

MBA Abroad: Is it worth the money?

Even by the most conservative estimates, pursuing an MBA degree abroad would set you back by at least Rs. 10 lakhs, if you have to shell out the money on your own. This could go up to as much as Rs. 30 lakhs for the top U.S. B-schools. Financial aid is limited, and comes with strings attached. Given the exorbitant expenditure involved, is it really worth it?

The answer depends on a lot of factors, and ultimately, has to come from you. We can help you evaluate the scenario by laying out these factors before you. The factors have to be considered in conjunction with each other, rather than in isolation. Weigh them carefully, and decide to what extent each factor is applicable to you.

1. How much would it pinch you?

MONEY! This, of course, is the bottomline. Start with the assumption that you are not going to get any scholarship, as getting financial aid for an MBA program is really tough. Then look at the resources at your disposal (could be your own bank account, or your parents', or any benefactor you may have)

- If you have sufficient funds (Rs. 10-15 lakhs), our recommendation is: *just go ahead*. It'll surely prove to be money well spent – the experience itself is great!
- If you can spare some amount (Rs. 5-6 lakhs), you could still consider going, as you'll be able to manage the first few semesters on your own. Once you're there, you'll have to find ways to raise some money (most Indian students manage this, at least the smart ones certainly do!)
- If you are constrained on cash, but can manage a bank loan, it still makes sense to go ahead. However, you must be confident that you will do well in the program and manage to get a job. (Jobs are really hard to find in places like Australia and UK).
- If you don't belong to any of the above categories, how about trying for an Indian MBA?
- Note: The bottom line is an MBA abroad is worth the money. Even if you spend 15 lakhs doing an MBA from a *good* school, you will recover the money within a year of passing out. Start thinking like a business manager even before your MBA.

2. What are your alternatives?

Quote: 'The choices you make decide the life you lead'.

A lot depends on what options you have here.

If you've been toying with the idea of going abroad for an MBA, what are the other options that you have? Would you rather do it from a top-rung Indian institute, like the IIMs? Well, the answer totally depends on your aspirations.

- If you've cracked the CAT, go for it. The IIMs are among the best in the world. However, if you have to choose between IIM and a top institute like Harvard or London Business School, it makes sense to choose the latter. The exposure and contacts that you'll get in a top school are simply unmatched. An M.B.A. from a top-rung B-school will almost certainly propel you in the global job market, and you'll soon be on your way to the top of the ladder.

- If your choice is between a mid-tier B-school abroad and an average Indian institute, it makes IMMENSE sense to go abroad. The mid-tier schools abroad offer much better career prospects. An MBA from a mid-range U.S. B-school also has fairly healthy prospects, given the buoyant state of the US economy in the last few years.

- If you have close relatives abroad, who can help you with funds and/or getting you an employment on completion of your MBA, you are in an enviable position. However, make sure you talk to the relatives before you apply.

However, unless you have the ways and means to find yourself an employment, we would not recommend going to just any U.S. B-school that you can get into.

3. What do you plan to do after the MBA?

This is probably the most important criterion.

The critical question is: DO YOU WISH TO SETTLE THERE?

50% of the people who come to us say "yes" to this. The other 50% say they'll come back, after staying on for a few years. Ultimately, very few come back.

- If you are sure of taking up a job abroad, rather, managing to get yourself a job, then it makes sense to even take a loan to go abroad for an MBA. In all likelihood, you'll repay the loan within a year. (Going by the average salaries Indians manage after their MBA).

This is applicable mainly to the US & Canada. Getting a work permit in Australia is very difficult. UK has recently allowed international MBA students to work for two years.

- If you're planning to return to India immediately on completion, you should think twice before going, unless funds are not a consideration for you.

The often-asked question is: how valuable is the international MBA degree in India? The answer depends on which school you do your MBA from: a Harvard degree will command respect anywhere in the world. If you're from a middle-rung school, you're as good as an MBA from a mid-rung Indian B-school.

The final word: you can spend all your money, take a loan, get into the best school, do whatever; ultimately what matters is how well you can "market" yourself. That's what will get you the "big bucks!"

If you would like to discuss your personal profile and case with other MBA aspirants, you can use the MBA Forum on www.mbagdpi.com, Your post would be seen not just by counselors and existing students, but also by many MBA aspirants just like you.