Executive education: Foreign enrollments rise at Chicago programs
By Sandra A. Swanson
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When a downturn hits, companies' training budgets rarely escape the ensuing cost-cutting frenzy. The most recent recession was no exception.

At non-degreed executive education programs across the country, domestic enrollment suffered. Before the recession, however, some universities stepped up their marketing efforts overseas. That investment likely helped them weather the worst of the downturn.

The new tactics are part of a dramatic shift over the past decade within U.S. universities' non-degreed executive education programs: Overseas enrollment keeps rising and, in some cases, has eclipsed domestic enrollment. What's more, discounts aren't needed to attract that business: Both Northwestern University and Loyola University Chicago say they don't reduce rates for foreign students.

The recession led to a drop in Northwestern's domestic open enrollment (custom programs, designed for firms' specific training needs, weren't affected). But overseas enrollment stayed strong. For a three-day program, often half of the students come from abroad, says Stephen Burnett, associate dean of executive education at Northwestern's Kellogg School of Management. "That's just amazing to me, that people will fly halfway around the world" to attend an educational program, he says. Ten years ago, those three-day programs were populated almost exclusively by U.S students.

For Kellogg's weeklong programs, the overseas enrollment typically climbs to about 75%, – nearly double the overseas enrollment of a decade ago.

The trend isn't limited to Kellogg. Mr. Burnett says he's observed it at many other U.S. schools: "There's a tremendous need outside the United States for management development." Those students come from all over the world, but Latin America and Asia are two enrollment hot spots for Kellogg.

To keep drawing foreign students, Kellogg packages its shorter programs into weeklong themed programs. For instance, "Manufacturing Week" combines a two-day lean-manufacturing program with a three-day supply-chain program.

Kellogg measures success by how many students stay for the second program. Typically, it's about one-third, Mr. Burnett says. "We're trying to extend the length of time they're here, whether they're domestic or international."

At Loyola, international students don't dominate the classroom yet. They represent about 20% of enrollment. But the school has increased efforts to attract foreign students in recent years, says Mario Polizzi, associate director of executive education at Loyola.
That includes the expansion of Loyola's physical presence around the world, by offering customized, company-specific executive programs. In addition to the school's Rome campus, established years ago, Loyola recently created a campus in Vietnam and began teaching programs jointly with a labor-relations institute in India. The university also is considering setting up shop in Brazil, Mr. Polizzi says. "That builds our brand in those markets, which in turn drives interest in our open-enrollment programs here in Chicago," he says.

As with most executive education programs, overall enrollment at Loyola suffered due to the economy. For both domestic and overseas students, it dropped about 30% in 2010 compared with 2008. But the past few months have brought encouraging news. Compared with fall of 2009, fall 2010 enrollment is up about 20%, Mr. Polizzi says.

He attributes the climb to companies' optimism about economic recovery and says Loyola will continue to focus marketing efforts overseas: "I think it's important for Chicago-based institutions to build their brands around the world so that they can take advantage of the global reputation that Chicago has."