

PROJECT OF COMPANY'S EDUCATION IN VIETNAM

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Master Thesis
2011

 **Tomas Bata University in Zlín**
Faculty of Management and Economics

Tomas Bata University in Zlín
Faculty of Management and Economics
Department of Management and Marketing
Academic Year: 2010/2011

MASTER'S THESIS ASSIGNMENT

(PROJECT, ARTWORK, ARTISTIC PERFORMANCE)

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Degree Programme: **N 6208 Economics and Management**
Degree Course: **Management and Marketing**

Thesis Topic: **Project of Company's Education in Vietnam**

Thesis Guidelines:

Introduction

I. Theoretical part

- **Explore literature and other sources on company's education.**

II. Practical part

- **Analyze system of companies' education in Vietnam.**
- **Analyze managerial and employees' perception and attitudes to company's education.**
- **Develop the project of company's education in Vietnam.**
- **Elaborate on cost, risk and time analysis of project.**

Conclusion

Thesis Extent: 70 pages
Appendices:
Form of Thesis Elaboration: printed/electronic

Bibliography:

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Date Assigned: 24 June 2011
Thesis Due: 15 August 2011

Zlín, 24 June 2011



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ABSTRAKT

Tato diplomová práce navrhuje projekt vzdělávací model společnosti ve Vietnamu, základy na trhu a SWOT analýza vzdělávacích potřeb a požadavků trhu ve Vietnamu, důležité aspekty této práce se zaměřuje na spolupráci mezi školami a průmyslem na vytvoření sítě relevantních subjektů vzdělávání a využívání sítí pro generování zisku prostřednictvím služby nabízející. V teoretické části se snažím poskytnout základní pozadí na školství strategii spolupráce a vytváření sítí. Pak jsem prováděl různé analýzy na trhu, a mapování scénáře modelu společnosti dohromady s provozními náklady, analýza rizik.

Klíčová slova: vzdělávání, Vietnam školství, síť, spolupracuj

ABSTRACT

This master thesis proposes the project of model company education in Vietnam, base on Market and SWOT analysis of Vietnam education market needs and demands. The important aspects of this thesis is focusing on the cooperation between education and industry to create network of relevant entities of education, and exploiting the networking to generate profit through services offer. In the theoretical part, I try to give basic background on education cooperation strategy and networking. Then I conduct various analyses for market, and mapping scenario for model of company altogether with operating cost, risk analysis.

Keywords: Education, Vietnam education, network, cooperate

ACKNOWLEDGEMENTS

First and foremost, I would offer my sincerest gratitude to my supervisor, doc. Ing. Miloslava Chovacová, who has encouraged and supported me from beginning and throughout the thesis with her patience and knowledge.

Furthermore, I would like to thank Duong Minh languages center in Vietnam, for the time working here as lecturer and dealing the practice research for this thesis.

I also would like to thank to UTB teachers and staffs who have supported during 5 years I have studied here.

I heartfelt thank to my parent and family for supporting me during the time to do this thesis, they are the driving force and incessantly support their life for my studying.

Thanks all people with my sincerest!

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INTRODUCTION

Vietnam was independent since 1975 after long times as Colony of French and spending many years in war with French, America and civil war as well as the effectiveness and culture familiar with China, Vietnamese education has currently developed rapidly in GDP and living standard.

Education is one of the most important field with high priority and orientation from government and social life. Since 1993, the government declared Education as the priority area for national investment and serial of changes in education policies launched after that to encourage education field and human resources development, the most important change is allow private sector and foreign institutions or organizations, as well as the company self-training model participating in Vietnam education system which is just central management by government state own schools or universities or others kind of education organizations before. Vietnam education market has been creating since then, consequently of series of private high schools, universities , foreign education organizations and enterprises entering this field in both education and business purpose however this causes the difficulty for government in management and find out appropriate model for the human resources development.

The high rate developed in GDP and economy as well as living standard lead the demand for human resource developed the government realized that Education should be change in management system and studying foreign higher developed technology to be able to serve for the economical developed, on the other hand, Education is always high priority inside Vietnamese parents and every family, they regards the Studying is as other ways for future success and escape the poverty what is almost cover the people in long time of colony and war in the country and Education is regarded as studious tradition of Vietnam during the history and social life .

