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Financial Training

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Emerging markets plug gaps in demand

Training providers are glad of increased interest from Asia, given reduced budgets in mature markets, says Della Bradshaw

Although western economies are struggling and the eurozone faces a continuing crisis, one business is flourishing: financial training.

And as in many other areas, demand from emerging markets is driving this growth.

This year, the CFA Institute, which administers the Chartered Financial Analyst exam, has seen an increase of 17 per cent in applicants from Asia who are eager to sit the first stage of the three-year exam, one of the most widely recognised financial qualifications in the world.

In New York, the New York Institute of Finance (NYIF), a financial education provider and part of Pearson, which owns the Financial Times, reports that while China and Brazil are the two big sources of demand, there is also increased interest

from Africa and even such unlikely places as Mongolia.

Tom Robinson, managing director of the education division of the CFA Institute, says that one reason for the surge in demand is that the CFA is a relatively new qualification there, and so the growth rate is higher.

But that is not all. "There is just a real thirst for credentials," he says.

As the examination is conducted only in English, it performs as a proficiency test of business English as well, he points out.

Patricia Sparacio, managing director of the NYIF, says that business from banks in developing countries has grown by 20 per cent in two years.

"They want to know what the best practices are and they want to see good global practitioners," she says.

Business schools as well as training companies are seeing increasing demand from Asia, in particular China.

There are several reasons for this thirst for financial training in China says Simon Taylor, director of the masters in finance programme at the Judge Business School at the Univer-



'There will come a point when we will have more [CFA] members in Asia than in the Americas'

sity of Cambridge in the UK, and they go beyond the desire for qualifications.

"Their banking system is very big and partly because of the rate of growth and partly because they are liberalising, there is a huge demand."

Like Ms Sparacio, he says that the first task of Chinese banks is to catch up with Europe and

the US, particularly in new areas of business.

"They need people in product areas that they don't have yet." But, he says, Chinese banks will want to put their own mark on the western models they are taught.

There are already more CFA candidates in Asia than in the Americas, says Mr Robinson —

42 per cent as opposed to 36. "There will come a point when we will have more members in Asia than in the Americas," he points out.

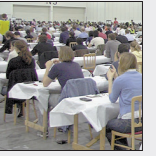
Such a shift in power could well be inevitable, as the growth in the market in for financial training in Asia is in

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Greater professionalism is required

Investment management

The complexity of products and additional regulation increase the pressure for formal qualifications, reports **Steve Johnson**

Nitin Mehta, a former fund manager, recalls his time in the investment management industry, in the 1990s, with un concealed amusement.

Soon after joining one of the UK's best-known fund houses, a bemused Mr Mehta raised the issue of training with his chief investment officer. He did not get quite the answer he was hoping for. "I went into his office and said: 'No one around here has any formal education in finance and investment'. I had an MBA at the time and I was just appalled," recalls Mr Mehta.

"I was chased out of his office. He said: 'My two best fund managers left school at 16 and had no other formal education'. Back then the only training was to sit by your boss and pick up what you could."

But Mr Mehta, now managing director, EMEA, for the CFA Institute, the US-based association of fund managers that administers the Chartered Financial Analyst exam, can claim the last laugh. That same gruff chief investment officer apparently now insists all his managers have formal qualifications.

The CFA Institute is at the forefront of this change. Globally, 200,000 people a year enrol for its three-part chartered financial analyst programme, with Asia now fielding more candidates than North America, thanks to double-digit growth in recent years.

However, the gruelling nature of the exam, which must be backed by four years' relevant work experience, means those who do reach much vaunted Level 3 status are typically 30 years of age.

"It's fiendishly difficult to pass, roughly one in five people who start the programme gain the qualification. Compared with a masters in finance, where it is hard to get in, but almost everyone passes, it's a real test. What's more, anyone can enter," says Mr Mehta.

The CFA qualification, which is generally held to be equivalent to a masters in finance or investment, is not required by any national regulators, although holders may be exempt from some regulatory criteria, as in the US.

Yet increasingly, asset managers are pushing younger employees, especially those earmarked for portfolio management roles, towards the programme.

"Most of the larger, better employers



Fiendish exam: roughly one in five people who start the CFA programme gains the qualification

now ensure that their trainees go through a formal process of getting financial education, such as CFA or a masters degree," says Mr Mehta. "Trainees are usually invited to enrol for a CFA programme. Those who haven't been invited into the chief investment officer's office to explain why they have not done so.

"There are a lot of things you can pick up [from colleagues], but you need to acquire some form of theoretical grounding. It gives you some structured thought. Just as if you were building a nuclear plant or a satellite,

you can't just learn it from watching someone."

Industry professionals confirm this picture. Gareth Jones, formerly head of training and development at M&G Investments, and now head of human resources, says it is compulsory for recruits to take the investment management certificate, a lower level qualification provided by the CFA Society in the UK, or, for those destined for middle or back office roles, the Investment Administration Qualification, provided by the Chartered Institute for Securities & Investment.

"Professional qualifications are a help but once people get into the workplace, they tend to think of themselves as employees first and professionals second"

However, the CFA route is "encouraged and supported" for those aiming for portfolio management roles.

In common with most large groups, M&G also has in-house training schemes and assigns mentors to those on its senior investment programme.

"I think there has been a strong trend towards more bespoke training, as the regulatory focus has increased and the number of asset classes has increased and become more complex," says Mr Jones.

"There has probably been a move away from relying on generic industry training. There has been a big trend in the industry to raise the bar."

But does all this training necessarily result in high levels of professionalism across the industry?

