Minding The Education Business

Million-dollar corporations are jumping onto the higher education bandwagon in a big way. Why? Chan Su Ling examines the trend.

The SungeiWay Group has done it. The MBf Group has done it. See Hoy Chan, Country Heights, Selangor Properties, Lion Group, Berjaya and Melewar have all done it. These giant corporations have made the education business their business.

As the country braces itself for the new millennium, manpower needs have changed. Existing public universities can no longer keep up in producing trained graduates who can meet this need. Typically, the private sector has come to the rescue. And they have done it in grand style.

One of the pioneers of private higher education, the SungeiWay Group, now has a 22-acre campus for Sunway College, which it established in 1986. More recently, the Group made another big coup by establishing the country's first offshore campus, the Monash University Sunway Malaysia Campus.

This, in addition to its core activities of quarrying, construction and civil engineering.

Another major player, the MBf Group, took its first small steps towards education by acquiring the then 20-year-old Taylor's College in 1989. Today, MBf's education division, the MBf Education Group (MEG), is making leaps into the education scene with Taylor's College, Garden International School, Taylor's College School of Hotel Management and Sekolah Sri Garden.

These are impressive additions to its businesses in financial services, property development, manufacturing and consumer services.

The latest to jump on the bandwagon is the Berjaya Group.

Kolej Antarangsa Berjaya was established in April 1997 and there are big plans ahead. Starting with an enrolment of just 30 students in a shoplot in Petaling Jaya, the college is now preparing to move into a brand new RM20 million campus at the Berjaya Desa Waterpark.

With further liberalisation in private education, several large corporations have, on the invitation of the Education Ministry, come out to establish private universities.

They are Telekom Malaysia - Universiti Telekom (Unitele); Petronas - Universiti Teknologi Petronas (UTP); and Tenaga Nasional - Universiti Tenaga (Uniten).

All this to supplement and complement existing government universities and to help meet the demand for skilled professionals in the job market.

The entry of these big corporations has done wonders in revolutionising the private education scene. For one, these corporate giants bring with them a keen eye for opportunities and the courage to take them. Sunway College, for example, was the first to introduce the innovative twinning programmes that has since become so popular.

Tan Sri Jeffrey Cheah, founder and president of The SungeiWay Group recalls this momentous occasion.

"We started Sunway College in 1986 during the recession. We brainstormed among ourselves and came up with this brilliant idea of having a twinning programme, half here and half overseas, to save the parents' money.

"The Education Act didn't allow us to do a whole programme here, so we..."
thought this would be agreeable to the Ministry of Education and it was. It was a great plan but getting there was not easy.

"Initially, people didn't see how it would work," Tan Sri Cheah continues. "In fact, (the University of) Leicester (in Britain) was criticised (by the country's Financial Times) for going overseas to twin with somebody. But, now they say Leicester was a great pioneer." Twinning programmes have since gone on to be adopted by most other colleges.

The involvement of corporate giants also brings a wealth of expertise and resources to the education scene. They have raised the bar in terms of quality of programmes and lecturers, and infrastructural facilities.

UTP, for example, draws on the experience Petronas has in the training and education of personnel, especially in petroleum and technology related fields. For years, Petronas has run training facilities such as the Institut Latihan Perindustrian Petroleum and the Petronas Management Training Centre.

In 1995, it had set up the Institute of Technology Petronas in Perak, a centre which ran transfer degree programmes in collaboration with foreign universities. It is on this existing infrastructure that UTP is now built.

Finally, lest we forget, corporate giants too have not been stingy in finances. Large sums of money are ploughed into their respective institutions, giving new meaning to the phrase "Education is an investment."

The MBf Group, for example, has budgeted RM70 million for the first-phase of the Taylor's College International Campus in Kulim, Kedah. The sprawling 680-acre campus, located adjacent to the Kulim Hi-Tech Industrial Park, will accommodate 10,000 students and provide state-of-the-art facilities in a learning-condusive environment.

MEG senior vice-president Y.Y. Chew says, "We are not only all chalk and talk. We believe in a holistic educational experience. We want students to become dynamic and analytical."

Even as most corporations are touched in some way or another by the economic difficulties today, Chew says they are lucky to be backed by such a big corporation. "Budgeting has never been a problem as they give us their whole..."

"Don't let your schooling interfere with your education" ~ Mark Twain

"The foundation of every nation is the education of its youth" ~ Diogenes
Even in times of cautious spending, the Taylor's College International Campus project is set to go ahead. The campus is due to welcome its first students by the year 2000.

So what's in it for these corporate giants? The stand taken by SungeiWay's Tan Sri Cheah is oft repeated by those in the industry. "I believe the important thing for any businessman is the contribution to education which is important for the growth of any nation. We have to educate our younger people and give them ample opportunities to excel."

However, it is also true that education can be rewarding in wholly different ways.

While private tertiary institutions have always denied that their involvement in education is purely profit-motivated, they do not wholly discount or disapprove of happy "coincidences" either.

