Business Education

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Schools adapt to changing times

There is now a greater emphasis on risk management and ethics, writes *Jonathan Moules*

Record numbers applied to the Master of Finance programme at Frankfurt School of Finance and Management this year

The effects of the 2008 financial crisis continue to reverberate around the world's financial centres. In New York, regulators warn of further fines for the rigging of foreign exchange markets following a $5.6bn settlement this May and individuals still face court for alleged personal misdemeanours.

Financial training has had to adapt to this world, not least by greater emphasis on risk management and updating its regulations curriculum in line with rule changes. Courses on ethics have gained a new degree of importance.

In a variety of ways, financial training is moving on from the crisis. Several business schools report sharp rises in the number of applicants as job opportunities increase in even the hardest hit locations, such as London.

Record numbers applied this year to the Master of Finance programme at Frankfurt School of Finance and Management. Applications to Frankfurt have increased by 25 per cent over the past two years, driven by a rise in applicants from outside Germany. This year's intake of 143 comes from 27 countries. Overseas students account for half the total, up from 37 per cent last year.

Frankfurt came through the crisis better than other banking capitals, helped by the high proportion of jobs in market regulation, says Julia Knobbe, the school's programme director.

"Ethics, sustainability and responsibility are all topics which have come into focus since the 2008 banking crisis," she adds. Investment banking, M&A and trading, however, remain the most popular areas for employment among students, alongside roles in management consultancies.

Differences do exist in the specific jobs students now look to pursue after completing their studies. François Quittard-Pinon, who oversees the quantitative finance MSc at EM Lyon in France, says applications for his course have risen slightly since 2008, but opportunities for his graduates to find trading jobs have diminished. Many students want to work in compliance, he adds.

"The need for regulation and risk control has dramatically increased after the 2008 banking crisis," he says. "Recently one of our students obtained a permanent position at Banque de France, which is currently investing significantly in its risk department."

The job skills required, Prof Quittard-Pinon adds, are a good knowledge of mathematical tools and IT techniques and a keen grasp of global financial markets. "Many of our students come to improve these skills and those with working experience are convinced of this necessity."

Jacques Olivier, who runs the MiF programme and is joint-programme director of the MBA-MSc international finance dual degree at HEC Paris, notes that while demand post-2008 for sales and trading roles has fallen, interest in M&A roles is on the rise. Banking regulations — leading to no more proprietary trading, for instance — and technological developments such as trading platforms have cut trader numbers.

Work experience is now highly prized by students. "It is becoming almost impossible to break into investment banking without first undertaking a summer internship," Prof Olivier says.

What has not changed is the question of whether to take time off from the workplace to study for a masters qualification at business school or study for the chartered financial analyst (CFA)

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On FT.com
Video: Paul Smith (below) of the CFA. Also included: the methodology and rankings key

Financial Times Global Masters in Finance 2015 - post-experience programmes

2015	2014	2013	3-year average	School name	Country	Alumni career progress: Salary today (US$)	Salary percentage increase	Value for money rank	Career progress rank	Aims achieved (%)	Placement success rank	Employed at three months (%)	School diversity: Women faculty (%)	Women students (%)	Women board (%)	International faculty (%)	International students (%)	International board (%)	International experience & research: International mobility rank	International course experience rank	Faculty with doctorates (%)	Average course length (months)*	Company internships (%)*	Rank in 2015
1	1	1	1	London Business School	UK	129,502	46	3	2	87	1	88 (94)	27	24	33	86	98	67	2	1	100	13	30	1
2	2	-	-	University of Cambridge: Judge	UK	123,153	63	2	1	86	4	90 (100)	15	32	26	78	92	42	1	3	98	13	24	2
3	-	2	-	Singapore Management University: Lee Kong Chian	Singapore	85,899	69	4	3	76	2	77 (95)	24	37	17	57	66	44	4	2	94	12	34	3
4	3	3	3	University of Illinois at Urbana-Champaign	US	61,614	85	5	5	87	5	64 (45)	25	47	23	20	90	2	3	5	88	12	0	4
5	5	4	5	Florida International University: Chapman	US	68,869	42	1	4	83	3	30 (73)	35	32	29	48	65	0	5	4	84	12	16	5