Roger Steare is visiting professor in organisational ethics and corporate philosopher in residence at Cass Business School in London, where he teaches ethics and corporate sustainability. He has worked with a number of financial services companies and is not convinced.

Admittedly, he does rank institutional asset management as one of the better segments of the financial services industry for professional integrity (the more sales-driven private wealth management scores far worse), but financial services as a whole has less integrity than business in general, Mr Steare believes.

"Professional integrity is woefully inadequate. The leaders of these organisations are guilty of negligence," he says.

"It tends to be box-ticking exercises. They can say: 'We have put our people through this training', but most of them don't check to see if there is any change in attitude and whether improved decision-making has become embedded. With a few noble exceptions we are back to business as usual."

"Professional qualifications are a help, but once people get into the workplace, they tend to think of themselves as employees first and professionals second. The CFA teaches people what looks good, but doesn't teach them how to apply things in real life situations."

Others disagree. Mr Jones says M&G's in-house training involves a process of constant repetition and case studies. "It's making it really relevant and using examples that brings it to life," he says.

Mr Mehta says the CFA has a "substantial element related to ethics and professional conduct", and its charter holders have to abide by the Institute's code of ethics.

"We do sometimes strip people of the designation. There are a number of cases every year," says Mr Mehta, "but, by and large, I have been very impressed by the investment professionals I have come across and worked with. Most people are ethical."

Emerging markets plug gaps in demand

Continued from Page 1

stark contrast with western Europe.

Mr Taylor says the overall demand is "not growing". In New York, Ms Sparacio says that, while some of the training and development departments in banks are experiencing static budgets, others are reporting a decrease or that they have been cut altogether.

But there are some bright notes. Alastair Matchett, co-founder and chief executive of Adkins Matchett & Toy, a training group with offices in New York, London and Hong Kong, says there are indicators that investment banks in the US and Europe are hiring again. With that will come contracts for companies such as his, which specialises in training recruits to graduate programmes of investment banks.

Investment bank recruiting at analyst level is back at 2007 rates, he reports. "This summer is probably our busiest ever."

What is certain is that the market is changing in the Americas and Europe.

Banks and regulators realise that a lack of appropriate knowledge exacerbated the recent financial crisis and both are insisting on more training for those working in financial firms.

There is a huge variety of programmes on offer, from accountancy to private wealth management and from one-day courses to degrees.

The market has traditionally broken down into those qualifications that are required by the regulatory authorities and those that are optional and targeted towards personal development.

But increasingly financial companies are asking for more than is required by law, says Richard Fernand, head of business school at 7city Learning in London.

That means moving beyond pure technical training, says Will Goodhart, chief executive of the CFA Society of the UK. "I think what's changing is that there is more of an emphasis on what it means to be a professional, rather than just acquiring qualifications."

But banks also want to save money. One way of doing that is to set up their own training centres. "It is to manage the learning paths of their employees, but it is also about managing costs," says Mr Fernand.

Another trend is the move away from paper-based teaching materials. The CFA Institute launched an electronic curriculum two years ago, for example, and both it and 7city are looking at delivering teaching materials on tablet devices.

There is also an increased demand for research-led teaching — the Financial Times publishes its first ranking of these types of masters in finance programmes this year (see page 5).

These degrees can differ markedly from each other.

While many are aimed at new graduates, others — for example at London Business School — are for those who already work in the finance industry. Other degrees are different again.

At Kelley Direct in Indiana, for example, the online MSc in finance is proving particularly popular with senior — often board level — managers, most of whom already have an MBA, says Sreenivas Kamma, head of the finance department at the Indiana University Kelley School of Business and of the Kelley Direct online programme. "They want to get up to speed and up to date with the latest thinking on finance," he says.

In a rapidly changing financial world, they are not alone.

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School has a simple mission: relevance

Profile Edhec

The grande école hopes its research record will help make it a global brand, says **Linda Anderson**

Edhec Business School, one of France's prestigious *grandes écoles*, has a mission that can be summed up in one word: relevance.

The school's objective, says Olivier Oger, its dean, is to "return to its roots and be useful to companies".

This means, he says, providing companies with relevant research and offering its 6,000 degree students an education that will give them the best possible advantage in the competitive jobs market.

The school stresses that relevance underpins all it does, particularly at its research centres, for example the Edhec Risk Institute — a centre for applied finance,

which was established in 2001.

The institute has had a spectacular result, says the dean, and has helped promote the Edhec brand worldwide, producing large amounts of "relevant" research, cited globally and attracting numbers of leading international faculty.

The institute offers conferences and seminars, including those it runs on asset allocation in partnership with the CFA Institute — the association that awards the chartered financial analyst qualification and controls access to the upper echelons of fund management.

The school also offers a PhD in finance, which runs on two tracks: one for graduate students with part-time research positions at the risk institute; and an executive track for working professionals. Of this latter group, René Garcia, professor of finance at the school, says: "It's not about obtaining a higher level job, it's about learning and realising their dream."

PhD students — who come from all over the world — must write a research paper in the

course of their studies and Edhec is keen to see this published in practitioner journals — "the type of journal that they read in their jobs," says Prof Garcia.

"We want them to advance knowledge; it is another part of the mission to have academic relevance," he says.

The Edhec Risk Institute has locations in London, Nice and

"The more you integrate the corporate world with academic life, the more attractive are your students"

Singapore, where it is involved in developing the financial skills of the city state, with the support of the Singapore government.

