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## **It's never too late to go back to the classroom**

*A growing number of executives are taking a break from their careers to join short, snappy one-year MBA programmes. Neelima Mahajan takes a look at the stakes involved*

Every morning, at around 9 am, 30-year-old Rohit Kapoor and his son Devansh walk down to school. When they reach the entrance to the classroom, the one-and-a-half year old Devansh starts howling. Familiar scene at any playschool? Aha. Not quite. This traumatic scene gets acted out at the Indian School of Business (ISB) in Hyderabad. And the one who goes into the classroom is not the toddler, but daddy dear.

Kapoor joined ISB's one year programme in April this year, after working for seven years with companies like Usha Martin, Eli Lilly and McKinsey. With a BCom degree and a CFA qualification under his belt, Kapoor wanted to make the transition from finance into general management. And a shorter, snappier MBA programme seemed to be just the answer. But would it be easy to get back to the classroom at this late age?

Soon after joining ISB, Kapoor discovered there were others with even longer resumes. Pritipal Singh, for one. Singh had worked for 22 years, before the MBA bug bit him. "At 42, I see an MBA as my path to a second career," says Singh who was a commander with the Indian Navy. Singh has been nurturing a secret passion for a corporate career for the last two-three years and, the second his mandatory 20-year-long permanent commission was over, he took the plunge. Even the fact that he had a family to support did not deter him.

An increasing number of mid-career professionals like Kapoor and Singh are going back to school. To meet the demand, several Indian and global B-schools are now offering the option to complete an MBA in less than 12 months. The statistics bear out the trend. Despite Pritipal's presence, the average age of Kapoor's class is around 27 years. Almost 90 of the 345 students at ISB are married, and some even have kids.

While the cost is much higher than a twoyear programme, that hardly appears to be a deterrent. Mangesh Korgaonker, head of IIT-B's Shailesh J. Mehta School of Management, which plans to start its own one year programme next year, believes that the potential pool of applicants is close to 2 lakh. And more schools are popping up. Apart from ISB, XLRI, SP Jain and Great Lakes have begun offering shorter programmes. Now, even the IIMs at Ahmedabad, Kolkata, and Bangalore are joining the bandwagon.

Despite the allure of an MBA, the decision to go back to school is far from easy. Especially when you are well-settled in a corporate job, earning a fat salary and,

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above all, have a family to support. There are added risks too. Initially, most one-year programmes had a hard time convincing recruiters to hire from campus. If it isn't easy bagging a job, how much sense does it make to give up the stability of the present?

An MBA may well be an investment for the future. But it does pay to think through the decision carefully. Let's start at the very beginning.

### **Is a one-year MBA for me?**

First figure out what stage your career is in. If you feel that you have hit a plateau in your career and need new growth opportunities, a one-year MBA may hold the key. On the other hand, if you want to explore opportunities in other industries, this may help you expand your horizons. Take 27-year-old Santosh Singh. After spending five years as a programmer analyst at Infosys, he started looking for a change. "I realised that even if I changed over to another company, it would not change my job profile," he says. Singh needed to broaden his profile, else he would have remained a programmer for life. To make matters worse, Singh was not enjoying his job any more. It was then that Singh decided to enrol for SP Jain's oneyear MBA. On the other hand, there are extreme cases like 42-year-old Pritipal Singh, the navy officer, who belatedly realised that he would rather be in the corporate sector.

For others, like Ravi Sheshadri, the oneyear MBA is a means to gain essential skills. Sheshadri is currently doing his second MBA at INSEAD (the first one was from IIML). After relocating to Singapore, Sheshadri realised that he was on the verge of hitting a glass ceiling because he was not used to working in a global environment. "Many of my approaches to business situations were not as effective as they were earlier in an Indian context. I had to internationalise my thinking and adapt my management style."

### **Will I get enough value?**

Staying out of the work circuit for a whole year is a huge risk. One, you lose a whole year's salary and also sink in a huge sum of money as your MBA fee. Two, you need to be sufficiently sure that you will make up for what you have lost.