Financial Times Global Masters in Finance 2015 - pre-experience programmes

The top 50 Masters in Finance programmes

2015	2014	2013	3-year average	School name	Country	Alumni career progress: Salary today (US$)	Value for money rank	Careers rank	Aims achieved (%)	Placement success rank	Employed at three months (%)	School diversity: Women faculty (%)	Women students (%)	Women board (%)	International faculty (%)	International students (%)	International board (%)	International experience & research: International mobility rank	International course experience rank	Languages	Faculty with doctorates (%)	Average course length (months)*	Company internships (%)*	Rank in 2015
1	1	1	1	HEC Paris	France	92,613	3	15	93	5	100 (66)	22	30	13	65	87	67	3	11	1	100	10	100	1
2	2	5	3	Esade Business School	Spain	83,276	11	5	93	4	91 (94)	29	19	20	31	79	87	1	6	1	95	13	67	2
3	8	8	6	ESCP Europe	France/UK/Germany/Spain/Italy	78,348	13	13	92	3	95 (99)	35	27	35	71	31	52	10	3	1	95	13	100	3
4	5	3	4	IE Business School	Spain	96,169	15	7	93	28	96 (88)	37	16	46	58	84	84	5	20	1	97	10	18	4
5	10	-	-	MIT: Sloan	US	113,134	25	10	92	25	81 (100)	21	40	13	36	83	49	17	35	0	100	12	0	5
6=	4	2	4	Essec Business School	France/Singapore	79,659	15	11	92	13	95 (88)	29	19	10	51	39	50	4	9	1	98	13	100	6
6=	10	10	9	Skema Business School	France	70,310	17	29	86	19	100 (97)	46	40	39	39	74	67	8	4	1	78	12	100	6
8	3	4	5	Edhec Business School	France	73,538	8	25	89	10	91 (80)	35	25	27	38	58	80	9	2	1	89	9	100	8
9	8	20	12	Università Bocconi	Italy	90,016	19	18	90	1	100 (39)	36	22	15	30	22	55	7	8	1	90	28	100	9
10	6	10	9	University of St Gallen	Switzerland	83,210	1	9	89	11	93 (66)	11	13	31	77	74	50	21	12	1	100	35	65	10
11	16	15	14	Imperial College Business School	UK	72,758	34	33	88	8	89 (94)	28	37	45	92	93	64	14	33	0	100	14	27	11
12=	12	7	10	Grenoble Graduate School of Business	France/UK/Singapore	60,019	29	24	87	35	94 (76)	41	36	56	45	89	56	6	5	0	82	24	82	12
12=	13	12	12	Stockholm School of Economics	Sweden	81,851	5	19	91	14	96 (88)	25	31	14	31	62	0	24	14	0	97	20	15	12
14	7	6	9	University of Oxford: Saïd	UK	87,314	21	39	90	9	82 (83)	18	41	57	61	98	71	12	40	0	100	9	0	14
15	15	14	15	Warwick Business School	UK	65,553	32	8	87	23	93 (79)	34	38	20	77	93	20	15	40	1	100	14	0	15
16	13	13	14	Peking University: Guanghua	China	97,142	5	14	89	2	100 (100)	23	47	5	12	9	82	50	26	1	95	22	96	16
17	21	28	22	Boston College: Carroll	US	100,024	13	1	88	36	38 (89)	38	38	8	18	69	3	39	23	0	85	12	3	17
18	21	19	19	Kozminski University	Poland	72,006	8	17	88	7	94 (86)	33	49	15	22	18	69	46	7	1	88	24	44	18
19	19	22	20	Nova School of Business and Economics	Portugal	49,187	21	45	83	16	92 (98)	40	30	33	29	62	33	20	1	2	100	20	71	19
20	17	16	18	City University: Cass	UK	66,404	29	28	91	37	61 (89)	30	48	45	70	94	55	18	27	0	97	13	0	20
21	20	27	23	Frankfurt School of Finance and Management	Germany	78,072	25	4	89	17	98 (86)	18	26	0	16	49	0	44	13	1	98	21	38	21
22	18	8	16	Cranfield School of Management	UK	66,306	21	2	88	41	95 (53)	28	35	16	46	99	32	32	40	1	92	13	0	22
23	25	18	22	Rotterdam School of Management, Erasmus University	Netherlands	64,949	5	26	90	39	74 (76)	24	26	32	47	60	34	11	22	0	100	12	25	23
24	26	21	24	Eada Business School Barcelona	Spain	59,385	27	3	87	31	86 (82)	37	33	43	50	79	48	13	15	1	63	10	36	24
25	23	17	22	HEC Lausanne	Switzerland	65,400	2	40	82	47	89 (82)	28	26	20	79	55	50	29	17	1	100	24	66	25
26	24	25	25	Vlerick Business School	Belgium	59,028	11	22	85	15	98 (91)	29	31	17	24	44	92	33	10	1	90	10	100	26
27	29	23	26	Washington University: Olin	US	73,955	40	36	91	12	91 (87)	24	43	14	36	70	1	27	25	0	96	14	0	27
28	33	30	30	University of Strathclyde Business School	UK	53,572	19	42	87	29	95 (75)	35	40	35	45	91	47	23	19	0	82	12	8	28
29	31	23	28	Brandeis University International Business School	US	68,124	43	31	86	42	60 (89)	36	50	19	36	76	24	28	21	0	83	21	53	29
30=	33	33	32	University of Edinburgh Business School	UK	48,981	43	35	86	33	75 (52)	34	42	35	56	96	47	30	38	0	93	12	2	30
30=	37	-	-	University of Rochester: Simon	US	75,630	46	41	88	26	82 (85)	16	45	11	30	93	17	31	34	0	83	15	0	30
32	31	31	31	Henley Business School	UK	48,972	38	30	83	24	87 (68)	44	46	40	48	100	33	37	39	0	85	9	0	32
33	27	26	29	Illinois Institute of Technology: Stuart	US	80,017	37	32	85	49	68 (73)	24	36	20	22	95	3	22	40	0	90	21	0	33
34	-	-	-	Singapore Management University: Lee Kong Chian	Singapore	65,029	27	49	79	40	71 (51)	24	60	17	57	90	44	2	40	0	94	12	0	34
35	28	31	31	Durham University Business School	UK	51,723	29	44	88	46	83 (38)	35	61	39	64	93	39	35	24	0	97	14	1	35
36	36	34	35	University College Dublin: Smurfit	Ireland	49,647	18	47	82	30	72 (66)	36	40	17	50	65	61	25	30	0	100	12	25	36
37	30	29	32	Tulane University: Freeman	US	71,363	40	23	87	34	39 (57)	38	59	14	38	93	27	47	40	0	86	11	0	37
38	-	-	-	Lund University School of Economics and Management	Sweden	49,040	3	27	84	48	78 (59)	37	32	19	29	57	12	19	16	1	88	9	12	38
39	-	38	-	Queen Mary, University of London	UK	47,596	33	6	78	50	80 (8)	27	44	29	89	86	14	38	40	0	100	12	0	39
40	35	36	37	Lancaster University Management School	UK	42,928	40	43	87	20	84 (45)	28	44	33	51	92	33	26	37	0	93	12	0	40
41	39	-	-	Adam Smith Business School, University of Glasgow	UK	42,240	36	12	84	6	33 (6)	38	58	7	60	99	0	42	40	0	94	12	0	41
42	38	35	38	Nottingham University Business School	UK	35,979	45	37	86	38	80 (85)	39	50	8	40	92	8	36	32	0	93	14	0	42
43	-	-	-	University of Exeter Business School	UK	50,173	49	21	78	43	100 (25)	36	46	29	49	96	24	43	18	0	78	13	0	43
44	43	39	42	Tilburg University	Netherlands	51,984	10	34	85	45	63 (49)	22	28	50	44	33	0	41	31	0	91	17	6	44
45	-	-	-	University of Hong Kong	China	60,211	38	48	82	18	96 (69)	30	53	15	35	17	15	49	40	0	96	14	0	45
46	41	-	-	Leeds University Business School	UK	28,556	46	20	86	44	81 (84)	39	91	36	48	97	45	40	40	0	88	14	100	46
47	42	37	42	University of Bath School of Management	UK	31,470	46	46	87	26	93 (42)	30	76	27	66	99	9	45	28	0	99	12	2	47
48	-	-	-	Aston Business School	UK	36,707	50	38	79	32	80 (15)	35	31	14	44	72	29	16	36	0	84	12	0	48
49=	44	-	-	Universidad Adolfo Ibañez	Chile	48,252	21	16	77	21	72 (81)	18	21	25	38	16	38	48	29	0	72	15	100	49
49=	45	-	-	University of Arizona: Eller	US	51,398	34	50	83	22	100 (13)	30	32	19	25	64	0	34	40	0	76	14	13	49

Footnotes:
*Data in these columns are for information only and are not used in the rankings. Although the headline ranking figures show the relative postions of each institution, the pattern of clustering among the schools is equally significant. Some 180 points separate the top programmes, HEC Paris, from the schools ranked joint 49th. The top 10 participants, from HEC Paris to University St Gallen, form the top group of pre-experience Masters in Finance providers. The second group, headed by Imperial College Business School, spans schools ranked from 11 to 42, a range of some 85 points in total. Differences between schools are small within this group. The remaining 8 schools headed by University of Exeter Business School make up the third group.

HEC Paris and LBS once again top Masters in Finance rankings

The findings Tighter visa regulations were a stumbling block for international students keen to study in the UK, says *Laurent Ortmans*

HEC Paris and London Business School have tightened their grip on the top of the Financial Times rankings of pre-experience and post-experience Masters in Finance programmes respectively, having dominated the finance rankings since they were first published in 2011.

