WHAT IS MBA?

Masters of Business Administration (MBA) is a post graduate program that, regardless of the specialization, will provide you with conceptual, theoretical and practical training in various aspects of business like economics, operations, marketing, basic accounting, corporate finance etc. However, if the student has a bent towards one specific area of management, a specialized MBA can be pursued in that specific facet. The pros and cons of a specialized MBA are elaborately discussed later in this guide.

Various Specializations of MBA

Most MBA programs in India are accredited by AICTE or UGC however many MBA programs also have prestigious international accreditations. For example, the prestigious IIM Calcutta’s programs are accredited by AACSB and AMBA making it the only Indian B-school with both these global accreditations.

An MBA program is basically of two types in terms of the duration of the program: Two-year Full Time Program and One-Year Executive Program.

MBA Two-year Full Time Program

The two-year MBA is the most common and most sought after MBA program of most of the Indian B-schools (some exceptions being ISB Hyderabad and Great Lakes, Chennai which are renowned for their one-year programs). While some B-schools offer a Post Graduate Diploma in Management (PGDM) some offer a Masters Degree (MBA). MBA is offered by colleges that are affiliated to a university. All the colleges that are not affiliated to any university offer a PGDM which is a diploma. However, it doesn’t make any difference whether it’s a diploma or an MBA degree as the recruiters go by the reputation of the B-school and the calibre of the student. IIMs and XLRI, despite offering a diploma, are two of the most prestigious B-schools of India.

The Timeline at a B-school
The program has 6 terms (also known as trimesters) of 3 months each. Both the years have 3 trimesters each. A student pursues a 2 month long summer internship after the end of the first year.

**MBA Specializations and Electives**

B-schools offer various specialized management programs that are domain specific and aimed at gaining deeper knowledge about a particular stream of management. The most common specializations are Finance, Sales & Marketing, Logistics & Operations, Human Resource, IT. Majority of the B-schools have a General Management program in which the first year is about learning the basics of all the various streams of management. In the second year, the student chooses his specialization and the electives he intends to take.

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Some of the broad topics covered in various specializations

Other than the most conventional specializations mentioned above various other thriving and upcoming specializations are Telecom Management, Retail Management, Sports Management, Energy Management etc.

**MBA Specialized Management Programs**

Many colleges offer domain specific management programs. Some of these colleges are:

- IIFT Delhi & Kolkata - Foreign Trade
- Mudra Institute of Communication, Ahmedabad (MICA) - Communications
- Tata Institute of Social Sciences - Human Resource, Social Entrepreneurship

A student of the specialized course gets an in-depth knowledge of the stream and can market himself as a specialist.

**MBA Summer Internships**

The 2 month long summer internship is a regular aspect of the course curriculum in any B-school across the country. The summer internship placements take place in the second term giving the students the glimpse of the final year placements. The students pursue their internships at prestigious organizations. The organization assigns project(s) to the intern which the intern is meant to complete in the 2 month internship period.

- An internship gives the student a perspective of the industry and the corporate world. The student gets a chance to apply his classroom knowledge and skills to use.
- A student pursuing an internship in his sector of interest puts him in a good stead as he gains relevant experience in what he wishes to move ahead with in the second year/final placements.
- Also, it gives the student a fair enough knowledge of a sector other than that of his interest.

Organizations generously participate in the summer placements, especially in the top B-schools, offering the interns a handsome stipend. Not only is the summer placement a glimpse of the final placements, in many cases the organizations offer the interns a pre-placement offer (PPO) welcoming the intern to join the organization after the completion of the MBA.
MBA Winter Internships / Short Term Projects (STP)

Not very common at Indian B-schools, the winter internships happen in December-January, towards the end of the first year. In some cases, this is more of a short-term project with a company that would run parallel with the 4th term of the MBA program.

