

HARVARD MBA POETS AND STANFORD MBA QUANTS Harvard Business School vs. Stanford Graduate School of Business

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by John A. Byrne

Let's just say it right out: Stanford and Harvard are the two best business schools in the world. In terms of prestige and status, you can't do better than to win the coveted MBA letters from either Stanford or Harvard. So it's not surprising that a large number of people who apply to Stanford also apply to Harvard and vice versa. When Harvard gets turned down by applicants it accepts (about 11% of those who gain an offer), more often than not the applicants go west to Stanford. The same is true when Stanford's Graduate School of Business (known as GSB) is passed over by accepted applicants. They inevitably head for Harvard Business School.

Yet there are some dramatic differences between these two MBA educational giants. Most notably:

Geography: This is an obvious point, but an important one. Stanford is in the heart of Silicon Valley on a campus dotted with massive palm trees that sway in the afternoon breezes. In the winter months, when Harvard students are bundled up and trudging through ice and snow, Stanford MBAs might still be wearing shorts. The Stanford campus is located between San Jose and San Francisco, which is about a 45-minute drive away. The Harvard Business School, of course, is in Boston, one of the world's most dynamic and inviting cities. Fenway Park, home of the Boston Red Sox, is just minutes away. So is world-class arts and culture of all kinds. But the winter months can be brutal in New England so the east-west difference is a big one.

Size: With about 390 students per class, Stanford pretty much guarantees that almost every student knows each other. A Stanford class is less than half that of Harvard which has the largest MBA enrollment of any top school in the world. Total full-time MBA enrollment at Stanford is just 765, versus Harvard's 1,837. It's the difference between "intimate scale" and "large scale."

Facilities: The campus of Stanford's Graduate School of Business is small and compact: a complex of eight new, separate buildings created around three quadrangles opened in 2011 and a single residence hall. Harvard Business School, on the other hand, is like a university unto itself with 34 separate buildings on 40 acres of property along the Charles River. Harvard has its own state-of-the-art fitness center, a massive library, a new innovation lab, and a chapel. Strategy guru Michael Porter and his Institute for Strategy and Competitiveness even has his own building on campus. There is no other business school in the world that can even remotely match Harvard for its expansive classrooms and study halls. Stanford's new Knight Management Center, named after Nike founder and Stanford alum Phil Knight who tossed in \$100 million of the \$345 million cost, has given the school modern, up-to-date, world-class facilities. The available square footage increased by 30% over the previous 280,000 sq. foot of space when Stanford lacked even a single classroom with windows (HBS boasts more than 1.5 million square foot of space).

Stanford now boasts 13 tiered classrooms, up from 11, 20 flat-floored classrooms, up from eight, and 70 breakout and study rooms, a huge improvement from 28 previously. The larger number of breakout rooms, in particular, have helped the school to more effectively deliver its new curriculum changes that emphasize smaller seminar-style courses. A new 600-seat auditorium replaces the previous 324-seat

model. There also are eight 16-person seminar rooms, to allow for more intimate instruction, eight showers for MBA students who also can use the university athletic center next store, and an 870-car underground parking structure on a campus where parking was always an ordeal. But that still makes it 34 buildings to nine, if you're counting.

Culture: When Harvard Business School opens its essay section inquiring about “your three most substantial accomplishments”, it’s not a leap to believe that Harvard – a bastion of higher overachievement – is signaling that “accomplishment”, past and future, is paramount. That Harvard people value getting things done comes through loud and clear. My favorite question on the Harvard application, though, is one of four optional essays, with a 400-word limit: “When you join the HBS Class of 2013, how will you introduce yourself to your new classmates?” This gets at the aspiring students’ sense of identity, and how they present themselves, and may shed light on how they might fit into a diverse group of students. The answer might also shed light on applicants’ anxiety about joining such a potent group.

Stanford Business School, on the other hand, starts by asking about values and aspirations: “What matters most to you, and why?” and then, more directly, “What are your career aspirations?” Hear, hear for directness. Not that Stanford is entirely focused on ideals; they also give applicants a choice among four other essay options, one of which inquires about experience on a high-performing team. As far as I could tell, Stanford was the only one of the top ten that didn’t specify the maximum number of words for their essays. It says something affirmative about the place that they trust applicants to use their own judgment about how much to write.