The Financial Times Global Masters in Finance rankings rate the best 50 full-time finance programmes for students with little or no experience of the financial industry, and the top five full-time programmes for experienced participants. The rankings are based on a survey of business schools as well as students who graduated in 2012. The data measure how successful alumni have been in their career in terms of salary, seniority and achievements in the three years since graduating.

HEC Paris is not ranked first in any of the individual criteria but registered a strong performance throughout. Its alumni have the fifth-highest salaries three years after graduation at $93,000 and the programme is ranked third for value for money and the international mobility of its alumni. The school also shares the highest score — 93 per cent — for aims achieved.

"The course was delivered by top-notch practitioners," says one HEC Paris graduate. "The programme is perfectly designed for young professionals having limited finance experience and allows them to be immediately operational upon graduation."

In the post-experience ranking, alumni from LBS enjoyed the highest salaries on average three years after graduation at around $130,000 and the highest score for aims achieved (87 per cent). The programme was also ranked first for placement success and for international course experience. Its alumni were also ranked second for international mobility and career progress.

Five programmes feature in the pre-experience ranking for the first time. The highest new entrant is Lee Kong Chian School of Business at Singapore Management University. The school came second in terms of the international mobility of its graduates, and is the first school to feature in both pre-experience and post-experience rankings.

HEC Paris showed a strong performance throughout the Masters in Finance rankings

ESCP Europe and MIT Sloan School of Management in the US also performed well. Both schools climbed five places into third and fifth place respectively.

While French and Spanish institutions dominate the top of the pre-experience ranking, UK business schools are the real powerhouses in this category accounting for 17 schools out of 50, ahead of the US (eight) and France (six). Two UK institutions, LBS and Judge Business School at the University of Cambridge, top the post-experience ranking.

UK schools account for more than a third of all graduates from the top 50 pre-experience programmes and not only attracted nearly half of all female students but also almost half of all international students. Indeed, 94 per cent of students enrolled in a UK MiF pre-experience programme in 2014 were from overseas. About 85 per cent of these students were from outside the European Economic Area, including 55 per cent of the overall number from mainland China.

The difficulty of arranging visas for the large contingent of students from outside the EEA partly explains why UK schools performed disproportionally poorly in terms of international course experience, with 14 schools ranked in the bottom half of this criterion.

Quite a few students were disillusioned by UK visa regulations. "A lot of people saw the programme as a gateway to employment in Europe," says one. "If this was the objective, then a lot of them would have gone away unfulfilled."

For a key to the ranking, please go to www.ft.com/finance-key

The MiF can offer an edge over the CFA

The degree programme is becoming increasingly popular in the industry, writes *Rebecca Knight*

The career path for aspiring investment executives is fairly standard. After a few years cutting your teeth at a bank, asset management company or other financial firm, you either go for the chartered financial analyst (CFA) designation — a series of three exams, each of which requires hundreds of hours of studying — or you apply to business school.

More and more, though, many students are opting for an altogether different route: the Masters in Finance (MiF). This degree programme, which offers specialised knowledge of the financial industry, prepares graduates for careers in corporate finance, capital markets, and asset management.

"There is an increasing trend toward these specialised masters programmes," says Tom Robinson, president of AACSB International, the business school accreditation body, and a former director of the CFA Institute. "Part of it has to do with the growing complexity of finance and the pressure on employers to satisfy regulatory requirements and show their staff are qualified."

Students recognise its worth, too, he says. "Over the past five years, the job market has tightened and a masters in finance is a way to show you're better than the next candidate."

While the MiF is by no means a substitute for the CFA — the designation remains a key qualification in the investment industry, particularly in the field of asset management — the MiF has become an increasingly popular degree among students and employers alike.

According to research from the AACSB, the number of its accredited schools that offer an MiF has risen 27 per cent over the past four years. Enrolment has also increased by 24 per cent over that period. Meanwhile, 46 per cent of companies plan to hire MiF graduates this year, an increase of more than 10 percentage points from last year, according to the Graduate Management Admission Council (GMAC) Corporate Recruiters Survey, which is based on responses from nearly 750 employers in 47 countries.

There are several reasons for the rise of the MiF. For one, the programme typically lasts only one year and is therefore less expensive than the traditional two-year MBA — both in real tuition costs and in lost earnings. And for another, unlike the MBA, which strives to produce well-rounded general managers, the MiF is tailor-made for students pursuing finance careers. Many programmes do not require prior work experience.

"It makes sense to do a specialised degree earlier in your career because it will serve you well for the first decade," says Mr Robinson.

MIT Sloan School of Management launched its Master of Finance programme in 2008 at the height of the financial crisis.

"Twenty or 25 years ago, an undergraduate degree was enough," says Heidi Pickett, the programme director. "Today you need a graduate degree to be competitive in finance."

MIT Sloan's programme launched with a class of 26 students. Last year, the school received 1,700 applications for 120 seats. "There's a heightened awareness and interest in this degree," says Ms Pickett.

"It's for people who know what they want to do. They come here, get solid training and then go out and apply their skills in industry."

The CFA exams: a lonely endeavour

Even some experienced investment professionals are drawn to the MiF, either as a replacement for or as a complement to the CFA, according to Kasper Meisner Nielsen, associate professor of finance who teaches in the Hong Kong University of Science and Technology-NYU Stern Masters in Global Finance (MSGF) programme. The programme is an "executive-level" masters where "most students have 10 or 11 years of work experience", he says.

Many of his students have already taken the CFA — particularly levels one or two. "It's a natural starting point," Prof Nielsen says. "The CFA is a good certification to have on your résumé if you're going to have a career in this industry. But it does not necessarily imply you understand all the aspects of finance."

Besides, he says, studying for the CFA is generally a solitary and therefore lonely endeavour. "You buy the materials then you self-study. But many people realise they need interaction. They want a high level of learning in the classroom and from their peers."

The goal, says Daniel Bergstresser, associate professor of finance at Brandeis International Business School, which also offers the MiF qualification, is to enable students to "acquire specific knowledge and skills" in finance — including how to value options, how to calculate spreads, and how fixed income markets work — combined with an ability to speak and communicate and write.

"We're teaching students not just how to solve problems, but also how to identify them," he says.

Chiefs should support their staff through testing exam periods

Interview Paul Smith

The CFA's courses are extremely demanding, its head tells *Jonathan Moules*

Paul Smith arrives at our meeting in London exuding the relaxed air of someone back in familiar territory, despite having just stepped off a flight from his home in Hong Kong.

"I live in the Far East. I've worked three years in New York, four years in France, 19 years in Asia, but I'm from here," he points out of the window. "I'm that rare beast these days, someone who was actually born in London."

Being a global citizen is more of an advantage than being born in what is now the world's most global city when it comes to running a body such as the CFA Institute, whose influence stretches across the planet.

