams. Pericles offers an outstanding preparatory program for future MBA candidates, so listen to the professors, do your homework, study hard, and GOOD LUCK. I will always be on your side.

Uncle Al.



Answer the next three questions based on the following: Given the recent turmoil during the Arab Spring and our company's investments in State X, please analyze the following data and extrapolate conclusions related to potential political developments in State X.

The table above displays the ages and political preferences of citizens of state X between the months of March and August, based on a survey by an international NGO. The second column indicates the percentage that this age group as a whole occupies in the group of the entire voting age citizens of the country. The third column indicates, in hundreds, out of a total of 300,000 people who responded to the poll, the number in each age group who responded. The fourth and fifth columns, respectively, show the numbers (in hundreds) and percentages of respondents who pronounced themselves as opposed to the current regime. Subsequent columns indicate the numbers and percentages of those people opposed to the regime inclined to particular actions in opposition.

Which of the following is the most serious flaw in the survey shown above?

- a) *The number of people surveyed is not sufficient to extrapolate to the population of the country.*
- b) *The number of people surveyed in each age group does not correspond with the percentage of the population in each age group.*
- c) *The survey does not say what sums of money those who intend to financially support the opposition are likely to donate.*
- d) *The survey should have included data on both opponents and supporters of the Regime.*

Assuming that the figures in the survey accurately predict the actual actions of the population, if the country has a voting population of 120 million people, how many people aged 18-21 can be expected to financially support rival political parties?

- a) *approximately 14,400,000 people*
- b) *approximately 13,000,000 people*
- c) *approximately 1,600,000 people*
- d) *approximately 320,000 people*
- e) *approximately 7,800 people*

Which of the following can be determined by the data contained in the table?

- a) *The total percentage of citizens who intend to vote against the Parliament*
 - Can be determined*
 - Cannot be determined*
- b) *The percentage of citizens age 50 or above who intend to vote for the President?*
 - Can be determined*
 - Cannot be determined*
- c) *The number of persons ages 18-25 who are likely to attend a particular political demonstration.*
 - Can be determined*
 - Cannot be determined*

For the first of these, the correct answer is B. The survey has, for example 65,000 respondents in the 18-21 age group, which represents approximately 22% of the survey, while the 18-25 group only represents 11 % of the population. Contrarily, the survey only has 23,600 respondents in the 50+ group, much fewer than the 20% of the population that this group represents. Similar, though smaller, discrepancies exist with other age groups, making it difficult to extrapolate accurate predictions from the numbers mentioned in the survey without further calculation. Choice A is wrong because we have no information about the population of State X as a whole. In any case, there appears to be a large number of people surveyed, so we can even suppose that it would not be a flaw. Choices C and D would be useful information, but just because they are beyond the scope of the survey does not mean that the survey is flawed.

For the next question, the correct answer is C, approximately 1,600,000 people. It states in the table that 11% of voters are age 18-21. Multiplying a population of 120,000,000 people by .11, you get 13,200,000 citizens in that age

group. Of those, only 12% intend to financially support rivals, so you must multiply 13,200,000 by .12, which gives you 1,580,400, which is closest to answer choice C. Do not be fooled by using the numbers of people in that age group who responded with that answer in the survey. As mentioned above, the numbers do not represent the percentages of voters, and thus are misleading.

In the final question, part A can be determined by simply adding up the numbers in column 9 and finding the average. Part B cannot be determined because the voters consist of three groups—those who plan to vote for the incumbents, those who intend to vote for anyone else, and those who do not plan to vote at all. The table does not tell us what percentage of people do not intend to vote at all. Part C cannot be determined because we cannot logically tell, from a likelihood to attend demonstrations generally, that people would be likely to attend a particular one. It's possible, for example, that a particular demonstration is held in favor of parties that are not popular with young people, or is held at a time that is inconvenient for young people to attend.

Two Part Analysis

Two part analysis questions give you a word problem to solve followed by two columns with choices, from which you have to select one choice in each column. Basically these are mathematics or logic problems, and are not difficult, provided you think carefully. Some are so simple that, if you had plenty of time, you could simply plug in all the number choices to see which combinations work. The trick to these problems will be completing them quickly in order to stay on schedule to finish the rest of the section.

