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Golden jobs for interns, or brass handcuffs?

By Leo I. Higdon, Jr.

As summer's internship season ends, many students will be lured to drop out of school by lucrative offers, especially from the bubbling dot.com economy. After all, employers—both old and new economy—are desperate for good help.

As a business college president, I'm aware that the lure is strong. Of our 22 full-time MBA students who interned last summer with technology start-ups, five stayed on with their companies and switched to part-time evening study. Even the tech stocks' gyrations haven't cooled student interest: 43% of our MBA interns were with young tech companies this summer, up from 15% last year.

It's hard to counter the media glitz or the stories about golden paydays from upstart companies turned IPO. But the truth is, this dilemma isn't new. It's just that the stakes appear higher than ever.

Companies always have done whatever it takes to lure good employees. In the new economy, the promise is equity, which is hard to resist, especially because it's tied to seniority and keeping your place in line. But bubbles do burst, and not all deals go public. Or if they do, long lock-up periods can make profits uncertain.

The real beneficiaries of this are the dot.coms, which are under intense pressure to get products to market. It's about employers retaining talent in a tight labor market. And while the heat may have died down in the dot.com world, there still is plenty of venture capital out there chasing opportunity. That means more summer interns (and prospective MBAs) are thinking twice about finishing or even starting work on the degree.

Points to consider

The long-term view for individuals is complex. Could there be an opportunity worth leaving school for? Of course. But don't just be swayed by the short-term economics of the situation. In evaluating whether to leave or stay, here are points for students to ponder:

➤ Is this really your best opportunity for long-term career growth? The job search for a summer internship is never as complete or systematic as what's available to MBAs when they graduate. Remember that the purpose of the offer is to keep you in place and keep you motivated. But how long do you want to be tied up to an uncertain goal?

➤ Even if the opportunity looks right, consider what will happen in an economic downturn. Finishing the degree will make you much more marketable should the economy shift.

➤ Compare lifetime projected career earnings to the current offer and see if it still looks so good. Also, consider that the opportunity costs of finishing the degree later on are actually much greater. Career, lifestyle and family commitments can all be big barriers.

➤ Remember that the time after your internship is typically when you specialize and apply what you've learned (including the internship experience) to real business outcomes. Today, second-year MBAs can have many opportunities to connect to the world of work—through alumni, business consulting and executive mentors, to name a few. The cost of leaving includes lost contacts and missed experiences that can develop a much wider range of options for your career down the road.

More skills, more prospects

The idea that great careers (and great businesses) are built on the breadth and perspective that come with experience might once have been labeled "old economy thinking." But now that the new economy is maturing, companies are finding what successful entrepreneurs have always known: It's not just the idea and opportunity that count. It's the discipline and skills to grow the business. For MBA students, that means the greater your skills, the greater your long-term prospects. As dot.coms search for profits, it's not surprising that it is experience that's in great demand.

Given the tremendous shifts occurring in business—who would have predicted the surge in Internet business a decade ago?—students who look at the MBA only as a credential are missing a huge opportunity, not just for lifetime earnings (which will outmatch the uncertainties of most any Internet offer), but also for the flexibility to succeed in a continuously changing business environment.

Don't be fooled by the short-term promise of riches. All that glitters is not gold.

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