The examination body has offices in eight countries and is responsible for setting international educational standards for investment professionals.

Mr Smith joined the institute in 2012 to help expand the education body's Asia-Pacific operation before being promoted to the role of president and chief executive in January of this year.

He still helps run a fund management business, based in New York, but the fact that he is based in Hong Kong rather than the US was a distinct advantage in securing the top job at the CFA Institute, according to Mr Smith.

"The institute is a genuinely global organisation but we are largely, I think, known as American or US-centric," he says. "That is partly because that is, obviously, where the financial markets are still driven out of, largely. I think the board of governors, which is our ultimate governance body, felt that we needed to do more to accentuate our globality."

Heading the CFA Institute is an important responsibility because its chartered financial analyst (CFA) designation is seen as a gold standard for those pursuing an investment career.

Just shy of 160,000 candidates from 174 countries registered for the level I, II and III CFA exams that were taken this month, up by more than 10,000 on last year. A key part of Mr Smith's role is to maintain the exams' relevance in a market that has seen much soul searching since the 2008 financial crisis.

Paul Smith: 'Our danger is irrelevance'

There has been a tightening in the regulation and ownership structures of many leading banks. At the same time technology is changing the way the industry operates and enabling new entrants to come in.

> 'The amount of time we spend talking about ethics has risen exponentially'

"Our biggest danger is irrelevance," Mr Smith admits. "There is a substantial effort on our part to try to make sure that the curriculum is current, is relevant to industries' requirements."

Ethics has become more of a focus given the financial scandals of recent years. "This has always been central to our curriculum and this has not changed," Mr Smith says. "The amount of time we spend talking about ethics has risen exponentially, though. Necessarily and regrettably so."

Despite the status of the CFA qualification, it remains a challenge to encourage people to sign up to what is a three-year programme of study, covering three levels with 3,000 pages of curriculum for each one, Mr Smith admits.

One way to solve this would be to have financial executives to view their continuing professional training in the same way as lawyers and doctors, Mr Smith suggests.

"One of the things that's always thrown at the CFA is it is a very hard qualification and it is demanding," he says.

"The problem is that it is a lot of studying and if you are not supported in that study by the business that you work for, your chances of passing the exam are significantly reduced."

Research by the CFA Institute has found a that there is direct correlation between those businesses that allow their employees to take time off to study and their pass rates, Mr Smith notes.

"It's not the technically demanding nature of the exams that are really the problem, it's the industry's attitude to training," he says.

"Employers say we'll pay for you to study the CFA but do it after you've worked a 12-hour shift, when you've gone home to a wife or a husband who may be upset with you because you've been away for the last 12 hours.

"You may also have a young child and a mortgage and all of these things, but we would like you to sit down and read your CFA curriculum. It's not helpful," he adds.

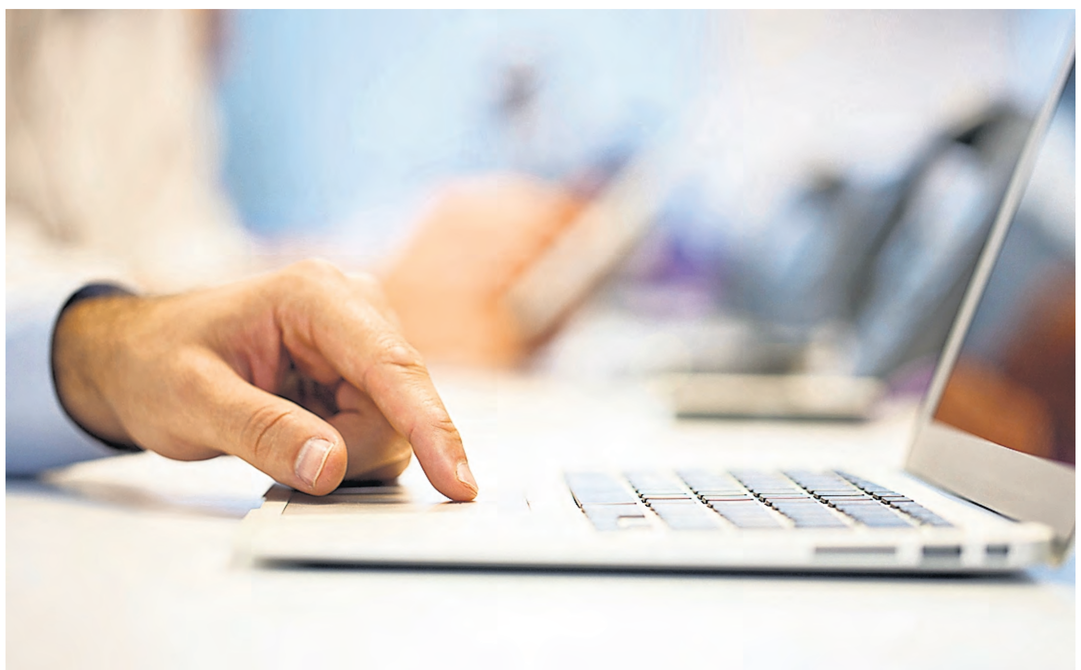
The CFA Institute recommends that all investment professionals should have started on its exams within 12 months of starting employment, but Mr Smith believes that you are never too old to start or finish your training.

He should know, having passed his CFA qualification 15 years ago when he was 40.

"Knowledge is good for its own sake and for me the charter [CFA qualification] helped consolidate and refresh my industry knowledge at a time of my career when I needed to challenge myself," he says.

Moocs aim to become more sticky and far more specific

Crowd pleasing Providers set sights on improving online study metrics, reports *Barney Thompson*



Specific courses: a big trend is the move towards smaller packaging of subjects, particularly in business education
Mika-Images/Alamy

It is a problem as old as teaching itself, merely transferred to the era of the Mooc: how do you keep students coming back for more?

When massive open online courses, or Moocs, first appeared, much of the hype centred on the "democratisation of education" — courses from the world's top universities made available to anyone with an internet connection.

It was easy to sign up — but it was just as easy to tune out. The Mooc was too impersonal: no campus, no student body, no upcoming essay deadline with a stern professor to mark it, no bar in which to swap ideas. Dropout rates were huge. Very quickly, Mooc platforms had to work out how to make their courses "sticky".

Over the past few months, most have concentrated their efforts on making courses more personal and thus more engaging. In general terms, the basic ingredients have remained the same as in the early days of the Mooc — videos, lectures, discussion forums, quizzes and projects. But the way these are delivered has rapidly evolved.

Platforms have turned to organisations where the online consumer "experience" was vital for their success. Coursera, the largest, hired Tom Willerer in November 2013 to lead its product management and design team. Mr Willerer's experience included stints at Facebook and Netflix. Simon Nelson, chief executive of FutureLearn, a heavily design-focused platform owned by the UK's Open University, worked on the BBC's Radioplayer and iPlayer.