The institute opened its London branch this year. "We want to be where the financial sector is based," explains Prof Oger. Hence, he says, a presence in New York is also on the cards.

Edhec was established in

Lille, northern France, in 1906 by French industrialists.

It offers a range of programmes including a masters in management and MBAs, as well as several year-long MSc programmes taught in English and geared towards candidates with backgrounds in maths, science, engineering and, of course, finance.

The MSc in risk and investment management is a part-time programme offered in both Singapore and London and draws on the expertise of the risk institute.

The school works in co-operation with industry, and its programme development aspires to mirror the needs of organisations.

The advisory board for the financial-economics masters programmes includes the global head of finance engineering and equities at Société Générale Corporate and Investment Banking and the vice-president of Barclays Global Investors, for example.

These ties help the school develop its masters-level programmes, and also assist in identifying employment trends.

Anne Zuccarelli, dean for academic programmes and corporate relations, says:

"Companies are looking for the best talent. You are in competition with many international people and it is very important to be ready for this."

"The more you integrate the corporate world with academic life, the more your students are attractive to [corporations]... It is a way for us to leverage our students," she adds.

In the arena of academic finance, Prof Oger considers Edhec's rivals to be London Business School, the London School of Economics and Cass Business School in the City of London.

But with its research pedigree, Prof Oger is convinced Edhec will go from strength to strength.

His confidence is echoed by Richard Perrin, executive director, international relations and marketing.

He says: "Edhec has all of the competencies to be a globally recognised brand and we have... to leverage the brand. Research plays a large role in this."

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Online Q&A session
The past year has seen a surge in demand for financial training from emerging economies, most notably China.

What does this mean for the world economy and providers of masters in finance degrees and other training?

On Wednesday June 22 between 14.00 and 15.00 BST a panel of experts will answer your questions about doing a masters in finance. Send your questions to ask@ft.com

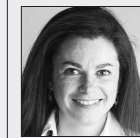
On the panel are:
Michael Jacobs, statistician and project manager, Financial Times



Alastair Matchett, chief executive, Adkins Matchett & Toy, a training group



Julie Strong, senior associate director admissions, MIT Sloan School of Management



Estrella Frutos, masters in finance programme director, London Business School



Onwards and upwards: 'I have hired 12 people since Christmas and I need to keep going at that pace for quite some time'

Daniel Lynch

Principal who has led his school to the centre of university life

Meet the Dean David Begg

The chief has spent eight years forging links with other departments and with the outside world, learns Della Bradshaw

David Begg has never been one to blow his organisation's trumpet. But now, with eight years as the principal of London's Imperial College Business School under his belt, the 60-year old Glaswegian has something to shout about.

Prof Begg says he has always had the following main aims for the business school of the city's pre-eminent science university: to build it into the "MIT Sloan of Europe"; to develop links between the engineering, healthcare and business departments; and to help commercialise innovation.

With a PhD in economics from MIT, as well as undergraduate and masters degrees from Cambridge and Oxford, he seems well qualified to do this.

But when he started out in 2003, he faced a tough challenge. Prof Begg says that, at that time, the rest of the university had little time or respect for the business school.

That has all changed. "Imperial now realises that having a business school is a huge advantage."

The school, he says, is a "portal" to the outside world and faculty from the school interact at all levels with other departments in the university.

Prof Begg himself is on the management board and council of governors of the university.

He singles out one collaborative venture in particular: the decision by Microsoft to select Imperial College as the only academic partner for its collaborative innovation club, the Innovation Outreach Programme (IOP), a cross-industry community of multinational companies that work together to come up with business ideas that can be developed into products and services.

The school conducts the business-focused research and works with other university departments on technical proofs of concept and technology development.

One result of the respect that the rest of Imperial College now has for its business school is that it is expanding strongly.

It has 50 faculty, but the university has signed off for 30 more.

"I have hired 12 people since Christmas and I need to keep going at that pace for quite some time," says Prof Begg. "We're much the fastest growing part of Imperial." Part of the reason the business school can grow is that the wider university has not just seen it as a cash cow.

It is not just faculty numbers that are growing, so too are the facilities.

The business school has an imposing modern building designed by

Norman Foster, the British architect, near the entrance of the main university. It is also getting extra space across the road in the grand red-brick Victorian buildings of Exhibition Road and additional lecture room in the main university.

With the exception of the MBA programme, where numbers are down slightly, applications to all of the school's programmes are growing.

As well as working with the science and engineering departments to teach management skills to scientists and to offer joint degrees, the business school runs seven master of science degrees, including two that it added in 2011 in innovation and entrepreneurship and strategic marketing.

David Begg Vital statistics

2003-2011 Principal, Imperial College Business School, member of the Imperial College Management Board and Imperial College Council of Governors

1987-2003 Professor of economics, Birkbeck College London; head of economics department 1987-1991, 1995-1997, 1998

1977-1986 Fellow, Worcester College, Oxford and university lecturer in economics

1974-1977 PhD student, MIT, Cambridge, Massachusetts, USA

1972-1974 Masters student at Nuffield College, Oxford

1969-1972 Economics undergraduate at St John's College, Cambridge

1951 Born Glasgow, Scotland

"We're seeing very strong demand from the 21-year olds... The market for rocket science with a layer of management on top is very strong," observes Prof Begg.

Three of the degrees are in finance: risk management and financial engineering; actuarial finance; and the MSc in finance, which is ranked as one of the top 10 pre-experience masters in finance degrees in the 2011 Financial Times ranking (see page 5).

Over the past decade, there has been significant growth in international students, particularly from Asia, on the masters programmes.