The real situation in Vietnam that there is the space among the entities related Educational area, while the university are difficult to close with enterprises for the effectiveness in human training, the student feel difficult to get in touch with enterprises and other for their real case of knowledge or career orientation, or the international organizations of education also feel difficult to entering Vietnam market or attract Vietnamese student joint their services or product... however the demand of those circle and relationship is high because it bring many advantages of all parties related this area and the quality of human resources

development for this relationship might improve a lot through this relationship, therefore I feel the necessary of the bridge to connecting them as the network for all benefit of participants...

In this thesis, I mostly analyze and express my own idea for the model of educational company in Vietnam which is concentrated in Higher education system because this area mostly attracts the high investment in education market and high priority from government, I feel this is the good market for investment in the view of business. The model that I imagine as a network between the participants who directly has the own advantage when they entering and it almost serves for their own different benefit in each side of their point of view.

In the first part of this thesis, I concentrate on theoretical part where expressing theoretical ideas and knowledge for co-operation strategy and define the network and participants of model. In the second part I will concentrate on the analyzes the Vietnam education market of opportunities for the model and potential difficulties through MARKET, SWOT and Scenario of the model in real and conclusion with conclude the remarkable ideas of whole model.

I. THEORY

1 CREATING KNOWLEDGE NETWORK

A vision of the ideal role of research partnerships between higher education and industry in a rapidly globalizing knowledge economy is becoming increasingly prevalent. Where networks and partnerships have developed, how have they taken shape into the context, within specific national policy and economic imperatives? To what extent is there evidence of collaboration in knowledge generation, diffusion and application that will ultimately contribute to innovation? In what ways has government succeeded in promoting such partnerships? What are the kinds of changes and benefits that partnerships are bringing about in both higher education and industry? [1][2]

1.1 Defining partnership, collaboration and networks in higher education

Strategic alliances, networks, partnerships, linkages and collaborations between higher education institutions and industry – as these relationships are variously termed, have been identified as a primary means of addressing higher education's role economic development. At the general level, 'partnership' are any form of linkage or co-operative relationship of mutual benefit or interest between an academic, department or unit in higher education and industry. In contrast, 'collaboration' was defined specifically as a knowledge base linkage in which all partners make an intellectual contribution. The common form of collaboration is a network, where the participant making together in such mutual specific beneficial projects, network might be made by from two or multiple partners in one or multiple projects to facilities the acquisition of demand from participant in the network. [3]

The network in the simplest way as, 'a set of interconnected nodes'. The higher education industry research network has typically been analyzed in terms of three nodes of interacting partners, each constructed with varying degrees of complexity. An influential model describing relations between government, higher education and industry in a knowledge economy is the 'triple helix' model proposed by Etkowitz and Leydesdorff (1997 and 2000). According to the traditional view, the university has the functions of education and research, industry has the function of production, and government has the function of regulation. In the new global context, these authors suggest that a 'triple helix' model is the most appropriate for reflecting the complex relations between the three partners. That is, each institutional sphere takes on new roles *alongside their traditional roles*: universities

assume a role in economic development, translating research into economic activities; industrial firms conduct R&D activities laterally in co-operation within a group of firms, sharing knowledge in order to become more competitive, and governments play new roles in relation to higher education and industry, to promote innovation, in some cases adopting a more interventionist and in others a more laissez-faire mode. [2]

1.2 Transition of partnership in higher education

Networks might be created by education organizations and others participants from many different fields or industries, the partnership is aim to not only the human resources facilitating but also in field of research for commercial purposes, this is the international trend and there are the changing recently making differences between traditional higher education and modern higher education model.