An increasing trend in recent months has been self-paced courses — courses you can start and finish at a date of your own choosing, rather than have to join at a fixed time. But while this may suit people who would otherwise find it hard to fit learning in around their jobs, "the challenge is to keep a sense of community . . . and interaction", says Charlie Chung, editor of the blog Class Central, which covers the Mooc universe.

"In programming or problem-solving Moocs, if you have a question and you go the discussion forum, chances are you can already find the answer. If there is no 'critical mass' of students, you might not get an answer and the [forums] feel old."

One answer has been the "cohort" — a group of like-minded people studying the same course who can team up to ask each other questions or just chew over the lessons. Cohorts can be formed of people "from related organisations [or] those who share similar goals, [and] create opportunities for networking and the creation of interpersonal connections", wrote Anant Agarwal, chief executive of edX, in a recent blog post on the subject.

"One of the hot trends right now is the use of Moocs in corporate environments for training," says Mr Chung, where collaboration in small teams is central to the course. Notable in this sphere are newcomers such as NovoEd and EdCast. They offer both large-scale Moocs and smaller, privately run courses where groups submit assignments collectively, mark each other's work and even rate individual members' input.

Coursera also aims to nudge students in self-paced courses into sticking with them by suggesting deadlines and emailing reminders to finish certain tasks. As a result, "we are seeing many more people — double-digit [percentage] improvements — completing", says Mr Willerer.

"At Coursera we are running more than 200 experiments to give learners different experiences and see which performs better."

Another big trend is the move towards smaller "packaging" of subjects, particularly in business education. "People want the specific course," says Mr Willerer. "Finance, marketing, digital marketing are all doing really well because they are targeted and packaged in a way that makes sense for students."

> 'At Coursera we are running more than 200 experiments'
> Tom Willerer, Coursera

One striking example came recently when the University of Illinois launched an iMBA on Coursera — the platform's first MBA — in May. This consists of a set of specialisations, or mini-series of courses, in different areas of business. "You can work your way into it," says Mr Willerer.

Other providers aim to keep students hooked with sheer production values. Bocconi University, for example, is establishing a reputation for the quality of its videos.

"We have never made a carbon copy [on video] of the traditional lecture," says Valentina Todoro, who leads production and project management for Moocs at Bocconi. "Younger generations are used to videos, and good videos, so we exploit all the possibilities . . . for interaction: freezing the video to ask the community to say what they think, or ask a right/wrong question and then have the professor explain the answer, or putting in links [to outside content]."

Mr Chung is seeing more of these techniques. "Platforms should be doing this — questions that pop up, exercises that make you use information from the outside world," he says.

Post-crisis nerves drive demand for financial fitness

Standards

Firms are responding to rising complexity, says *Sarah Murray*

When Nitin Mehta talks about the importance of financial training, he likes to compare bankers with doctors.

"What's good for healthcare should be good for wealth care," says Mr Mehta, managing director for Europe, the Middle East and Africa for the CFA Institute, an association of investment professionals.

"Neither you nor I would go to a doctor if he wasn't properly qualified. And yet the same requirements aren't there for many of the roles in finance."

It is not the first time this complaint has been made. In the aftermath of every financial crisis, calls go out for greater rigour in the way financial sector employees are trained. Today, however, a combination of competitive pressures, demand from investors and tightening regulations means institutions have growing incentives to develop a workforce that is better trained.

And there is no shortage of companies ready to provide in-house training to financial institutions, from Training The Street, a corporate training company catering to Wall Street firms, to Adkins Matchett & Toy, a training group with offices in the US, the UK and Hong Kong.

Professional associations such as the CFA Institute offer a range of educational and certification programmes. And while embarking on a full-time MBA may not be necessary or feasible for many people, business schools have been beefing up their part-time executive programmes.

"We're seeing resumption of growth in the financial training market," says Mr Mehta. "When you look at the number of candidates enrolling in the CFA programme we're back to record levels."

Similarly, since the financial crisis ifs University College, which provides a range of financial courses, has seen a jump in interest from organisations and individuals, according to Alex Fraser, the institution's principal.

"In the post-crash world, there is a growing awareness of the need for increased professionalism within the sector," says Mr Fraser.

At the same time, tighter regulations are being imposed on institutions.

"There's going to be a greater requirement to demonstrate fitness to hold a particular job," says Mr Mehta.

Additional pressure is coming from investors such as pension funds, which are becoming more demanding when it comes to the qualifications of the fund managers they hire, with some adding these requirements into their requests for proposals.

"We're seeing more of that," says Mr Mehta. "Some of the large institutional asset owners are asking the right questions and in response employers are demanding those qualifications of their staff."

Meanwhile, some argue that financial training also needs to go beyond the technical education required for certification so that executives at every level of the organisation become more financially literate.

"During and before the financial crisis many financial services professionals working in large organisations found themselves operating in silos, concentrating on very narrow and specific lines of work," says Mr Fraser. This, he says, meant they had limited awareness of how their roles affected not only the organisations in which they worked, but also society in general, "which led to many of the problems we saw in the immediate aftermath".

Much of this can be put down to a broader form of financial illiteracy, as Nuno Fernandes, professor of finance at IMD business school in Switzerland, points out: "In most financial institutions you have a very short-term orientation for profit without adequate consideration for the capital or for the risk," he says. "These are key finance principles that have been forgotten by many banks over the past few years."

This, he says, means running programmes for everyone from senior executives to first- and second-level managers. "The best results are achieved when you touch different parts of the bank, because people start to talk a common language and gain a common understanding of the objectives. That's very important."

Prof Fernandes also believes that financial training should be designed to enable finance specialists to become better equipped to communicate with other banking executives and stakeholders.

However, he warns that financial training alone cannot address systemic problems in an institution. "Training has to be associated with structural changes and incentive changes," he says. "Training for the sake of training, without changing anything inside the institution, is not very fruitful."

Pick a career path then the right qualification

Investment industry

The more tech-savvy candidates are the more valuable they are to a fund, writes *Rebecca Knight*

Ask Gita Rao, a fund management industry veteran, what it takes to be successful in asset management today and she will recite a number of key attributes.

"It takes an incredible focus. You have to be very decisive [and] you have to be an independent thinker, but you also have to be able to work well with others and collaborate effectively," says Ms Rao, who is the founder and president of Aspari Capital, a consultancy focused on quantitative research and portfolio strategies, and the faculty director of the Master of Finance programme at the MIT Sloan School.

As the asset management industry has grown in complexity, hiring managers in the investment industry have a growing appreciation for a job candidate's less tangible skills, says Ms Rao. Of course, hiring managers still seek certain credentials that demonstrate a potential hire's financial facility and analytical ability — "but employers also want to see evidence of humility — that you know the limits of what you know, and that you're not one to confuse luck with skill", she says.

This is not to say that certifications and graduate degrees do not matter. On the contrary, says Mitch Ackles, president of the Hedge Fund Association. "The job market is more competitive than it's ever been and you have to find that edge," he says. "The edge is often your designation."