Here are two examples:

Our online shopping service currently generates annual sales revenue of \$5,000,000. Our physical shop currently generates \$49,000,000. However, the sales revenue generated online is increasing at a fairly constant annual rate, whereas annual sales revenue from our physical stores is decreasing at a fairly constant annual rate. If these trends continue, in 8 years we will be generating the same amount of revenues from on-line sales as from physical shops, and after that we will be generating more on line than in shops.

Physical shops	On-line shopping	Increase or decrease in dollars per year.
<input type="radio"/>	<input type="radio"/>	2,000,000
<input type="radio"/>	<input type="radio"/>	2,500,000
<input type="radio"/>	<input type="radio"/>	3,000,000
<input type="radio"/>	<input type="radio"/>	3,500,000
<input type="radio"/>	<input type="radio"/>	4,000,000
<input type="radio"/>	<input type="radio"/>	4,500,000

In the table below left, identify the rates of increase or decrease that must be true in order for the prediction above to hold. Check only one button in each column.

The answer can be solved algebraically. You know that you are looking for both numbers to have equal revenues in the exact period of 8 years. This is an easy, fixed rate problem.

$$5,000,000 + 8x = 49,000,000 + 8y$$

$$8x = 44,000,000 + 8y$$

$$x = 5,500,000 + y$$

$$x - y = 5,500,000$$

The only options within the answer choices that get you this are that physical shops must be decreasing their sales revenue by \$3,500,000 a year, and on line shopping must be increasing by \$2,000,000 a year. In eight years, both will be earning \$21,000,000 a year in sales revenues

Alternately, if you are the type who likes to avoid algebra at all costs, you can just multiply each of the possible rates of increase or decrease by 8. You will have a calculator provided on this part of the GMAT. Plus, to make it faster you can just lop off the zeros from your thinking as you multiply, so the calculation is quick and easy. So 2 million dollars x 8 years becomes 16. 2,500,000 becomes 20. 3 million becomes 24. 3,500,000 becomes 28. 4 million becomes 32. And 4,500,000 becomes 36. Now you just add each of these figures to \$5,000,000, (ie to 5) and subtract each from \$49,000,000 (ie from 49) to see which numbers give you an equal amount after 8 years.

Here's another two part analysis problem:

Five workers Anne, Betty, Caroline, Douglas and Eric are scheduled to work on five days of a single week, Monday through Friday. There are three shifts each day, a morning shift, an afternoon shift, and an evening shift. No more than one worker works on any one shift. Each of these workers works exactly two shifts during the week. No one of these workers can work more than one shift on a single day. Every day exactly two people work. Anne and Caroline work on the same days each week. Eric does not work on any afternoon or evening shifts. Caroline does not work on any morning or afternoon shifts. Anna works two consecutive days of the week. Betty's second shift of the week occurs on an earlier day than Anna's first shift of the week.

	Must be true	Must be false
Douglas works on Tuesday afternoons.	<input type="radio"/>	<input type="radio"/>
Betty works on Monday.	<input type="radio"/>	<input type="radio"/>
Anna works on Tuesday mornings	<input type="radio"/>	<input type="radio"/>
Eric does not work on a Thursday morning.	<input type="radio"/>	<input type="radio"/>
Caroline works on Fridays.	<input type="radio"/>	<input type="radio"/>
Anna does not work on Fridays.	<input type="radio"/>	<input type="radio"/>

Which of the statements in the previous table must be true, and which of the following must be false. Check only one button in each column.

A hint to solving this type of problem is to draw a diagram to keep all the conditions straight in your head. Another hint is to start with the item on which there are the most restrictions. Here, Anna is mentioned in many of the restrictions, so we start with Anna and we find a restriction that is contradicted by one of the choices right away. It must be false that Anna works on Tuesday mornings because Betty's second shift must occur on an earlier day than Anna's first shift of the week. Thus Anna cannot work any earlier than Wednesdays.

Indeed, Caroline and Anna must work on the same days, and Caroline does not work mornings or afternoons, in other words Caroline takes only the evening shift. Thus Anna can only work on Wednesday, Thursday or Friday mornings or afternoons. Since Anna is also restricted to working two consecutive weekdays, she either has to work Wednesday-Thursday, or Thursday-Friday. Hence, she must work Thursdays and Caroline must work Thursdays. Since only two workers work on each day and two workers must already work on Thursday, then the choice that Eric does not work on Thursday mornings is the answer that must be true.