MBA Final Placements

As compared to a simple graduate who enters the hierarchy at the executive level, an MBA would start off his career from the junior or mid management level. Various and diverse profiles are offered to top B-school students like Management Consultant, Marketing Manager, Project Manager etc.

MBA from the top B-schools easily puts the student in good stead to draw a starting salary of `10 - 20 lakhs. For the Top 10 B-schools, the average packages are generally between `16 - 20 lakhs. There has been a steady rise in the average pay packages of these top B-schools over the last few years.

Note: *Data from Placement Reports 2014/2015 if available else Media Sources, Averages & Projections

MBA One-year Executive Program

One-year Executive Programs are targeted at working professionals with at least two to three years of work experience, looking for further growth in their career. Most of the prestigious B-schools of the country offer one-year executive programs.

- IIM-A PGPX - Ahmedabad
- ISB - Hyderabad
- IIM-B EPGP - Bangalore
- IIM-C PGPEX - Kolkata
- XLRI PGDM (General Management) - Jamshedpur
- S. P. Jain (General Management) - Mumbai
- IIM-L (IPMX) - Lucknow
- Great Lakes - Chennai

The one-year executive programs are well accepted in India. For instance, the average package at IIM-A’s PGPX has gone up till `26 lakh. A candidate with 2-3 years of work experience should go for a reputed executive program which will add value to his career and will bring a quantum jump in his career.
WHY MBA?

The most pertinent question that should actually be the first step towards the MBA exam preparation is - “Why MBA?”. This, at the same time, is also the most ignored question throughout the prep. Usually, there is hardly any clarity in an aspirant’s mind about what is he expecting from his MBA degree. To be able to think clearly about this, it is required to look beyond the general perceptions about MBA and to understand what an MBA degree would give you.

MBA General Perceptions - Ground Realities

Perception: “Great B-school ensures a great job.”
Reality: Not completely correct. Infact, the competition gets fiercer at a great B-school. But certainly, a great B-school ensures that a student gets lot of great opportunities. It eventually boils down to the calibre of the student as to how ready and prepared he is to utilize the opportunities to his benefit.

Perception: “An MBA degree would catapult me to extremely high levels of corporate remuneration”
Reality: Again, not completely correct. The well written placement reports of B-schools with great ‘figures’ written all over them cannot be taken for granted. There are some pitfalls that a student needs to be aware of. The pay packages that a company offers have to be taken with a pinch of salt. These pay packages usually have a variable factor ranging from 100 to 400 percent. The ‘Highest Salary’ figure shouldn’t even be a parameter to choose a B-school. Only a handful of students, at times only one, manage to bag that kind of an offer. Usually the students are offered the ‘Average Salary’ or even lower than that.

Perception: “MBA would give me my dream job, just the way I’ve always imagined it”
Reality: Although, MBA offers great variety of specializations and certainly the job spectrum widens after the MBA, but the dream job profile is not always at the student’s discretion. What kind of a profile a student is offered mostly depends on the type of companies that visit the B-school for placements and also on the specialization of the student. Also, in order to bag a dream job profile, the student is expected to have worked hard enough to back it up with enough proof that he is genuinely interested in that field.

Perception: “It takes great amount of intelligence and exceptional past academic scores to clear CAT and get into one of the top B-schools”
Reality: This couldn’t have been more far away from the truth. Certainly, a good academic record will make it easier for a candidate to make it to the cut-off for B-schools that lay a lot of emphasis on profile (e.g. IIM-B, SP Jain) and will also help the candidate to portray a better image on the interviewer. But, only a few B-schools have more than 10-15% weightage of past academics in the overall selection process. Statistics would tell that the students without impressive academic scores have also made it through to the top B-schools.

Better Reasons to go for MBA

Now that the major myths about MBA have been busted, let us put things into perspective to understand what can an MBA degree give the student and how the student should look towards MBA to make it more fruitful for him.