Teaching Methods: At Stanford, there’s far less reliance on case studies. Team projects, experiential learning, lecture and simulations make up half the teaching. Obviously, teaching methods vary by course. In “Managerial Finance,” for example, Stanford MBAs will largely be taught via lecture and discussion, with case studies accounting for about half of the work. In “Strategic Leadership,” however, most of the teaching (60%) is via case study, with about 10% lecture, and 30% experiential learning. At Harvard, the case study thoroughly dominates. Sure there are team projects, simulations and experiential learning in the mix, but it’s primary learning tool at Harvard is the case study. There are 30 cases in a course. The ten courses you’ll take at Harvard in the first year alone will require that you read 300 case studies. As a current HBS student who blogs under the non de plume “MilitarytoBusiness” explains, the average student in a 90-plus person class gains air time to comment on a case every other class. “That means that the professor determines half of your grade on an average of 15 comments over the period of three-to-five months. That’s not an incredibly deep well of information to help differentiate 94 highly talented students,” he says. That is the consequence of case studies in a 90-plus person class environment. Obviously, the system breeds a certain level of competition.

Program Focus: Both MBA programs have a general management focus. The biggest single difference is in entrepreneurship. Stanford’s location in Palo Alto, just down the street from Sand Hill Road, known for its concentration of venture capitalists, as well the mindset of its students makes the GSB the ideal place for would-be entrepreneurs in technology. The words to focus on, however, are “in technology.” Harvard’s size makes it a formidable player in entrepreneurship. Harvard, for example, has its own building devoted to the subject, the Arthur Rock Center, named after the HBS alum who invested in both Apple and Intel. Harvard boasts 35 faculty members who teach entrepreneurship, the

second largest faculty group at the school, versus Stanford's 10 to 15 teachers, a number that includes adjunct instructors. All first-year MBAs at Harvard have a required course in entrepreneurship and can choose from nearly two dozen second-year electives on the topic—pretty much the same number of courses that Stanford offers. As a percentage, more Stanford grads (about 15%) are likely to either start companies or immediately work for startups than grads at Harvard.

Indeed, about 10% of Stanford's graduating class launch companies right out of school, versus about 3% to 4% at Harvard. However, 15 years out of HBS, about half of its grads end up as entrepreneurs—roughly the same percentage as Stanford. Even more surprisingly, Harvard alums compose nearly 25% of the entire venture capital industry. Clearly, it's a myth that Harvard is the breeding ground for corporate chieftains, while Stanford is the hotbed for entrepreneurs. In the most survey of b-school deans and directors by U.S. News & World Report, Stanford ranked second in entrepreneurship vs. Harvard's fourth-place showing. In this same survey, Stanford did slightly better than Harvard in finance, marketing, and non-profit management. Harvard edged out Stanford in general management and international business.

On-Campus Recruiting: If you're aiming for a top MBA job at McKinsey, Bain, BCG, Goldman Sachs or Morgan Stanley, the Harvard- or Stanford-punched MBA will easily get you in the door. The small size of the graduating class at Stanford, however, along with the more entrepreneurial mindset of the students, puts it at a disadvantage in getting large numbers of company recruiters on campus. In fact, more than 90% of the companies that hire Stanford grads hire only one a year. That's one major reason why Harvard gets more campus recruiters than Stanford, or for that matter than any other business school in the world. It's also why half of Stanford's graduating MBAs do self-directed job searches. Stanford has an edge in technology, given its location, and geography also plays a part in where MBAs land their first jobs. Some 52% of Stanford grads stay in the west, while only 15% of HBS grads migrate to the West Coast. About 18% of GSB grads land jobs in the Northeast, compared to 38% of HBS grads.

Alumni Network: You can't really go wrong by being part of either the Harvard or the Stanford alumni network. Over the years, BusinessWeek surveys of MBA graduates show that Harvard, Stanford and Dartmouth boast the strongest alumni networks of any business schools in the world. With 41,378 living MBA alums, Harvard's network is larger and more global. Stanford, meantime, boasts 16,852 living MBA alums, with a strong concentration in the Bay Area and Silicon Valley. Harvard also has more global reach because of the size of its network. Because Stanford is clearly the underdog to Harvard's size and massive resources, it's very likely that alums try to be a bit more helpful to each other than those at Harvard.