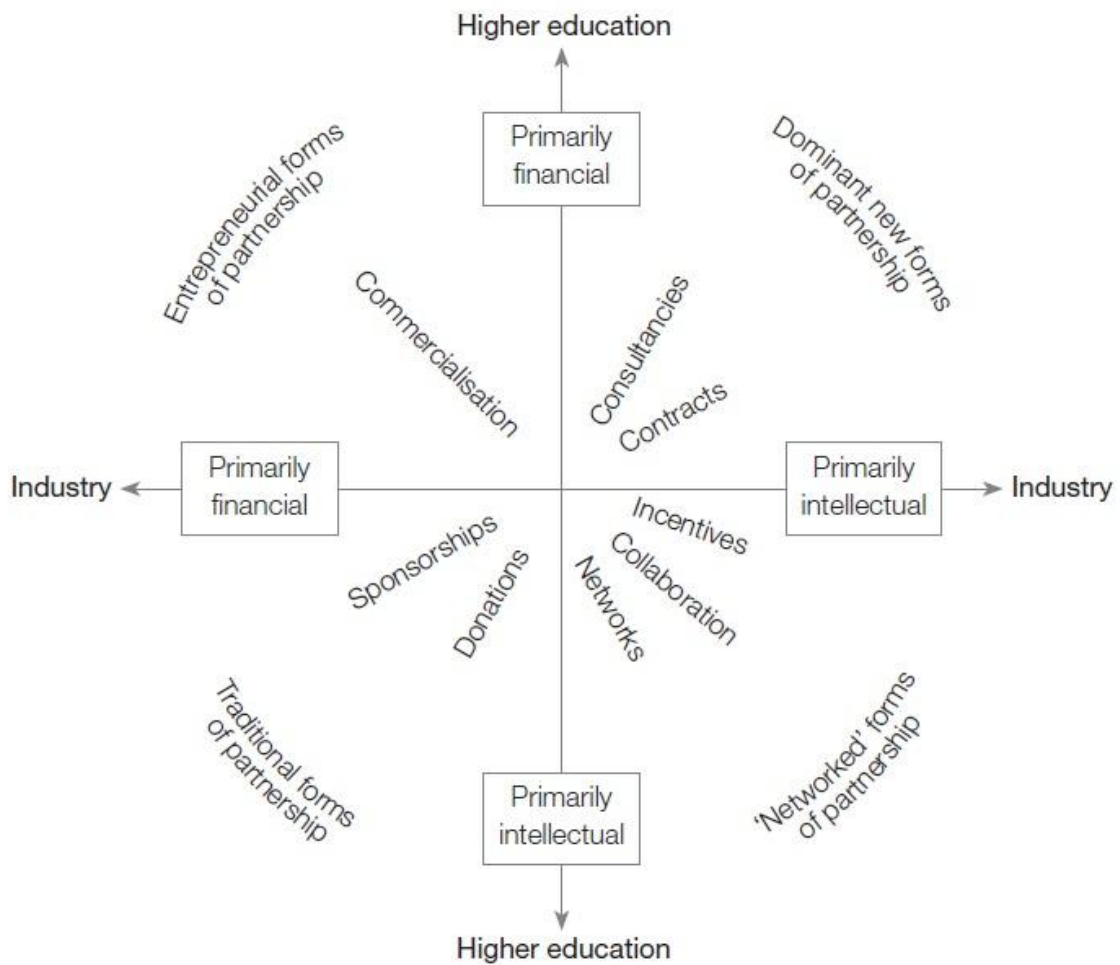


Figure 1. An analytical matrix form of partnership [2]

There are traditional forms of partnership between industry and higher education in which base partnership. In traditional the normal partnership is created by donations or kind sponsor from the part of industry for supporting in research or funding for studying activities, this relationship regards of the way of social responsibility or the purpose or marketing and branding activity on the side of enterprises in industries. This is unsurprising, given the imperative for industry to respond to socio-economic development needs in and to strengthen their corporate social responsibility portfolios. In these two forms of partnership, the relationship between higher education and industry is primarily a financial one, and higher education is left free to continue with its intellectual projects, with few conditions imposed by its partners. [2]

The numerically newly dominant forms of partnership currently evident across the system are consultancies and contracts, strongly shaped by higher education's financial imperatives, and, to varying degrees, by those of industry. These form of this partnership are long existed but it is just dominant significant over last decade, in this relationship the researcher or education has the role of intermediaries of knowledge for industry application by the consultancies and advisory of knowledge for the financial benefit from industry partners [2]

The higher education institution has a strong financial motivation for pursuing partnership, whether it is to access funds for post-graduate students, research equipment, or laboratory costs. The industry partner typically has a specific product or process problem that it wishes to have resolved, in a short period of time, but is happy to leave research to the higher education institution, as long as it provides the agreed 'deliverables'. 'Design solutions' are a related form of partnership that has emerged with appropriate technological expertise have set up centre for prototyping and testing, which offer design solutions to industry. These forms of partnership place potentially severe restrictions on the intellectual property of researchers, placing embargoes on the traditional academic products of peer-reviewed articles and postgraduate theses, for varying periods of time, in order to protect the financial interests of industry. They can thus have potentially severe negative implications for the core research function of higher education. [2]

