Internationalizing Business Education: A Colombian Case Study

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Abstract

Colombia is an emerging market, with real potential for future growth, particularly in the regions around major cities like Bogota, Medellin and Cali. One US business school has recognized this potential and seized the opportunity to internationalize its business programs in partnership with a Colombian school. This article recounts the evolution of the internationalization strategy which began with a new university policy, forcing the business school dean to critically evaluate the school's portfolio of programs and make some difficult choices. Decisions had to be made about which programs would be profitable, what were the best opportunities, and what should be terminated. Discussion is presented about what it means to be engaged internationally in terms of alignment of policies, financial sustainability, student and alumni satisfaction, and partner relations. There is a trend in business schools to internationalize in order to increase profits and global reputation. Going global strategies require both diversification of school products and location. Higher education in emerging markets continues to develop, and there is something to be said for first mover advantage. Unfortunately, this requires time, investment, and patience. Start-up costs are necessary, and US programs in overseas locations need time grow and develop.

Keywords: Cross cultural business relationships, Internationalization, Strategic alliances, Cross cultural marketing, Sustainable business models, Emerging markets;

Background

This article emerges from the authors' case study of a partnership between a US-based and South American-based institution. As is the case with many US institutions, partnerships with schools outside the US present attractive and potentially lucrative new markets. In addition to expanding the visibility of the US school in foreign markets, students and faculty alike are motivated to travel and study internationally enhancing vitae and resumes with relevant global experience. However, determining the appropriate market and the right partner institution is an intricate business, involving careful SWOT analysis and strategic planning.

International educational exchange is not a new concept. The Fulbright Program, formalized through the Fulbright Act in 1946, "is the flagship international educational exchange program sponsored by the U.S. government and is designed to increase mutual understanding between the people of the United States and the people of other countries" [1]. Resources abound for individuals (faculty and students) who wish to travel abroad, and comprehensive lists can be found at the American Council on Education (ACE) website (http://www.acenet.edu/news-room/Pages/International-Partnerships-Guidelines-Colleges-Universities.aspx). For example, the following ACE publications can be found:

- International Partnerships: Guidelines for Colleges and Universities, Appendix B: Agencies and Associations in the United States
- International Partnerships: Guidelines for Colleges and Universities, Appendix C: Funding Sources
- International Partnerships: Guidelines for Colleges and Universities, Appendix D: Useful Publications

However, many of the resources focus on the individual or group traveling or partnering on the international stage and grant sources are time bound with expectations of institutional matching of funds. Some students are not able to travel, especially at the MBA level, given professional or personal reasons. There is therefore a growing trend of "exported" education where schools establish themselves abroad and offer similar programs to those in their home countries. This option is especially attractive to students because it can often be more affordable, yet still allow them the international education that they seek to achieve. In this model, faculty and curricula cross borders rather than students in order to deliver the same program in different locations.

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Long-term partnerships with internationally-based institutions require consideration of a different level of factors, particularly in cultures such as South America. When considering partnering in a country like Colombia, strengths for a US institution might include having an existing strong relationship with a Colombian institution, being a first mover or first partner with a Colombian institution or having a high-quality program which presents a new and attractive product for the Colombian economy that continues to grow and develop. There is currently an absence of strong competition by US schools in Colombia, which paves the way for program expansion, additional offerings, and the creation of a strong alumni base to create/increase brand recognition for the US school. However, there are weaknesses and threats as well. US schools looking to partner in Colombia need to consider the sensitive price point given the current exchange rate, the possibility of low enrollment numbers in the first 3-5 years, the cost of running the program from the US, and the initial low brand awareness. There is also always the risk of other US competitors entering the market and the Colombian partner school being unwilling to make a substantial investment into the marketing the program. The schools need equally to grapple with the global / local dilemma in order to find the right mix to attract students from the local market with a globally recognized, but locally-significant offering and brand. Finally, when dealing with any international market, there is always the issue of language—are quality, credentialed faculty available to teach who are fluent in both languages; are students fluent in both languages, what will be the teaching language; and what will be the fluency requirement for the students? All of these issues must be considered and addressed prior to delving into a costly, but hopefully long-term international academic partnership.

According to the World Education News & Reviews website, “between 1966 and 1986 government funding to the sector increased five-fold. As a result, …university enrollment increased five times” [2]. Academic mobility is central to the Colombian government’s overall education plan and goal to be the most educated Latin American country by 2025. As a result of the *100,000 Strong in America* project and the support of Colombia’s *National Training Service*, there is certainly incentive and support to stimulate institutional partnerships between the US and Colombia as well as student mobility between the two countries. Finally, according to Procolombia, Colombia has a quickly evolving technology infrastructure and a geographic location that strategically connects it to global markets [3].

The Case of Colombia

A 2013 article by Strittmatter, Bharadwaj, and Camp, identified the following factors as integral to success in international partnerships.

1. Identification of a partner that shares common values associated with the priorities for the program and the importance of collaborative decision-making;
2. The existence of program champions on both sides of the partnership;
3. The creation of well thought-out financial agreements and models that minimize the financial risk for both parties; and
4. The support, execution and delivery by a large majority of the faculty. [4]

These success factors were true with respect to one US school’s foray into the Colombian market, to which many schools were unwilling to venture due to the violence of the 1990s and US State Department travel warnings that were in effect until as recently as January 2018. Upon finding a school with the funds available to invest in a marketing strategy, a northeastern US school took a chance and entered into an EMBA partnership with a school in a large Colombian city. The thought was that, if successful, the program could easily expand into other Colombian cities and eventually the region. Using internationalization as a strategy on both sides, policies were aligned between the US and Colombian universities, resulting in a dual degree program. Alumni results from satisfaction surveys indicated some of highest scores of all the graduate programs offered at the US school’s business division. Faculty and students alike took advantage of the opportunities to participate in both locations of the degree program, and each school gained traction in terms of visibility and marketability.

Conclusion

While there are many opportunities and initiatives associated with global expansion in academia and industry, the reality is that it takes a great deal of advance planning, due diligence, and management commitment to develop and make successful an international academic partnership. Both the US and the Colombian partners had to understand the market, relevant fiscal policies, potential revenue streams, roles and responsibilities, institutional policies, accreditation requirements and resource needs. Each institution needed to mitigate risk and develop sound financial models that supported their internationalization goals while at the same time recognizing the value-add of the partnership. The two partners also had to build a trusting relationship and understand the needs and goals of each institution in order to find the right balance. The timing was ripe for partnership between the US and Colombia given each country's governmental stance on increased globalization. Academia can contribute on many levels in international environments from individual student development, to faculty capacity building, to action research that benefits the local community. Partnerships can foster bilingual capabilities and cross-cultural understanding as well as create future growth opportunities. While many US institutions avoided countries similar to Colombia because of turbulent and sometimes violent histories, the institutions that did venture into this emerging market found success and sustainability which can only come from leadership with vision and a commitment to provide resource support.

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