Five years ago, the biggest group of alumni outside London were in Athens. Now, Mumbai and Shanghai have the largest concentrations.

The perfect degree does not exist yet

Soap Box PABLO TRIANA

Finance has become a hot area of graduate education.

A multitude of programmes has been launched by some of the world's elite universities. Often, these have been wildly successful, delivering excellent career opportunities for students.

The future seems full of possibilities, as those who have yet to join the rush are jolted into doing so by the victories of pioneers.

What has made finance the modern academic star?

There are three main factors: first, the amount of money to be made has grown exponentially beyond what non-financiers can make; second, the world has become "financialised"; third, the practice of finance has been upgraded and made more complex and sophisticated.

In sum, it is an attractive, modern-seeming area that can dominate newspaper headlines across the planet. No wonder we are in a financial education bubble.

Are business schools getting their programmes right? Not always. Some, correctly, do not focus too much on theory but can be a bit boring. Others are more interesting but too theoretical. The correct balance is elusive and the perfect finance degree does not exist.

A finance masters, first and foremost, must be about finance. This apparently ridiculously obvious assertion needs to be made at the outset for one very important reason: for too many students and in too many schools, finance is not always unquestionably about finance.

As financial economics subjects have become popular, quantitative disciplines have sometimes overtaken more staid-seeming areas such as accounting, equity markets and corporate finance in the classroom.

Learning about econometrics, microeconomics, stochastic calculus, and computational methods became a more important requirement than actually learning what a bond is.

Not all schools have taken this road. Some make these topics part of the core; others ban them from the core, at most offering a handful of "quany" electives. London Business School in the UK and Boston College in the US take the latter approach.

LBS and BC were among the first to launch specialised finance degrees, in the days when the rocket science mentality had not permeated the field and finance was still about finance. Princeton University in the

US and Oxford university in the UK use the other approach.

These youngish programmes offer a long list of seductive electives, but before they can enjoy such treats, students are condemned to an initial period studying hardcore analytical-theoretical material, that is not terribly relevant to actual practice.

Cambridge university (another newish kid on the block) also has a hybrid strategy, but is slightly less theory-heavy.

Among elite institutions, the most recent entrants are MIT and Columbia University. Both have erred on the analytical side, making students take a lot of PhD-level instruction. I fear this will lead to graduates who see finance as more of a science than a business.

How should the ideal degree look? I had the privilege of advising a top European business school on the creation of two finance degrees a few years ago. My proposals were these.

First, real-world relevance is crucial. Second, offer attractive up-to-date curriculum options, such as financial history and emerging markets M&A. Third, be flexible. Do not straitjacket students. Let them take almost any course they want, including electives in unrelated disciplines, such as humanities.

Fourth, don't churn out coding monkeys – emphasise big picture thinking, not prowess at complex calculations – why should MBAs monopolise the "strategic" zone? Fifth, use top practitioners with relevant experience to teach, at least as much as tenured academics – a great way to imbue the degree with undogmatic wisdom. Sixth, don't make the programme too "quant-heavy" – otherwise, why not just offer a masters in financial engineering?

To me the ideal programme would combine the no-nonsense approach of the LBS core courses with the sophistication of some of the cutting-edge electives offered at Princeton, Oxford or MIT, with additional subjects that are often lacking, particularly courses on historical episodes, regulation, and management. The more conservative programmes just need to sex themselves up, and the more adventurous ones get back to basics.

And lectures on "What Caused the Credit Crisis?" and "How Will Basel III Change The World?" should be put together promptly by people who have been out there in the markets.

The writer is a former business school professor and author of "Lecturing Birds On Flying"



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Financial Times Global Masters in Finance 2011

The top Masters in Finance programmes (post-experience programmes)

Rank in 2011	School name	Country	Programme name	Alumni career progress						School diversity						International experience & research						
				Salary today (US\$)	Salary percentage increase	Value for money rank	Careers rank	Aims achieved (%)	Placement success rank	Employed at three months (%)	Women faculty (%)	Women students (%)	Women board (%)	International faculty (%)	International students (%)	International board (%)	International mobility rank	International course rank	Faculty with doctorates (%)	Course length (months)*	Company internships (%)*	Rank in 2011
1	London Business School	UK	Masters in Finance	130,056	72	1	1	87	1	85(97)	23	19	15	84	98	71	1	1	99	10	0	1
2	University of Illinois at Urbana-Champaign	US	MSc in Finance	64,554	61	3	3	86	2	14(61)	22	44	21	11	87	0	2	2	97	12	47	2
3	University of Melbourne	Australia	Master of Applied Finance	54,018	39	2	2	82	3	n/a	25	33	26	0	33	11	3	2	91	12	0	3

Financial Times Global Masters in Finance 2011

The top 30 programmes (pre-experience programmes)