- **Better Job Opportunities**: An average graduate usually gets frustrated due to extremely limited job opportunities and limited type of job profiles. An MBA widens the spectrum of job opportunities and job profiles for a student. An MBA from the top B-schools takes the student to higher levels of management, making them managers and senior managers, which surely does mean a higher position in the organization but also means higher responsibilities. An MBA degree from the top most B-schools gives a person the credibility to hold leadership roles in an organization.

- **Greater Career Growth**: A mere graduate might take many years to escalate in the corporate hierarchy and might still not move beyond a certain level. It does become important for a graduate to have a higher degree to reach the senior management levels. An MBA graduate from a top B-school starts his career from the mid-management or senior management level and has far more better chances of escalating upwards to become a CEO, CFO, CIO, CTO etc.

- **Larger Perspective of Business World**: A good MBA program imparts not only knowledge but also good business acumen for the student for him to become more receptive to changes in the world and better equipped with problem solving tactics. A simple employee of an organization, serving in the lower half of the hierarchy, might not have the access to relevant information about business. MBA makes business knowledge a familiar territory, hence making the student a valuable asset to the organization.
■ **Greater Challenges:** MBA widens the student’s limits of learning. It gets the student out of his comfort zone, deal with the latest issues, apply the newest management techniques and just constantly challenge him with different situations.

■ **Consolidated Corporate Network:** The first step towards a fruitful college life is having a good network of encouraging and supportive friends. The only difference at a top B-school is that the friends here would be more career oriented and would be some of the top future managers. This puts the student in a good position in life as he gets to interact with colleagues, professors and teaching staff (usually former or current business people, with great on-field experience).

■ **Better Pay Packages:** Lastly, there is no denying the fact that an MBA degree from a good B-school brings with itself greater pay packages. To say the least, for a simple graduate engineer, the salary after an MBA becomes at least triple. Over the years the top tier B-schools have maintained the tradition of high salary packages being offered to its students even in the times of recession.

### MBA: Relevance (or Irrelevance) of the Type of Academic Background

The biggest myth that we didn’t bust earlier (and saved it for this section) is that it’s not necessary at all to have done business courses (like BBA) prior to the MBA to become a better manager. This myth is a far cry from the student’s background statistics of B-schools where a majority of the students are engineers and the remaining are from various other backgrounds. Infact, top B-schools encourage diversity in classrooms. Diversity helps to create an environment where productive debates and differing viewpoints can be used to foster innovation.

■ **Engineers:** Beginning by quoting a statistic, in the last three PGP batches at IIM Bangalore, there have been 90% engineers in each batch (Read More: IIM Bangalore). IT engineers involved in software development and testing tend to pursue an MBA to move out of their monotonous work profile of coding programs. Although they might eventually become project managers in 5-7 years without the MBA, an MBA gives the process a big fillip.

■ **Lawyers:** An MBA after law makes perfect sense for those looking to open their private law firm. Although, it’s debatable whether an MBA degree is really required to open a law firm but there are sufficient arguments that can be given to support MBA. A business degree before opening a law firm will give the person valuable business insights that would surely become a great competitive advantage.

■ **Agriculturists:** Leading B-schools of our country have specialized agriculture oriented programs. These programs broadly cover marketing (emphasis on rural marketing and retail management) finance (emphasis on micro finance, commodity trading and lending and risk management), supply chain management (logistics in retail), and taxation. It also details all the relevant and applicable fields of Agriculture. These programs are offered by IIM-Ahmedabad, SIIB Pune and a few more B-schools.

■ **Doctors:** While doctors contemplate whether to pursue MD or MS, there is MBA as a very valid third option. Doctors with a management degree can find great jobs in hospital administration and management. Not only this, but they can be a valuable asset to companies who develop surgical or electronic medical products for e.g. GE and Philips. Tata Institute of Social Sciences, Maharashtra offers Master of Hospital Administration.Manipal Institute of Management offers MBA in Hospital Administration and Health Care Management.