For asset managers, the chartered financial analyst (CFA) credential is a gold standard. The CFA requires a minimum of four years' prior work experience and comprises three individual exams that focus on investment tools, concepts, and wealth planning. Each level of the exams increases in complexity and difficulty. Hiring managers at hedge funds look for candidates who hold the global chartered alternative investment analyst (CAIA) credential. This qualification involves two exams. The first assesses a student's understanding of alternative asset classes and knowledge of the techniques used to evaluate the risk-return attributes of each one. Level two evaluates how well a student applies that knowledge.

Another qualification, the certified financial planner (CFP), varies country to country. The CFP certification is for investment professionals who advise individual clients in areas such as retirement plans, insurance, and income tax.

Choices: do you need to gain a specific qualification or a more rounded education?

Risk management certifications are also increasingly popular. The Global Association of Risk Professionals (GARP) and the Professional Risk Managers' International Association (PRMIA) are two trade associations that offer certification tests. Known as the financial risk manager and professional risk manager respectively, the qualifications show students' understanding of financial markets, the mathematical basis for risk management, and risk management techniques.

Certain graduate degrees, in particular a masters in finance, are also sought after by employers, says Mr Ackles. "A masters in finance is extremely useful in this industry," he says. "Firms need number crunchers. When hiring managers come across a graduate of this kind of specialised finance programme, they know that person has studied this material in-depth and can hit the ground running."

Employers also want candidates who are familiar with technology and computers, he says. "We are at a stage where the more tech savvy you are, the more valuable you are to a fund."

This is why an educational background in maths, computer science, engineering and economics — even at the undergraduate level — is helpful, according to Ron D'Vari, chief executive of New York-based advisory firm NewOak Capital and a former BlackRock managing director. "It's a world of data," he says. "We want to see that you can work with data, manipulate it, and make data-driven decisions."

Mr D'Vari tends to look favourably on masters-level business programmes, but he is quick to advise students to make sure they obtain internship experience, too. "Sometimes students come in with too much of an academic perspective and not enough practical understanding of the industry," he says.

MIT Sloan's year-long programme targets students with little or no prior work experience. In July, however, the school will pilot an 18-month programme that gives students time to do an internship.

Ms Rao also urges her students to round out their financial education with courses on organisational behaviour because, as she points out, as they progress in their careers and take on more management and supervisory responsibility, "the organisational issues become really important. I promise them that 10 years later they will look back and think it was the most useful course they took."

Schools adapt to changing times

Continued from page 1

exams. They require a lot of additional work but can be undertaken while working full time.

A fund manager could complete the CFA exams, remain at work and avoid paying more than £40,000 to undertake a masters course, admits Marwa Hammam, executive director of the Master of Finance programme at Cambridge's Judge Business School.

Financial training remains a market that lacks depth, she says, but defends the masters qualifications offered by business schools like Judge, not least because their curricula are generally broad enough to enable students to move into a wide range of financial industry jobs. They may even help them launch their own business.

"The CFA is probably still the professional qualification of choice in the world of finance but is largely geared for buyside jobs," she notes. Applications to Judge were up 38 per cent this year to the highest level since 2009-10.

Students who embark on Judge's programme are typically in their late 20s with some five years of finance work experience.

They are interested in broadening their understanding of applied finance, says Ms Hammam, which is something she suggests is not typically provided in other (more theoretical) MiF qualifications.

"There's definitely more focus on drawing upon the learnings from financial history, regulatory change in the industry and ethics," she adds.

"We find that the students are really interested in the insights practitioners share with them on the crisis and the paradigm shift across various subsectors of the industry."

25%	28
Rise in applicants to Frankfurt School of Finance in two years	The number of nationalities in Judge's MFin intake last year

Judge benefits from its proximity to London's financial services hub. Although banks in the UK capital, like New York, culled thousands of jobs in the wake of the 2008 crisis, hiring has rebounded in recent years, making top schools in and around these financial centres more attractive to international students.

With the jobs market stabilising, many people are looking to financial training to enable them to switch roles or move to another type of company, Ms Hammam comments. "When people see former students managing to get great jobs they think then maybe the cost of this course is a good investment."

Moving to study at a school close to the world's financial centres can help those aspiring to work in financial services, she argues, citing the case of four MiF students from India on last year's programme who all secured jobs in London after graduating. There were 28 nationalities represented in the 45 students that started the MiF at Judge last year and 17 of them had moved to the UK to study.

The internationalisation of financial training alumni is a trend many business schools are noticing. This reflects the globalised nature of the industry students are looking to work in.

The shocks of the financial crisis were unable to shake this trend. Those schools that have embraced the movement of ambitious individuals to the locations with buoyant banking sectors appear to be reaping the rewards of higher student numbers.

From China TV to the classroom

Profile Martina Fuchs wanted to know more about the macroeconomic forces, reports *Rebecca Knight*

It was not necessarily part of Martina Fuchs' career plan to go to business school for a masters in finance degree. She is a journalist, after all, not a stock picker, banker or a research analyst.

But early on in her position as senior business correspondent for state-run CCTV in China, Ms Fuchs realised she needed to "broaden and deepen" her grasp of financial markets to do a better job reporting on the macroeconomic forces at play in Asia and around the world.

"Journalists touch on a lot of issues on the surface but we don't often go deep into the subject matter," says Ms Fuchs. "I had the vocabulary and I could make it sound like I knew what I was talking about in interviews but at times I struggled to understand how the macroeconomy works."

Ms Fuchs, who conducts on-air interviews on a daily basis with chief executives, finance ministers, policy makers and bankers from around the world, occasionally felt her confidence waver. "I found myself wondering: if somebody were to turn the microphone around and ask me about GDP growth or the outlook for the consumer price index, would I be able to answer? I wasn't sure."

To remedy the problem, she enrolled in the Hong Kong University of Science and Technology-NYU Stern Masters in Global Finance (MSGF) programme. Founded in 2007, the year-long programme was developed jointly by the two schools.

The programme targets fast-track finance professionals looking to become more efficient and competitive in their fields. (Indeed the vast majority of students work for banks or financial services companies.) Classes are held mostly once a month on the weekend and the curriculum, which involves modules in Hong Kong, Beijing, Shanghai, and New York, is "a blend of perspectives from Wall Street and emerging markets", according to Ms Fuchs.

The 48 members of this year's graduating class, which includes Ms Fuchs, had, on average, at least a decade of work experience. They represented 11 different countries, with Hong Kong and the US making up the lion's share of the cohort.

