

# Downturn is right time to take an MBA

By Steve Coomber



**Deirdre Kenny**  
Partner, CTPartners

Retailers crash, banks are bailed out, the spectre of redundancy looms large; the gloom is unremitting, it seems — but for many aspiring senior managers and finance professionals worrying about their careers or who are out of a job, post-graduate business education may offer a haven in an economic storm. When push comes to

crunch, it is a great time to take an MBA.

Early indications suggest that MBA applications to British business schools are on an upward trend. "The recruiting round of 2008-09 saw a big spike in MBA applications," Richard Gillingwater, Dean of Cass Business School in the City of London, said. "Up to last September, applications were up some 40 per cent. Although it is still early in the recruiting cycle, MBA enquiries and applications are up again this year."

Some American business schools also report a surge in applications. At the Tuck School of Business in Hanover, New Hampshire, Paul Danos, the Dean, expects more applicants, albeit temporarily: "There's always a short burst of applications when there's a negative event such as the financial crisis. It's not a huge percentage and it will not persist for long."

The logic for taking an MBA in 2009 is compelling, especially if you work in management or finance and fear for your job, or are already a victim of the growing number of redundancies. In a downturn, the opportunity costs of putting a career into neutral for a year or two are more attractive than during a boom, when people worry about missing out on quick promotions and big bonuses. In a recession, an MBA allows you to boost

skills, ready for when the green shoots of recovery appear. It is also a good career change mechanism. Fahad Hashmi is one of those executives opting out of financial services to enhance their career prospects. He left a job at UBS Financial as a global wealth adviser to study on the full-time MBA programme at Cass. "I wanted to switch from wealth management to corporate finance," he said. "I tried to get into that side of finance, but it was very tough. Coming on to the MBA programme now seemed to be the best way to make the transition."

Although prospects in the market look grim at the moment, there will always be a need for finance professionals.

Things may not be quite the same, however. "In coming years, there will be far less money to be made in finance than over the last decade," Arnoud De Meyer, the director of Judge Business School at Cambridge University, said. "The nature of the jobs will change and there will not be the same huge bonuses and salaries."

The shift in the skills mix required is becoming apparent. "MBAs are still finding jobs in the financial services sector but at much lower rates than previous years," Rob Dixon, Dean of Durham Business School, said, "and I am being approached by contacts to find MBAs who would be good at financial and cashflow management, and company turnarounds."

Professor De Meyer believes that curriculum changes to reflect the realities of a new financial era will favour topics such as behavioural finance and financial regulation, as well as the fundamentals of corporate finance as researchers rethink the financial models that have proved unreliable.

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**"A combination of MBA and financial services career experience can be a highly valued profile, particularly in a recession," Deirdre Kenny, a managing partner at CTPartners, the global search firm, said. "As corporations define strategy and look to differentiate their businesses, the strategic and analytical tools applied in banking and capital markets are very relevant in the finance and planning functions."**

Other MBA tracks are attracting attention. "We have noticed a marked increase in interest in energy, environment and sustainability among MBA applicants," Derrick Bolton, assistant dean and director of MBA at the Stanford Graduate School of Business in California, said. At Cass, Mr Gillingwater said, more MBA-level people are coming to the school with aspirations to focus on entrepreneurship.

For those MBA students determined to work in the finance and banking sector, the best business schools have powerful networks, so be sure to use them. "I still plan to return to the US to work," Mr Hashmi said.

"Talking to potential employers, our careers team and my own contacts, it seems very hard out there. Fortunately, Cass has great corporate relations with many companies in the financial sector. So, for example, through its network I have been able to get in touch with a potential employer in the Bank of New York, based out of New York."

Perhaps the final word should go to Jamsheed Khadaroo, a recent Durham Business School MBA graduate who found work with the Financial Services Commission in Mauritius, a relatively robust offshore financial centre. "The current economic downturn represents a wonderful investment opportunity to take an MBA," he said. "It is a qualification that will help you succeed during an economic downturn, have a competitive edge in the world of finance and be ideally positioned to benefit when the recovery materialises."