On average, the base salary forfeited is about Rs 5 lakh. After the MBA, you can expect to earn at least Rs 10 lakh—and far more if you bag a global posting.

Before taking the plunge, one needs to be sure that whatever one earns post-MBA is worth the investment. While there are no definite ways of working this out, you can do some guesswork. Take your base salary in your current job. Next, talk to some of your seniors. Based on your profile you can ask them about the likely salary jump you will get once you finish the programme. For ISB's Rohit Kapoor the EMI on his loan works out to Rs 10,000-15,000 a month. On a potential post-MBA take-home salary of Rs 1 lakh, this EMI means an outgo of 10-15% a month. Says Kapoor, "That is not bad at all. In fact, a monthly outgo of 15-20% can be used as a good benchmark."

However, this method can never give you any definite answers, as it is based on subjective assumptions like how much salary you are likely to earn. "You need to

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look more at the 'lifetime value' of the MBA rather than a short-term return on investment," says ISB dean M. Rammohan Rao.

To extract the maximum value from your MBA, one of the issues is doing it at the right time. Many people like Sheshadri and Singh go in for it when they start touching a plateau in their career and need fresh growth opportunities.

For some, like Ashish Sinha, a student at SP Jain, there is a sweet spot with regard to age. "It's better to do it after having worked for 5-6 years. At 35-40, you tend to become more rigid and complacent."

There are other issues you need to take into account regarding timing. Family responsibilities for instance. If you have a child, it may be best to do an MBA while he or she is still young. Says Kapoor, "It's easier to finish your MBA either just before you have a baby or before the baby turns three. After that you have added hassles of children's education."

There is also a macro factor that people tend to overlook. Make sure you see where the economy is heading before you go back to school. Says Sheshadri, "If you graduate when the economy is good, you can be sufficiently sure of good job prospects."

### **Will it disrupt my family life?**

Very often, after his classes get over, Kapoor stays on and studies at the ISB library while his wife and child wait at their studio apartment on campus. "Sometimes my son makes too much noise at home and I can't concentrate," he says. B-school life is all about 16-hour work days, case study discussions, working on projects through the night and also taking part in other events. You will see very little of your family, and very often you may end up neglecting them.

In ISB's case, some families stay on campus for a year. But relocating families to another city is not easy. Pritipal Singh, for instance, has two school-going kids — in Class V and Class IX. While his daughter managed to secure admission in the school of his choice, his son didn't. So Singh had to hunt for a new school. In cases where the spouse is working, getting new jobs for a year is not easy. ISB identifies job opportunities on campus and in local companies.

### **How can I fund it?**

The price tag of a one-year MBA is much higher than that of a two-year programme. ISB's course costs around Rs 13 lakh. IIM-A's soon-to-be-launched programme is pegged at Rs 8 lakh. How should you go about funding it? Some schools do offer scholarships, but they are few and far between.

One option is getting your company to sponsor you. However, so far there have been very few company-sponsored candidates. Out of ISB's batch of 345 students, only four-five have company sponsorship. In SP Jain's one-year MBA there are virtually no company-sponsored people. Rao of ISB says, "Companies are not sure that they will be able to retain these candidates once they finish their MBA. No one is quite sure whether bonds are legally enforceable."

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Obviously, dipping into savings to fund your MBA is not a great option. Most people go in for loans. Today, nearly all schools have tied up with banks to offer students loans at concessional rates. ISB, for instance, has tied up with a number of banks like Andhra Bank and State Bank of India. SP Jain has tie-ups with SBI. Most of these loans have lower interest rates, ranging between 8.5% to 11%. Besides, there is no need for a collateral. Once they decide to go back to school, some people try and cut down on unnecessary expenditure so that their families don't face any problems. Kapoor and his wife decided not to go to Singapore for their vacation. It will all make up in the future.