Rank in 2011	School name	Country	Programme name	Alumni career progress						School diversity						International experience & research						
				Salary today (US\$)	Value for money rank	Careers rank	Aims achieved (%)	Placement success rank	Employed at three months (%)	Women faculty (%)	Women students (%)	Women board (%)	International faculty (%)	International students (%)	International board (%)	International mobility rank	International course rank	Languages	Faculty with doctorates (%)	Course length (months)*	Company internships (%)*	Rank in 2011
1	HEC Paris	France	Masters in International Finance	98,954	1	1	90	2	86(78)	26	25	7	66	58	43	5	3	0	100	8	10	1
2	IE Business School	Spain	Master in Finance	85,421	13	12	95	9	90(90)	33	35	25	54	100	80	9	4	0	94	10	10	2
3	Essec Business School	France/Singapore	Advanced Master in Financial Techniques	82,346	2	19	90	3	91(90)	28	16	8	44	31	58	1	5	1	93	12	100	3
4	University of Oxford: Saïd	UK	MSc in Financial Economics	92,175	8	7	90	19	98(84)	12	33	31	52	96	31	3	19	0	92	9	0	4
5	Warwick Business School	UK	MSc in Finance	78,393	11	8	88	10	97(72)	40	41	14	58	95	18	13	22	0	97	12	0	5
6	Grenoble Graduate School of Business	France /UK	MSc in Finance	51,544	18	13	87	24	90(71)	32	47	50	43	86	44	2	1	1	79	12	56	6
7	ESCP Europe	France /Lebanon	Specialised Master in Finance	66,403	7	4	85	15	94(69)	35	34	38	68	23	41	12	12	1	91	11	100	7
8	Imperial College Business School	UK	MSc Finance	73,174	17	23	90	4	90(85)	28	39	40	83	93	50	17	22	0	94	12	17	8
9	Skema Business School	France	MSc Financial Markets and Investments	61,574	9	6	86	22	88(81)	45	31	27	38	66	50	3	7	1	96	12	100	9
10	EMLyon Business School	France	Specialised Master in Corporate Finance	60,399	12	2	88	7	99(100)	30	25	11	51	24	89	27	14	1	98	12	74	10
11	City University: Cass	UK	MSc in Finance	69,096	15	21	90	18	81(89)	26	44	43	60	96	57	14	17	0	95	12	0	11
12	Universität St.Gallen	Switzerland	MA Banking and Finance	81,499	3	14	91	1	100(37)	11	25	11	66	40	56	23	9	0	52	18	63	12
13	HEC Lausanne	Switzerland	MSc in Finance	65,746	5	11	84	20	88(72)	31	26	14	67	53	5	10	13	0	100	24	46	13
14	Brandeis International Business School	US	MA International Economics and Finance	67,432	30	24	90	17	74(86)	37	50	17	37	68	4	8	11	1	89	21	72	14
15	Stockholm School of Economics	Sweden	Masters in Business & Economics (Finance Specialisation)	63,746	6	20	88	13	90(50)	18	29	33	25	52	0	15	10	1	99	22	5	15
16	Rotterdam School of Management, Erasmus University	Netherlands	MSc in Finance & Investments	59,338	4	18	84	11	96(36)	18	34	21	39	66	17	11	8	0	100	12	31	16
17	Eada	Spain	International Master in Finance	62,427	14	3	90	27	82(76)	28	34	47	45	83	47	7	15	0	45	10	15	17
18	Cranfield School of Management	UK	Masters in Finance and Management	76,372	10	16	79	26	93(62)	34	40	23	41	90	33	19	22	0	80	11	0	18
19	Washington University: Olin	US	MSc in Finance	70,000	26	10	88	12	91(90)	22	42	12	33	73	0	26	22	0	95	10	0	19
20	Illinois Institute of Technology: Stuart	US	MSc in Finance	80,000	28	5	86	28	17(70)	11	50	9	16	80	0	6	22	0	95	18	80	20
21	Henley Business School, University of Reading	UK	MSc International Securities, Investment and Banking	58,742	16	27	89	14	95(94)	35	40	15	35	98	15	16	20	0	73	9	0	21
22	Kozminski University	Poland	Master in Finance	44,075	25	17	87	6	78(84)	29	42	17	24	22	75	29	2	2	88	21	33	22
23	University of Bath School of Management	UK	MSc in Accounting & Finance	38,141	27	26	84	21	93(96)	38	73	33	56	99	20	24	22	0	91	12	0	23
24	University of Strathclyde Business School	UK	MSc Finance	43,908	21	22	84	5	93(48)	49	34	33	37	84	33	18	18	0	73	12	0	24
25	University of Edinburgh Business School	UK	MSc in Finance and Investment	50,559	20	28	84	29	90(63)	37	61	31	44	99	31	21	22	0	79	12	12	25
26	Tulane University: Freeman	US	Master of Finance	68,538	29	9	88	16	49(87)	32	31	10	29	45	28	30	22	0	85	11	0	26
27	Lancaster University Management School	UK	MSc Finance	42,023	22	25	85	25	77(55)	28	51	29	37	98	36	20	22	0	88	12	0	27
28	Durham Business School	UK	MSc Finance and Investment	39,304	24	15	83	23	79(38)	27	38	45	66	90	35	25	21	0	89	12	0	28
29	Nova School of Business and Economics	Portugal	MSc Finance	42,787	23	29	77	8	90(90)	38	31	22	27	11	22	28	6	2	80	18	42	29
30	University College Dublin: Smurfit	Ireland	MSc Finance	42,991	19	30	78	30	68(89)	26	37	18	42	57	55	22	16	0	97	12	0	30

Although the headline ranking figures show the relative positions of each institution, the pattern of clustering among the schools is equally significant. Some 217 points separate the top programmes, HEC Paris, from the school ranked number 30. The top 9 participants, from HEC to Skema Business School, form the top group of pre-experience Masters in Finance providers. The second group, headed by EMLyon Business School, spans schools ranked from 10 to 19, a range of some 30 points in total. Differences between schools are small within this group. The remaining 11 schools make up the third group.

*Data in these columns are for information only and are not used in the rankings

Insights into opportunities for would-be financiers

Behind the numbers

Michael Jacobs considers the results of the inaugural FT rankings of Masters in finance degrees

The economic downturn and its consequences brought into sharp focus the importance of formal training in finance for professionals in that sector.