In developed countries such as United states of America or European countries, this kind of partnership has been developed for long time where the universities or institutions have not

only the role of educated or training of human resources aspect, they have also the role as the supplier or manufacturer for the research activities applied in industries, the partnership make by the contract and creating the networks in specific projects from on the commercial point of view however this model in developing countries such as Vietnam is just developing or just the ideas where the universities or institutions just in small scale and position the technologies and conditions are limited for the strategies, most of educational organization in Vietnam just concentrate on their education service and dominantly as the island of knowledge education separated with the real case of demand in the market and students or lecturer are lack of information in their studying, even though some big national university are developing follow this model but just in limited scalse because of the relationship or distance between them with the enterprises from industry are large. This is the trend and also the opportunities for education companies take advantage for their investment.

1.3 New forms of partnership and network

There is limited but growing evidence of the emergence of new entrepreneurial forms of partnership. An example of this is commercialization, in which higher education researchers take on a strongly entrepreneurial role, attempting to commercialize prior intellectual work in the form of a spin-off company or in collaboration with an existing company willing to exploit intellectual property in the form of royalties, licenses or patents, or through venture capital. Here the relationship is shaped primarily by financial imperatives for both industry and higher education, but is predicated on knowledge or technology that has been developed with varying degrees of collaboration. [2]

Other new forms of partnership that have emerged include incentivized partnerships, with a weak form of intellectual collaboration, stimulated by government funding aimed at developing research and development and innovative capacity by encouraging technology transfer between higher education and industry. Collaboration partnerships have a knowledge-based linkage in which all partners make an intellectual contribution, but there may not be a financial relationship involved. [2]

there is evidence of a small number of complex network forms of partnership existing in a minority of institutions. These are knowledge-intensive forms of partnership, and are shaped primarily by the intellectual imperatives of both industry and higher education. In

such strategic partnerships, where the research concerns of higher education and industry partners coincide more strongly, there is more likely to be intellectual collaboration around the research, and there is a stronger focus on innovation of product or process.¹ Such partnerships typically take the form of networks of multiple higher education, industry, science council and funding organizations, with distinct roles and contributions, who benefit mutually but in different ways. [2]

1.4 Market and non-market of Higher Education

What is the economic value of a higher education in relation to its costs?

The answer for this question is such difficulty way of statistic or any kind of quantitative method, the answer of its is giving by systematical and theoretical aspect on the side of contribution of private and social benefit which higher education bring to human life, Economic are getting now effect to and any aspect of the life, and education is one of the method for that development and we are wondering about the role of higher education and its specific contribution of economic factors and social life, let's take a look on some benefit below:

Private benefit: human capital formed by higher education is used by individuals on average about twice as many waking hours each week at home or in the community as it is used on the job. During these hours it contributes to more productive use of time. This generates private non-market benefits that are not measured by market earnings and thus not accounted for in traditional estimates of the value of higher education.

Social benefit: any research in the university or institutions are aim to specific purpose, creating the innovation for better thing serve for its own needs, the fact illustrate that, the achievements that people obtain in many fields of life such as human rights, political stability, lower state welfare costs, lower health costs, lower public incarceration costs, contributions to social capital, to the generation of new ideas. The benefits to "others" including future generations of the increased flow of new ideas are substantial but are the hardest to measure. Such external social benefits from higher education set the stage for subsequent rounds of economic growth including higher earnings later as part of a dynamic process.

1.4.1 Market benefit of higher education

The strongest evidence is estimates of the increments to earnings, or better still the social rates of market return. Additional insight is provided by the education levels required in the fastest growing occupations, as well as the occupations where there are the most job openings [4]

Private return: are based on the costs and benefits of education, as those are realized by the individual student. This is a private spending efficiency question. Private rates of return are used to explain the behavior of students regarding the demand for higher education, or the equity effects of state subsidies to education. [4]

Social return: are based on the costs and benefits of education, as those are realized by the state or society as a whole. They refer to what education really costs, rather than just what the students pay out of pocket. Social rates of return should be based on productivity differentials, rather than earnings. The social returns to education are used to assess the efficiency of public spending on education, and as a guide on whether to expand or contract a particular university faculty. [4]

Public returns is essentially another name for narrow social returns, the difference being that they take into account the extra taxes generated by the university graduate and his/her social security contributions.

