

# The niche that makes all the difference

A growing crop of specialist masters degrees are luring professionals away from MBAs, writes Sumathi Bala

**H**enrik Mikkelsen, head of private banking for south-east Asia at Commerzbank, was able to make up his mind quickly as to what masters course he wanted to pursue when it came down to making a choice.

"When you're spending so much money you need to know what you're doing. Being a European, I wanted to learn about private banking in Asia, so instead of wasting time and doing a typical MBA, which focuses more on general management practices, I decided to go for something more specific."

The decision prompted him to study for the master's degree in wealth management (MWM) at Singapore Management University. He is not alone: increasing numbers of professionals are seeking niche masters programmes that fit their specific industry interests.

To cater to the demand, universities are diversifying, rather than offering only conventional MBAs. SMU launched its MWM in 2003 to train professionals for the financial industry - with the backing of the Singapore government, which wants to position the city-state as a regional hub in private banking.

The intensive 12-month programme is aimed at private bankers, fund managers and independent financial advisers who wish to deepen their knowledge of investment and marketing. It is also tied closely to the industry, with leading banks such as Citigroup, Morgan Stanley and Credit Suisse supporting as partners.

Provost Tan Chin Tiong,

SMU's deputy president, says niche masters degrees are gaining in popularity, although MBAs retain their dominant position.

"Most of the big universities in the US and Europe are resisting specialisation and are firm believers of MBAs. But the market is evolving and many are changing their positions."

One example is Carnegie Mellon in the US, which is offering a cluster of specialised masters degrees alongside its mainstream MBAs.

Prof Tan says that, as the market evolves, there will be continued demand from the industry for students with specialised masters degrees, along with those with general MBAs.

While this may be true, the established MBA players seem unfazed by the new niche entrants who appear to be competing with them in their core areas.

Professor Antonio Fatas, dean of the MBA programme at the Insead campus in Singapore, says the top business schools globally do not see the need to jump on the bandwagon.

"We don't see the value in it and don't see the need to follow the trend. From our perspective we want to give students flexibility and not narrow our field of education, which is to offer a general management practice. If you look at Chicago or Harvard, they too are not specialising. We don't feel threatened because we're quite separate when it comes to competition. They serve different needs and do give value."

Nitin Pangarkar, who is an associate professor at the National University of Singapore business school,



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shares the sentiment.

"Niche master's programmes serve a different purpose and provide in-depth, skills-based training for specific areas or functions, allowing graduates of such programmes to specialise. Of course, such graduates have the potential to be business leaders, but the career path could be different from most MBA graduates. As such, we believe there is room for both the MBA and the specialist master's degrees to co-exist."

He says that, while the quality and value of MBAs have been questioned in terms of educating managers and leaders, "it is the best option available globally".

Nonetheless, as the market for business education in Asia continues to increase exponentially, it seems logical for some schools to diversify in order to distinguish their brand.

"The differentiation in offering masters degrees is important, especially for new schools to help raise their brand awareness, because the top schools are recognised globally. It makes it meaningful for them to

specialise as the market gets segmented to add value," Prof Fatas says.

Multinationals encourage the diversification, as it allows them to select candidates who are more suited to industry needs.

## 'Differentiation is important for new schools to help raise their brand awareness'

Nick Chan, in charge of the analyst recruitment and development programme at Morgan Stanley in Singapore, says employers look at students with niche masters degrees favourably. "We believe people from different disciplines can be just as effective as MBAs. It's about matching the different skill sets of the many varied jobs we have in investment banking with just as varied candidates with different backgrounds studying different disciplines," he says.

But he says the popularity

of MBAs will not wane. As big companies get more involved in the regional markets, "there is a natural demand for candidates from MBA [programmes] as well".

The positive industry response has prompted niche players to offer new courses. SMU launched a masters degree in applied finance (MAF) with a focus on the Chinese market last year. About 70 students have already embarked on the course, which is a joint venture with Xiamen University, to plug the gap of professionals in China's surging financial markets.

"We can easily launch a second phase of our MWM and MAF courses because the demand from professionals and industry has been phenomenal," says Prof Tan.

After all, it is the students who stand to gain from the proliferation of new degrees. Mr Mikkelsen says: "A lot of professionals are keen on doing their masters, the niche courses offer something new, [and] this is exciting because it provides students with more choices to look into before they make up their mind."