■ **Teachers:** An MBA degree puts teachers in a leadership position. Teachers get to venture out administrative positions which help them to be able to influence the growth of a much larger group of learners and not just a classroom full of students.

### MBA with work experience or without work experience?

For a fresher or a student in his final year one of the biggest decisions is whether to write CAT that year or get some work experience and pursue MBA later. Here it is important to break another myth that having work experience is an important factor to get into the IIMs. The fact is that apart from IIM Bangalore and Indore none of the IIMs have assigned more than 20% weightage to work experience. As a matter of fact, there is no weightage to work experience at IIM Ahmedabad, as they give 100% weightage to CAT scores. This clearly shows that having work experience doesn’t make a big difference as it is always made out to be. It is advisable that the candidate appears for CAT and other MBA exams right from his final year of graduation. This would give the candidate time to prepare for the exams as it might become extremely difficult to start preparations along with a job. Having no work experience is never a demerit for a fresher. However, it’s important to mention that having work experience would definitely help the candidate by giving him a perspective of corporate processes and scenarios.
Executive MBA or Full-Time MBA?

The minimum work experience required for an executive MBA is around 2 - 2.5 years. The executive MBA is usually a one year program targeted at professionals who have already had sufficient exposure to the corporate world and wish to enhance their existing career paths. The executive MBA programs have higher fees than the normal full-time programs. For the working professionals, employers might pay a part of the fee or even the complete fee. The full-time MBA programs are ideal for fresh graduates who can afford to delay working. This would eventually put them quite ahead of non-MBA graduates in terms of job prospects. The bottom line of this is that for a graduate with 3 or more years of experience, Executive MBA is advisable as it would provide the benefit of MBA in a shorter span of time minus the internship (which becomes almost irrelevant after 3 years of work ex.).

MBA from India or Abroad?

The first point in this respect is that, considering how common MBA has become, an MBA program must make a big difference on the resume. The quality education offered, professional exposure and personality development is the key to the brand value of all reputed B-schools.

- **Indian MBA Programs**: The most reputed B-schools in India accept the scores of the CAT exam conducted by the IIMs. The PGDM programs at the IIMs are one of the highest ranked management programs in the world. From the world perspective, institutes other than the top three IIMs don’t feature to be compared with reputed MBA programs of the USA and the UK. The not-so-good B-schools are easy to get in but they won’t add much value to the resume and eventually to the career. If a student is able to convert the calls of the top three IIMs he should prefer to go to these IIMs as more or less the top three IIMs are equally at par with most of the best B-schools of the world. Backed by good placements, IIMs are a better option than most of the foreign MBA programs as they don’t provide any placement assistance and the candidate needs to venture out his own job prospects himself.

- **MBA Abroad**: The foreign MBA programs are applied through valid GMAT scores. The few advantages that the foreign MBA programs provide are:
  - **International Faculty**: There is a huge amount of diversity not just among the students but also among the faculty. Reputed B-schools of the world are able to bring together the best minds from around the world who exhibit quality teaching.
  - **Internationally Accepted Programs**: Almost all the programs of reputed colleges of the USA and the UK are accepted worldwide. A word of caution here is that the one year programs of UK are not accepted in India.
  - **Better Scope for Research**: Top B-schools of the world provide great resources for research work. Some of the best researches of the management field are done at premier institutes like the Harvard Business School.

It can be concluded by saying that if the aspirant has a global perspective in mind and eventually wants to settle abroad, he may go for the international programs. The Indian higher education system has reached a level where the top IIMs are at par with best international programs.

What other than/along with MBA?

An MBA aspirant must also consider appearing for exams like Bank-PO, GMAT and GRE. This would fall in line with their eventual aim of doing a good master’s degree and excel in life. A candidate who is not able to score well in CAT and clears the Bank PO exam can work at a leading PSU bank of India. The PSU banks have a good reputation and this would be a valuable work experience. The student may just excel in that field itself or he can appear for CAT and other MBA exams in the subsequent years along with this stable job.