For example, it is commonly held that companies in property development establish colleges to enhance the value of their property projects - like what Sunway College has done for Bandar Sunway. "If a college is well-run and there are a lot of students coming here, it will definitely enhance the surrounding property value, that is true," agrees Tan Sri Cheah.

But he denies that was their main interest. "We weren't into property development at the time Sunway College was established anyway," Tan Sri Cheah counters. "And, the college started in Petaling Jaya, not here (Bandar Sunway)." (SungeiWay ventured into property development in 1987, merely one year after the inception of Sunway College.)

On the same level, private colleges can be a lucrative business too. Stamford College, now a public-listed company, demonstrates this. The MBf Group, meanwhile, recorded a pre-tax profit of RM7.2 million in its education sector in 1996.

MEG's Chew believes there is nothing wrong in profit. "Private education is like any other business. And, in business we talk about profit. There is nothing wrong with it because it is (typically) measured this way." But Chew points out that what they have gained is small in comparison to what they could have gained if they were unscrupulous and compromised on quality.

"To provide a good and hearted support."

"The things taught in schools and colleges are not an education, but the means of education" ~ Ralph Waldo Emerson
Students at Institut Teknologi Mara putting theory into practice -- for many colleges, investment into infrastructural facilities like these is almost impossible without the backing of a big corporation.

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all-rounded education is a continuous effort. It is an effort on our part to provide not only the academic aspects but to upgrade the students' attitude as well. We dare to invest in this.

Similarly for Sunway College, which has set up a trust to fund private education. We wonder if we can do more to improve the situation.

Tan Sri Cheah observes the uphill climb. "I hope we can make a profit. It will all go back to the college. We are not even paying back any to any of the shareholders.""I am surprised that people can make it," she says candidly. "I hope we will break even this year. But even if we make a profit it will all go back to the college. We are not even paying back any to any of the shareholders."

Tan Sri Cheah points out that Sunway College also gives out between RM250,000 and RM500,000 in scholarships in a year.

Another 25 scholarships are given to Zimbabwean students to enhance bilateral relations. "Yes, people can make good money out of education as you can see by the colleges which are expanding and all. But if you were to do a serious education programme with a serious campus with the right facilities to give students an all-rounded education, you need at least something like what we have and that costs a lot of money.

As far as they are concerned, education is not the golden goose people think it to be. Dr Rosti Saruwano -- guiding UTP in its infancy -- observes the uphill climb. "Setting up quality educational facilities is an expensive proposition, especially for courses involving the use of laboratories, workshops, workstations and other equipment. It would be difficult to recover the capital investments from student fees alone. Most universities have to seek funding from sponsors, donors and other benefactors."

The involvement of corporate giants in education has brought education provision into a serious business. With a free market of more than 400 private institutions of higher learning in the country, the amount of choices students have nowadays have made them more discerning.

"Of course, students' choices have increased," Chew says. "They can now compare and contrast the track records of the institutions. Now, students and parents know what they want."

"And, they will want the institutions with a good track record, with good facilities, with good teachers and so on."

"I am surprised that there are many more institutions coming up. Some of them now are run by people that we in the education field have not heard of. It is like the video shop phase. In my area, when one video shop was set up, many more mushroomed. Then, in time, only one survived and the rest closed down."

Similarly, she adds, only people who are prepared to invest in education and who are dedicated to pro-

viding the best are the ones that will survive, no doubt phasing out the parking-lot and shoplot institutions.

"Private education has a long gestation period," she stresses. "Education is a long-term game."

Much has been made of the fierce competition between these providers of private tertiary education. But, Rosti cautions, "Competition should prompt education providers to ensure that they maintain quality standards in order to attract students and spon-
sors."

As it is, the government is working on turning Malaysia into a regional player in education. Among other things, becomes a regional player of skilled manpower to curb outflow of money and encourage the inflow of foreign currency.

These corporations, heading the government's call and working hand in hand with the government, are preparing this very infras-
structure.

UTP is preparing to be a foremost player in education. Says Dr Saruwano, "In time, when UTP has developed into a centre of excellence in the field of science and technology, we hope to become an active player in the development and transfer of expertise not just locally, but regionally and internationally."

MBB's Taylor's College is an example of the expansion for the future. "Our Kulim campus will be right in the heart of the Indonesia-Malaysia-Thailand Growth Triangle," says Chew, a strategic location. And also from there we can attract students from other countries.

We can offer a wide range of courses so that our students will not have to go overseas to study. We are ready to do this the moment the govern-
ment approves it."

The prospects for edu-
cation in Malaysia are amazing. The giant corpo-
rations, with the govern-
ment's help are setting the pace for the future. In time, the institutions the corporate giants own will occupy the front row seats in the theatre of education excellence. The investments they make now are merely teething problems -- a small price for a bigger bite of the education industry.

"The objective of education is to prepare the young to educate themselves throughout their lives" -- Robert M. Hutchins

"The true aim of any university should still be the attain-
ment of educational idealism and these institutions cannot ignore quality in their services." -- Datuk Seri Najib Tun Abdul Razak