Multisource Reasoning

The final type of Integrated Reasoning question is Multisource Reasoning. These are a bit like the reading comprehension questions in the GMAT Verbal Section, but you are reading more than one source of information. These are perhaps the least concrete of the Integrated Reasoning questions, and have the closest relationship to working realities.

Multisource reasoning questions contain multiple pages, given as tabs that you click back and forth from on the computer. These pages could include text, tables or graphics. A popular variant is to give a hypothetical chain of email correspondence, with information related to, but not concretely answering, a business decision that must be made. The idea is for you to parse together the important info, filter out the irrelevant data, and infer the correct decisions. Sometimes the information can be found directly in the passages, and other times it takes rather grey area interpretation, that seems to try to weed out those people who simply don't have communications skills or common sense.

On the next page is an example of one of the email correspondence type problems, with multiple questions following it.

From: Accounting Firm CEO
To: Business Development Director
January 15 9:37

Although I liked your idea of putting on the taxation seminar on Jan 22, I just spoke with my assistant and found out that only 8 potential clients have registered so far. In order to cover the cost of renting the hotel conference room and justify the staff costs in holding this event we should have at least 25 attendees. Also we will have to order course books and materials today and we expect a cost of approximately \$100 per attendee in materials, which is 40% of the event cost and which is non-refundable. I'm concerned that we may not have enough potential clients in attendance to make it a worthwhile business development exercise. If we cancel it now it will seem more professional than if we were to cancel the event at the last minute, plus it would save in printing costs. What are your thoughts?

From: Business Development Director
To: Accounting Firm CEO
January 15 10:13

I understand that you want at least 25 attendees to make this worthwhile, but usually more than 60% of potential clients attending such seminars register in the last week before the event. Plus, I haven't yet invited any of our existing clients, and I plan to do so. Historically 20% of those existing clients whom we invite show up to such events, and 50% of those bring us additional business within the coming year. Of course, we could also save money by providing electronic rather than printed materials to the attendees. I think if we go ahead and plan on 30 people like we

discussed, and provide a nice bag, with logo pen and paper, and the course materials on CD or flash drive we could still make a good impression and save around \$70 per person in printing costs. We could even invite more people and still stay on budget.

Email From: Accounting Firm CEO
To: Business Development Director
January 15 10:23

OK, you make the decision on whether to proceed, but please keep in mind that the budget is fixed and I don't want to see it exceeded if we can avoid it. Also keep in mind that the capacity of the room we rented is 50 people and we will have to go to a double size and double price room if we go any larger. But try to get as many attendees as you can so that we can make this a worthwhile event.

Assume for the purposes of the following questions that the number of people who register for the seminar will equal the number who attend.

From the information provided above you can determine that the budget for the seminar is fixed at which amount?

- A. \$5000
- B. \$6250
- C. \$7500
- D. \$9000

How many POTENTIAL clients does the Business Development Director expect will attend the seminar?

- A. 8
- B. 14
- C. 20

- D. 25
- E. 30

If the Business Development Director makes the savings that he plans by avoiding printing costs, how many existing clients can the Business Development Director invite to the seminar and still reasonably hope to fill the room as much as possible but stay on budget.

- A. 30
- B. 70
- C. 150
- D. 200
- E. 350

Presumably the CEO's and the Business Development Director's ultimate purpose in holding the seminar is to generate business for the firm. What additional piece of data would you most like to know in order to determine whether the Business Development Director's idea of inviting existing clients will ultimately be better or worse for the firm than if he extended invitations to more potential clients?

A. What percentage of potential clients invited to such seminars actually register?

B. What percentage of potential clients who attend such seminars end up becoming clients of the firm?

C. What amount the firm spends on other business development activities for existing clients versus what it spends for new clients?

D. Whether existing clients are likely to attend other firm events during the year?

The answer to the first question is \$7500. The CEO stated that \$100 per attendee would amount to 40% of the event cost, and

Continued, next page.