As institutions toughen up their entry requirements, those hoping to join this potentially lucrative world will find that specialised academic qualifications are increasingly necessary. The 2011 inaugural Financial Times rankings of full-time masters in finance programmes seek to provide insights into which educational institutions offer the best opportunities for would-be financiers.

Two rankings have been calculated (based on surveys of schools and their alumni), reflecting a divergence in the marketplace. One concentrates on the more common "pre-experience" programmes, aimed at students with little or no professional experience. The other includes post-experience degrees, designed for those looking to develop their careers.

There are 30 programmes in the pre-experience ranking and an evident European dominance.

In total, 26 of the schools are located in Europe, with four in the US. A European School, HEC Paris, takes the top spot. The French business school's

superiority is, in part, due to the successes of its alumni.

Based on a survey of graduates from the class of 2008, data show HEC alumni were the highest earning of any cohort.

They reported an average salary three years after graduation (exclusive of bonus) of close to \$100,000 (based on purchasing power parity equivalents).

Graduates of the Saïd Business School, part of the University of Oxford, were the only other pre-experience group that reported earnings in excess of \$90,000.

The Paris based school also comes top in the career progress section of the ranking.

This measures the seniority of alumni, based on their reported job titles.

Comments from HEC graduates underline the career-enhancing nature of the school's masters in international finance.

"I entered this school as an engineer and I left it as a banker with an excellent overall knowledge of the financial sector," writes one HEC graduate, who is working as a financial consultant.

The FT report also includes full-time post-experience programmes. This year only three schools are included.

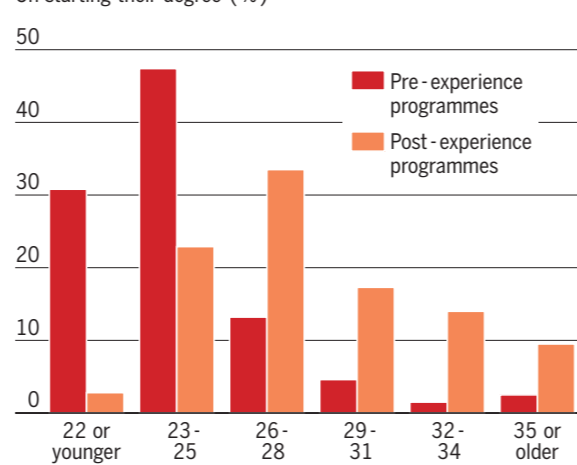
Given the relatively small number of post-experience masters in finance degrees worldwide, as well as the range of delivery options — full-time, part-time, online — creating a ranking of such programmes is more challenging.

London Business School heads the group of three and boasts the highest earners in the entire FT sample.

LBS alumni reported average salaries in excess of \$130,000, an increase of 72 per cent

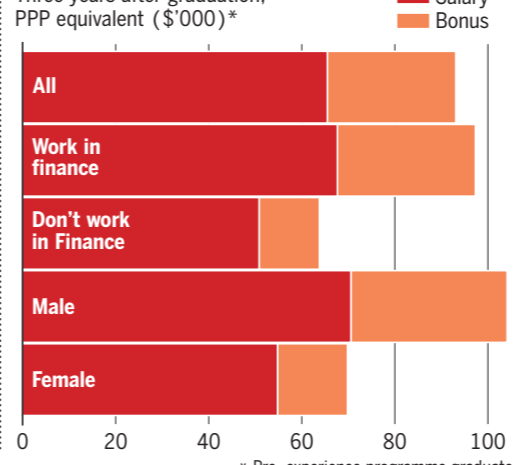
Age of Masters in Finance alumni

On starting their degree (%)



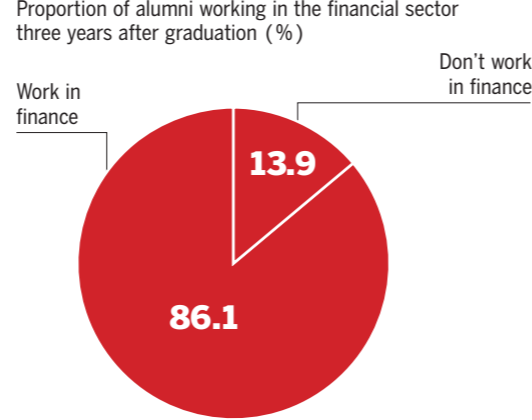
Alumni salaries and bonuses

Three years after graduation, PPP equivalent (\$'000)*



Where are they now?

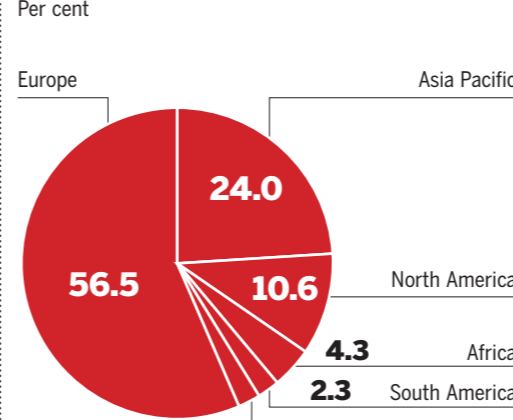
Proportion of alumni working in the financial sector three years after graduation (%)



Source: FT research

Origin of alumni surveyed

Per cent



compared with before the masters.

An analysis of information collected from participating institutions and the 1,200 responses from alumni gives an indication of the demographics of masters in finance students.