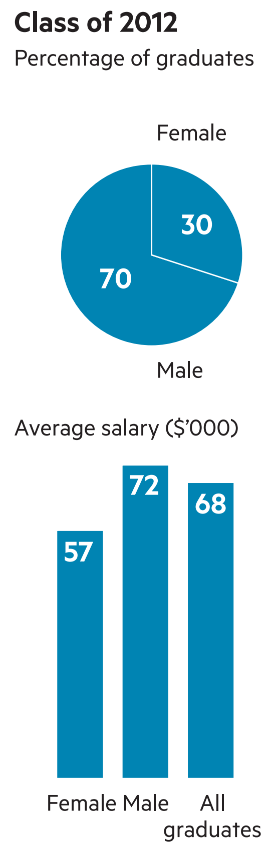
Ms Fuchs is the first to admit she does not fit the typical profile of the MSGF student. She grew up in Zürich and studied economic history in Geneva in preparation for what she thought would be her career in international relations. But after an internship with the Swiss government and another one with the UN, Ms Fuchs grew restless. "Government felt too slow. I wanted to combine my passions of travelling and communications," she says. "So I went into journalism."

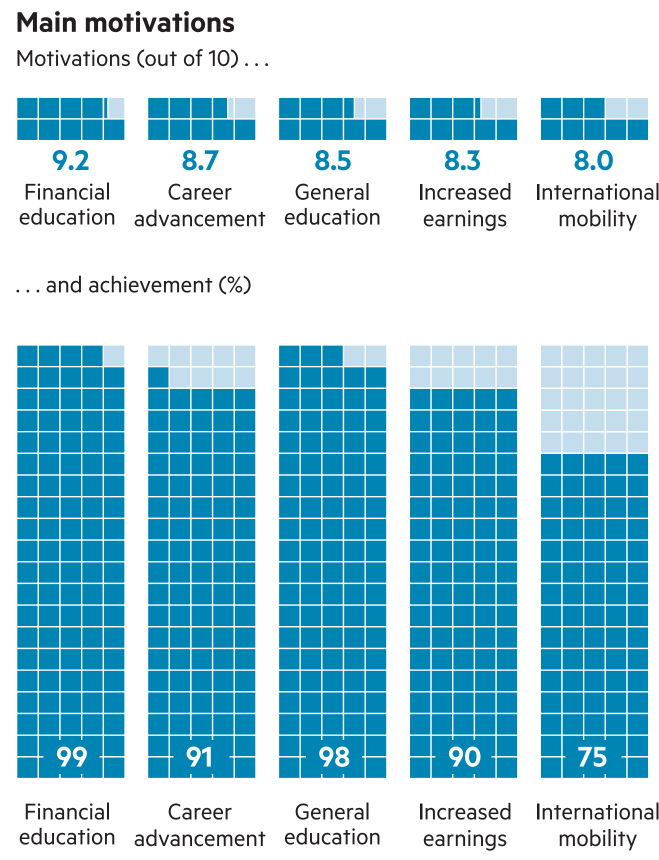
After completing a year-long programme in TV journalism at the American University in Cairo, she joined Reuters in London as an international graduate trainee. She then worked as economics correspondent for the Gulf region based in Dubai, where she covered the fall of Muammar Gaddafi, the Libyan leader, and political unrest in the Middle East.

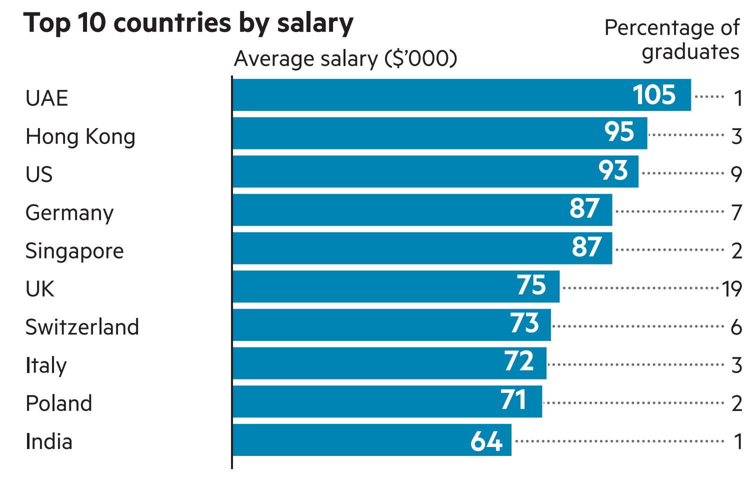
She moved on to her current job at the state broadcaster in Beijing in 2012. Ms Fuchs, who covers Chinese economic news, is on-air each day at 4pm and 9pm and does a variety of breaking news stories and features.

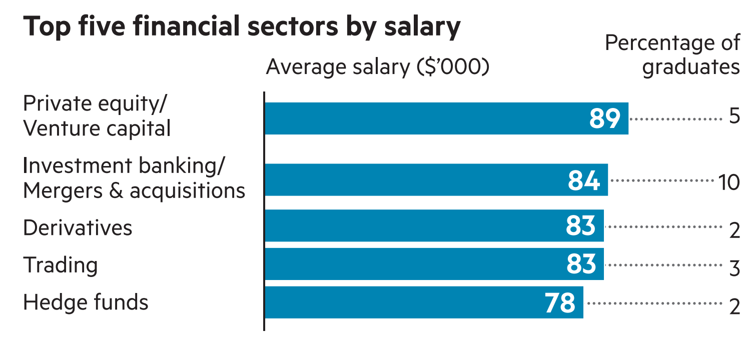
Ms Fuchs graduated from the MSGF programme last month and already applies the knowledge she gained in her day-to-day work.

"Now I see how everything is linked. I don't consider myself an expert but I now understand credit derivatives, the fixed-income market and initial public offering mechanisms," she says.









FT graphic. Source: FT research

FT research reveals continued enthusiasm for the Masters in Finance

The recent rash of financial scandals has not dented enthusiasm for entering the world of finance. FT data show there is still no shortage of applicants for masters in finance degrees.

Yet despite the obvious attraction of increasing their earning potential, graduates from the MiF class of 2012 claim that salary bumps are less important than learning about finance, advancing their career and gaining a general education.

The majority are still relatively young, the data reveal. Students were, on average, 24 years old when they started their programme. Eighty-four per cent had none or less than two years of professional experience.

Three years after graduation, virtually all students have achieved their goals in terms of financial and general education, but about 10 per cent have yet to achieve that hoped for salary improvement or promotion.

Most graduates — 88 per cent — currently work in finance or banking. Consultancy and asset management as well as investment banking and mergers and acquisitions combined are the top three sectors, each employing about 10 per cent of all graduates. Private equity and venture capital offer the best remuneration at $89,000 on average. Those working in credit reported the lowest salaries at $49,000.


Hong Kong: big earning potential

Out of those who do not work in finance or banking, approximately 30 per cent work as consultants and have an average salary of about $79,000 three years after graduation.

Although 17 British business schools feature in the ranking of the top 50 MiF programmes, only 3 per cent of respondents are from the UK. The largest numbers are from China (15 per cent), France (11 per cent) and Germany (7 per cent). However, three years after graduation, nearly two out of five (19 per cent) finance graduates work in the UK.