Notes from the Underground: THE LONDON BUSINESS SCHOOL EXPERIENCE

by Anton Stepanenko, MBA student

Choosing LBS

We are all products of our experiences. Your humble reporter is by far not an exception. Initially trained as a Russian lawyer, I couldn't escape the increasing modern trend of using the English law. Eventually, this led me to London School of Economics and Political Sciences to study English corporate law. It was my first study experience abroad and it left me craving for more. Standards of education in the UK are really eye-opening. So when I decided to switch my career and move to the business domain, the destination was obvious – London. When you think London MBA you think London Business

School. With its consistent #1 Financial Times rating, walking distance from the best employers in the world, true diversity, outstanding alumni network and increasing recognition in Russia, the school quickly became my number 1 priority. Was I emotionally biased? Yes, very much so. Could other schools provide comparable experience? Most probably. But I find that it's the emotional drive, the heart and soul, the feeling that lies in the core of the best of our deeds. Our greatest choices are rarely rational. And I wanted my London life back.

Getting to LBS

I didn't think that the LBS admission committee would be satisfied with my emotional drive alone. They obviously needed more tangible output to assess my fit with the school. And putting that output together was not an easy task. But there was one thing I didn't expect. It turned out the preparation to MBA was actually the start of the program. A sort of mini MBA trial that gives you a flavor of what there is to follow.

GMAT is the equivalent of an entry course – nothing really complicated but takes some time to get used to, a little bit of math, a tiny bit of essay writing and a good deal of common sense and logic. All of that is going to be the core part of the MBA experience from start to finish.

Admission essays are even more interesting. What they seem to require is that one (i) does a very thorough study of who he is, what are his achievements to date, what are the key strengths and areas for development etc., how is he different from his peers, and (ii) package the results in a sexy punchy short presentation that would show the best of him and would make this person really stand out. Put simply, it's all about self-awareness and self-marketing. Guess what you will be busy with a good half of your time on the program? Working on your self-awareness and self-marketing skills. When would you desperately need those 2 at their best? When applying for your summer internship or full-time

Continued, next page.

although the figure of 25 people was a minimum, the Business Development Director mentioned that the plan they had discussed was for 30 attendees. Thus $30 \times \$100 = \3000 and is 40% of the total budget. Therefore the budget is $3000 / .4$ or \$7500.

For the second question, the Business Development Director expects 20 potential clients to attend. The correspondence is taking place on January 15 and the seminar is planned for January 22, which is a week away. If 8 potential clients have registered already and the Business Development Director expects 60% of those who attend to register in the last week, then he must expect that current registrants are 40% of those who will eventually register. His expected attendance is $8 / .4$ or 20.

Again, printing costs of \$3000 are part of the budget and the Business Development Director plans to reduce them to the cost of \$900, or \$30 per person. Thus he has saved \$2100 from his budget and could potentially have 70 ($2100 / \$30$) more attendees, but this will cause him to exceed the room size.

This means that the practical limitation is now the size of the room and not the cost of materials. If he expects 20 potential clients and can have 50 attendees as a maximum, then he can try to get 30 more attendees. Since only 20% of existing clients who are invited to such events usually attend, he can invite 150 existing clients to try to get the 30 more people he wants.

For the final question, which is pure critical reasoning skills from your study of the Verbal Section of the GMAT, the answer

positions competing with about 400 people from your class, not a tiny bit less talented bright or motivated than you are, and thousands of other applicants with or without MBA background.

Admission interviews follow the same logic and are equally instrumental later on. It turns out that nothing is accidental. So going back to my experience, in one way, GMAT, essays and interviews have been tremendously time consuming and often exhausting undertakings, but in the other way they greatly reinforced my desire for change and my confidence in the program.

Experiencing LBS

It would not be unreasonable to divide the whole LBS experience into 3 parts: (1) first 5-6 months before you get a summer internship ("Hard work"); (2) second 3-4 months when it's in your pocket ("Chill out"); and (3) last 3-9 months after you've completed it ("Settled life"). Remember, LBS provides flexibility to graduate after 15, 18 or 20 months.

is what percentage of potential clients who attend such seminars end up becoming clients of the firm. If he expects that 50% of existing clients who attend will bring the firm new business, he would be better off inviting more existing clients than potential clients if he expects a less conversion of attendance to business for potential client attendees. While it would be useful to know whether existing clients are likely to attend other firm events, thus indicating that there are other ways to get in that existing client business, the percentage of potential clients who are likely to become clients is more directly relevant to the question.

Conclusion

If you worked through the questions above rather than simply reading the answers, you have a good idea of the toughest that the Next Generation GMAT

is likely to throw at you. These may not be exactly like the questions you get on the GMAT, but they should be pretty close.