The data also highlight differences between pre- and post-experience programmes.

Unsurprisingly, age is a factor.

The median age of alumni starting pre-experience programmes was 23, five years younger than their post-experience counterparts.

Levels of work experience also differ considerably.

While two-thirds of pre-experience graduates had, at most, one year of work under their belts when they began studying, more than half of those entering post-experience programmes had four years or more.

In addition, students are more likely to be male than female.

For pre-experience programmes, 40 per cent of those

who enrolled between April 2010 and March 2011 were female.

This compares with 33 per cent for post-experience degrees.

A handful of programmes buck this trend, with female enrolments outnumbering male at the University of Bath School of Management (73 per cent

'I entered this school as an engineer and I left it as a banker with an excellent overall knowledge of the financial sector'

female), the University of Edinburgh (61 per cent) and Lancaster University Management School (51 per cent).

A gender imbalance is also evident in alumni salary data.

Overall, graduates of pre-experience programmes reported an average salary of \$65,500 three years after graduation

and the average bonus amounted to \$29,700.

But for men, the average is \$70,600, \$15,800 more than the average earnings of female graduates.

This difference may be partly explained by the types of jobs done by alumni — 86 per cent of graduates overall went into jobs in the financial sector, but this figure was lower for women (84 per cent).

Average salaries of alumni in the sector were higher by about a third.

Nonetheless, even when they work in the same sectors, female alumni generally earn less than men.

Differences in pay between the sexes may also be a function of differences in expectations, according to research by Universum, a consultancy.

From a Europe-wide poll of almost 20,000 students, the study concluded that women expected to earn less than men in their first job by an average €8,600 (\$12,400).

A thorough look at the figures

Methodology

Michael Jacobs explains how the rankings are calculated

The Financial Times inaugural masters in finance rankings cover the top international programmes in the field.

Two rankings have been produced: one of pre-experience programmes, those that are aimed at students who are yet to enter the labour market.

The other is of post-experience degrees, which require participants to have some professional grounding.

Masters in financial engineering programmes, which tend to have a greater emphasis on quantitative skills, have not been included.

The rankings are intended to give a thorough assessment of the programmes included and an insight into the schools that teach them and the alumni.

They are compiled using data from two sets of online surveys.

The first set of surveys is completed by the schools themselves and the second by alumni who graduated three years previously.

Graduates surveyed in 2011 were from the class of 2008.

Business Education | Financial Training



Long-term ties: 'The friendships, developed over two years of week nights and weekends, are very strong, both professionally and personally'

Ken Davies

Location in a big trading centre proves a boon

Diary

PETE DILWORTH

Two years after I completed my Chartered Financial Analyst qualification, I decided it was time to continue my finance education.

I needed a programme that took things a step further than CFA certification and that would help me perform well in my job at the Ontario Teachers' Pension Plan.

I had contemplated pursuing an MBA, or a graduate degree focused more on economics.

Ultimately, I found what suited my requirements in the master of finance programme offered by the University of Toronto's Rotman School of Management.

It was a big challenge that it was a part-time programme that had to be completed

while I did a full-time job. But this challenge proved worthwhile, given the benefits of being able to apply many of the concepts I learnt in class to my job in portfolio management.

Graduate programmes in business should accomplish three things, in my opinion: give you a great network of students to build friendships with; strengthen your knowledge base; and enhance your career potential.

Before starting the masters, I worried that the relationships I would build in a part-time setting would not measure up against those in a full-time programme.

I had figured that you built close relationships by spending whole semesters, day and night with your classmates.

I was wrong. In the Rotman master of finance programme, students

take all of their courses together as one small class.

The friendships, developed over two years of week nights and weekends, are very strong, both professionally and personally.

We joked at our graduation ceremony that we will probably still meet up occasionally on Saturdays... just not before 9am.

As I reflect, the degree far surpassed my expectations, and I think that the most valuable part was the way in which the classroom was used.

Simply put, the course designers knew that practical experience has a lot of educational value.

In addition to the academic depth provided by course materials, you can also learn a lot from your classmates.

This was a big differentiating factor for me, relative to other programmes, where students

might have less "real-world" experience to share.

The majority of the students are also CFA charterholders or are in the CFA programme.

Some had experience of the buy side and some of the sell side.

We joked at our graduation that we would probably still meet up occasionally on Saturdays... just not before 9am

Others brought valuable insights from areas such as accounting, law and the corporate sector.

Professors, both from the academic and the practitioner side, did an excellent job of facilitating a learning

environment drawing on their own research and experience, and also that of the class.

A few of the courses that we took - including portfolio management and trading risks, and our investment banking course - involved a good mix of lectures and applied simulation to reinforce the material that we covered.

Overall, I found that the courses had a great deal of depth without being too theoretical.

One that I particularly enjoyed was applications of derivatives.

It took a lot of the theory from other derivatives courses and applied it to many of the credit derivatives that have grown in popularity in recent years.

It also examined retail structured notes, and how they are constructed using plain vanilla derivatives.

Toronto is an important banking and financial centre in North America.

It is home to numerous sophisticated institutional investors, and to banks that have earned respect for their risk management during the recent financial crisis.

Having so many financial institutions provides opportunities for students looking to further their careers.

I was very surprised at how many people from my class switched jobs during the two years at Rotman.

This became evident during the first class of our last course.

Our professor was getting to know the class by reading the brief biographies that we had completed before the degree.

One by one, as we went through the list, students needed to give updates to their information.

A vast majority had either changed role at their current employer, or started a new job with a different firm.