The salary of those working in the UK is above average at $75,000. However, those principally motivated by potential earnings should consider the United Arab Emirates ($105,000), Hong Kong ($95,000) or the US ($93,000).

Globally, the average salary of female graduates is significantly lower than their male counterparts — $57,000 compared with $72,000. Germany, the Netherlands and Switzerland are among the few countries in which remuneration is almost balanced between genders.

Laurent Ortmans

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Squirrel founder took leap of faith

Entrepreneurship
Alumni network gave vital support to creator of personal finance app, says *Jonathan Moules*


Eureka moment: Mutaz Qubbaj left investment banking after deciding to become an entrepreneur — Charlie Bibby

Family members struggled to understand why, in 2013, Mutaz Qubbaj quit a decade-long career in investment banking to become an entrepreneur, having only completed his Masters in Finance (MiF) at London Business School a few months before.

His parents, in Jordan, were particularly concerned that their son, who had worked at Morgan Stanley, Credit Suisse and Pimco after completing his electrical engineering degree on a scholarship to Boston's MIT, should wish to sacrifice the job security and regular salary of an employment contract. He did not even have a start-up idea.

However, having had his eureka moment at one of many networking events in London's bustling start-up scene and co-founded a financial management app business called Squirrel, Mr Qubbaj now claims to have a wealth of support, both from his family and former LBS classmates and tutors.

"One of the things I am most thankful for is the unconditional support of my family," he says. "Yes, there was a question of what I was doing, turning my back on this more certain path. But once they grasped it, it has been overwhelming to see how proud they are of what I want to develop."

One of the main benefits of going to LBS, before following the uncertain path of an entrepreneur, has been the support of the alumni network, particularly through the school's online messaging portal.

A recent request for UK government contacts — Mr Qubbaj believes Squirrel could be offered as a free money management service to those on welfare benefits — led to a meeting with Whitehall civil servants within days.

"I had several responses back with people offering contacts as well as advice on ways to frame my request," Mr Qubbaj recalls.

Having had a taste for entrepreneurship years before taking his masters qualification — he helped on a start-up during his undergraduate days at MIT — Mr Qubbaj made sure he took some of the entrepreneurship classes offered by the LBS programme. "I knew I loved working in financial services, but I also knew I loved the element of building businesses within the places I worked and I knew I loved telling stories formed around what the products did."

> 'The greatest challenge has been embracing the uncertainty'

Since graduating Mr Qubbaj has become a board member of the MiF programme. He sees this as a way of giving back to his alma mater by helping to shape the future content of the course so that it is even more relevant to people like himself.

Squirrel is described by Mr Qubbaj as a "financial wellbeing platform", designed to empower people to regain control of their finances. "We partner with employers to provide employees with simple saving, budgeting and bill management tools that plug directly into payroll," he says.

It is early days for the business, which, despite raising more than £1m through a seed round and grant funding from the UK government agency Innovate UK, is still only at the trial stage of rolling out its service. Initially it is marketing itself as a benefit that large companies can provide to their employees.

The business has also been helped by winning pitching competitions and accelerator programme contests, which has provided the team of eight staff with mentoring support and office space in central London.

Squirrel was one of 10 start-ups chosen from the 350 teams that entered the Barclays Techstars accelerator programme, run from a former East End department store close to the bank's Canary Wharf headquarters. They are currently part of the Wayra UnLtd social enterprise accelerator and share an open-plan office in the West End with other ethically focused tech ventures. The 10 also joined Boris Johnson, London's mayor, on a trip to the US to showcase London's entrepreneurial talent.

"We are hoping for rapid growth in the UK," Mr Qubbaj says. Squirrel's aim, he adds, is to become "the responsible employer's choice for a solution to address their employees' financial wellbeing needs".

Global expansion is already on the radar following talks with potential partners in the US, and Mr Qubbaj is considering setting Squirrel up as what he calls a "social" bank.

"What we are trying to build is very relevant for the current time, with people talking about austerity and facing job insecurity," he notes.

Although Mr Qubbaj admits that there have been a lot of sleepless nights, which started when he left his job without any idea of what he was going to do, he has no regrets about following the path he has chosen.

"The greatest challenge has been making that transition from a salaried job to entrepreneurship, embracing the uncertainty," he says.

"It is getting away from the mindset that one day I am going to get back to a steady pay cheque. It was one of the scariest decisions, but right now I am defining the structure of my life and that in itself is exciting."

Stop this paper chase and start learning how to think

GUEST COLUMN

Terence Tse and Mark Esposito

It is a common question. Year after year, students on the cusp of graduating ask us whether furthering their education is a good idea. Their reasoning is simple: in a tough job market where too many people are chasing too few positions, adding an extra layer of qualifications could make them more attractive to employers. So far, not so unusual.

What astonishes us, however, is that an increasing number of them are considering taking the chartered financial analyst programme (CFA), a Masters in Finance programme, or an MBA (with a specialisation in finance). For them, the main question is not so much about whether they should do it or its affordability but more about which one to choose.

There are innumerable discussions over which programme is best but a quick glance will reveal that they mostly offer only short-term benefits. Comparisons of the three tend to focus on the cost-effectiveness of the qualifications such as in-depth financial knowledge versus wider management skills; whether to study full time or part time; and a choice between independent study and being part of a student body. The list goes on and on.

We think there is a need for a different conversation. One that is free from these short-sighted views; one that looks beyond the headlines.

On the basis of more than 20 years of experience, first as students and now as professors, we believe the most important factor is the ability to think broadly. We observe, time and time again, that students are fairly narrow in the way they think.

But can we blame them?

Our education system has a tendency to favour narrow depth rather than breadth. It starts with elementary school through to university and along the way people become ever more specialised. Just consider how little we value liberal arts degrees these days.

This, of course, is not to say that specialisation is pointless. On the contrary, it can be rather attractive to human resource departments who often look for candidates with expertise, which is why the CFA is so appealing to many graduates and employers alike.

Our worry, however, is that technical qualifications like the CFA may end up further strengthening narrow expertise.

With the MBA, many business schools still structure their programmes in silos, reinforced by an accreditation process that encourages all of them to standardise. The programmes are then taught by academics who quite often have limited direct exposure to the industry.

This can mean that MBA students miss out on an opportunity to think widely across disciplines. Instead of developing lateral thinking, they end up with a collection of unconnected academic discipline-specific skills.

In today's job market, where many business graduates are trained with the same set of (technical) skills, students need to realise that their competitive edge could come from the ability to speak with a distinctive and individual voice across disciplines.

> Qualifications like the CFA may end up strengthening narrow expertise

It is crucial for graduates to look at business not in isolation but to break down the traditional academic boundaries and make sense of current social and economic affairs.

Instead of worrying about which qualifications to go for, graduates would be much better off thinking about how they think.

Terence Tse is associate professor of finance at ESCP Europe Business School, and Mark Esposito is professor of business and economics at Grenoble Ecole de Management and Harvard Extension School