We hope you can see that the new section is no cause for panic. It might be tough, but by bringing together your skills from practicing for the problem solving, data sufficiency, critical reasoning and reading comprehension (in other words by combining the skills you already have to work on for the old GMAT) you should be able to ace this part of the exam.

And remember, for at least the short term, schools are still likely to care most about your Verbal and Quantitative Skills. No one knows how they will use the new IR score.



Not surprisingly, the first period is the most intense. It's confusing at the start – the format of education is very different from our good old Russian ways. It's challenging at times, mostly because much work is done in international teams of 5-7 people of hugely different cultures, traditions and backgrounds (remember the old fable by Ivan Krylov about the animal orchestra?) Long hours also. But always exciting! I was carried away by a swirl of new impressions, impressive acquaintances, interesting studies and a great deal of self-discovery moments. New to the world of business, I very much appreciated courses on strategy, marketing, operations, corporate finance, accounting, entrepreneurship etc.; private equity and consulting competitions (which, in the end, helped me find the job) and a lot more. But most of the time I was networking, bolstering my interview skills, working on my CV and cover letters – i.e. investing in my future career. It's tremendously tiresome, but very rewarding if you succeed.

The second period is the most fun. When a summer job is secured, you find yourself

having much more spare time and being under far less pressure. The courses also (on purpose I think) get somewhat less demanding and frankly less important to many students. This is where most of the partying and a fair bit of travel happens. I've been travelling and partying in France, Scotland, Greece and Portugal. These are really the golden times on the program and you get to make a lot of friends. Unforgettable.

Finally, the concluding months are different for everyone. In my case, I chose to get back to work as soon as possible and graduate in 15 months. Although the stress levels are far less than in the first period (after all, you got your work life secured, you've done and seen a lot) this is quite a lot of work. Importantly, the courses at this stage really get to their best. They all are taught as electives (i.e. flexible choice), are very much bespoke and unique to LBS. Given almost a hundred of them, LBS provides an opportunity to tailor an MBA degree and skew it to finance, entrepreneurship, strategy or a dozen of other

LBS, continued from page 7.

directions. There is also a second year project to be completed – a real consulting project done by students for real clients (not for free, typically). So it is a busy time, but only if you'd like to graduate soon. Otherwise, a whole 9 months more to go, with an extensive exchange program, more travels and more partying... up to you!

Well I can write a lot more, but there's only so much space and only so much span of your attention! Everything above is my very own reflections on what has been and is still going on. On the balance I'm confident that the LBS experience was worth every penny and every second invested in it. Never before and sadly unlikely again I will have such an immensely challenging, but unprecedentedly fun and tremendously educating experience that will transform my life to a similar degree. We are all products of our experiences and I trust that this is the kind of experience that you want to be the product of.



Notes from the Underground: DARDEN SCHOOL OF BUSINESS, UVA

by *George Shapovalov, Alumnus*

Darden was a great educational and personal experience. The program is very tough and demanding even for native speakers and has a reputation of a boot camp. In comparison with other schools we had twice more classes and everything was in cases.

The class is relatively small though, and the environment is very friendly. Professors are excellent. When a friend of mine from Duke said that he always could get an appointment with professor when he needed I was laughing because at Darden you just go to the faulty building and professors are ready to help you. UVA is a great university with very good traditions and strong ethical value. Honor system is the cornerstone of the University and I enjoyed the privilege of home-taken exams. Charlottesville is a very nice place to live and I enjoyed driving to Blue Mountains Ridge. So I definitely can recommend the school to everyone who wants to stretch him or her self and to learn many business aspects in practice, but not to someone who just want to have MBA and enjoy some time abroad. At Darden you should really work hard.

I am in New York now and joined CitiBank after my graduation. The Big Apple is a very vibrant place and there are a lot of interesting people here. Citi is a huge behemoth that provides with a lot of career opportunities. I am in the leadership development program for

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Consumer Banking and planning my transfer to Commercial Banking.

You asked me how I like the States and can answer that I like it and would like to stay here. There are plenty opportunities here to make money in an honest way just by working hard and because soon or later I plan to start my own business I have better chances to be successful here than in Russia. Though, America is not all sugar and there are some

issues that worry me. For example, huge governmental debt, social fragmentation, bad education system, inefficient and expensive healthcare system, and lack of strong leadership with clear long-term plans. Surprisingly, there are a lot of similarities between Russia and the US, but so far I would like to stay here at least for five more years.



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