Its location in a financial centre has an important benefit for the university itself. It makes it much easier to attract and retain top-quality finance faculty. This is certainly also to the benefit of the master in finance students.

I am happy that I chose a degree that will increase in value as the Rotman Master of Finance becomes well known.

Also, the value of a network of classmates who are destined to achieve success in the financial sector cannot be underestimated.

Pete Dilworth completed the two-year part-time master in finance degree at the University of Toronto's Rotman School of Management in 2010

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International focus readies students for 'real' world

Profile Brandeis Business School

The institution is proud of its broad curriculum, writes Rebecca Knight

When Pia Yasuko Rask, who grew up in Randers, Denmark, decided to go back to school to get her masters of science in finance (MSF), she visited four schools in Boston.

"Most places I looked at seemed very particular in their gearing towards the banking sector, but I wanted to use my finance degree in a different setting," she recalls.

She was, however, won over by one school: Brandeis International Business School, about 10 miles from the city centre. "I liked the atmosphere on campus, the international student body, and the greater freedom in choice of classes," she says.

Ms Rask, who graduated with her MSF recently and is today a consultant in Shanghai, China, says she made the right decision. "I loved the breadth in course offerings: the opportunity to learn 'classic finance' along with history and politics," she says.

Ms Rask is not alone in her assessment. Brandeis's MSF programme has gained a reputation for a rigorous quantitative curriculum focused on international business, a wide selection of courses taught by a faculty comprised of practising managers and academics, and a diverse global student population.

The 10-course degree requires five core classes, three concentration courses, and two electives.

John Ballantine, the programme director, and a senior lecturer, offers a guide to the concentration areas.

The first, he says, is asset management, where

students take courses in fixed income, options, and derivatives.

The second is corporate finance, which is more operations-orientated and requires courses in accounting and financial decision-making.

The third is risk management, which involves more quantitative classes.

The degree, which in any given year has between 100 and 125 students, is structured in a way that students may opt to complete the coursework in one year, or spread it over a two, so they may work while they attend school.

A little over two-thirds of students are enrolled in the programme part-time, and about 60 per cent of students work in central Boston.

The global financial downturn has had an impact, says Prof Ballantine, although not a simple one.

On the one hand, it has forced companies to cut funding for employees to study; on the other, the demand for financial expertise has increased.

"People are saying: 'I need to understand more about how the financial

industry fits into the global economy'," he says. "We have adapted courses to address that."

Another effect is more demand for one-year programmes globally.

"One-year programmes are more the European model, and there are not as many of them here in the US. But people need additional training and schools are looking at how to meet that need," he says.

'People are saying they need to understand more about how the financial industry fits into the global economy'

The distinguishing feature of the school is its international student body: nearly 40 per cent are from outside the US, and there are 75 nationalities represented on campus.

"International students feel comfortable here because it's a global environment."

"Our US students have a real eagerness to learn:

they want to understand how the rest of the world works. They don't want to be in a typical US programme," says Prof Ballantine.

"From a teacher's perspective, it's wonderful to have an incredible mixture of knowledge and experience as part of the classroom discussion."

Most courses require students to work in multinational teams to complete projects. The assignments are intended to prepare students for the professional world, where they are expected to work with people from other countries.

"When we're working in groups, it's interesting to learn about how people from different countries take different approaches to problems," says Juan Miguel Custodio, a current student from Seville, Spain. "You realise your approach isn't always the best."

After graduation, Mr Custodio will take a job in London at Macquarie Bank. "My team at work will be very international, and this programme will have given me good experience for that."

Brandeis's international community extends beyond the classroom: its executive speaker series brings dozens of leaders in business, government, and social causes to campus every year.

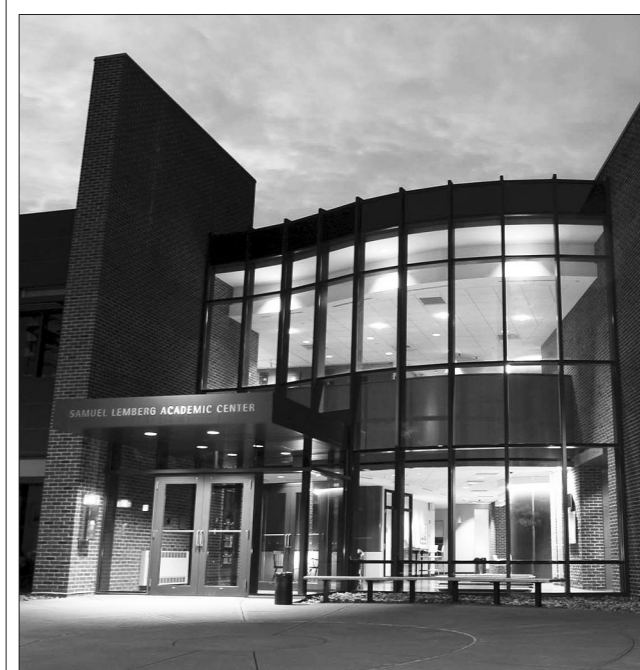
The school also hosts cultural events, including an African showcase and a Diwali festival.

The MSF programme also involves a week-long intensive immersion in a foreign country.

Past programmes have taken place in London, Prague, Tokyo, Frankfurt, and Istanbul, and this year's course is set to begin in France in July.

"The global nature of the school affects everything we do," says Brenda Anderson, a senior lecturer.

"Students are exposed to so many cultures and perspectives. It enriches the experience they have."



Brandeis is about 10 miles from central Boston

Mike Lovett