Fiscal returns are based on a narrow measure of costs and benefits – those relating to the public coffer. They can be used to assess how well the Treasury is doing when spending on education. They relate to the country's public finances and are not estimated as widely as the private or social rates.

1.4.2 Non-market of higher education

A human capital formation approach and modern endogenous growth and development theory are drawn upon to systematically and comprehensively identify, measure, and estimate the economic value of both the private (market and non-market) and social benefits of higher education. These outcomes are also related to their true investment costs. This framework places the higher education policy issues of access, affordability, accountability, declining state support, and privatization into a coherent human capital formation framework that offers new insights. [6]

If the estimates of the value of private and social non-market benefits beyond earnings are added to the jobs and earnings benefits as they should be, the evidence becomes overwhelming that the true social rates of return are higher than those typically reported. This indicates a substantial underinvestment in 2-year and 4-year college degrees. It suggests that poor information about the many additional non-market benefits and their value has contributed to many individuals stopping their education after high school when they should have in fact continued. This “market failure” in higher education is similar to the failure in financial markets that lead to “irrational exuberance” and produced the recent recession, a situation assumed impossible by adherents to the “efficient market hypothesis”. The current recession has taught us again [5]

that markets do work, but they do not work perfectly. Although there is widespread awareness now of market failure in financial markets, there is as yet little or no awareness of the also serious failure in higher education markets. [5]

1.5 Collaboration of higher education sector and industry

1.5.1 Castells’s interpretation of global shifts

The new pressures on higher education may be interpreted in the light of major organizational changes initiated by global economic, social and political shifts, in what Castells (1996) has termed the ‘age of informationalism’. Essentially, Castells analyses the development of:

...different organizational trajectories, namely specific arrangements of means oriented towards increasing productivity and competitiveness in the new technological paradigm and in the new global economy. (1996: 153)

A range of organizational trajectories or trends may be analyzed, interacting and taking different forms in specific national contexts. However, Castells argues that they all arise out of a process of disintegration of the organizational forms of industrial capitalism, and of the model of a vertical, ‘rational’ bureaucracy. The model used hitherto, of the large, vertical corporation, operating under conditions of standard mass production, and involving control of markets by a small number of competitive firms.

To be competitive today, organizations need flexible production methods that rely extensively on information. Globalization has redefined the basis of competition between firms, which now relates to quality and scope, and to the most effective and efficient design configuration for producing a commodity. This means that the ability to reconfigure and customize in response to changing market conditions has become paramount. Such flexibility requires high level skill competences that a single firm may not have, forcing collaboration with others, to extend the boundaries of knowledge in new design configurations. [1][2]

1.5.2 Designing a process to map partnerships across the sector

At the most general level, ‘partnership’ was defined very broadly to denote any form of linkage or co-operative relationship of mutual benefit or mutual interest between an academic/s, department/s or unit/s in higher education, and industry. In contrast, ‘collaboration’ was defined specifically as a knowledge-based linkage in which all partners make an intellectual contribution. [2]

The specific form of relationship of interest to this project is a ‘knowledge-intensive or innovation partnership’, defined as a mutually beneficial relationship between an individual or multiple academics, departments or units and industry, which involves collaboration in knowledge generation, diffusion and/or application that will ultimately contribute to innovation. The most common form of such collaboration is a ‘network’, defined by Castells as a relationship which facilitates the acquisition of product design and production technology, enables joint production and process development, and permits generic scientific knowledge and research and development to be shared. [2]

Dimensions for analysis partnership:

- 1. Analysis culture and vision:** Scanning culture factors beside planning and vision of target market which impact to the models
- 2. Analysis structures:** Structure in term of environment management analyzing where the modal running and applying to show the appropriation of the model
- 3. Analysis productivity:** The outcome quality, the capacity, economical factors to show the profitable, efficiency and reality of model

4. Nature of linkages: the linkages are the most important of the model which analyze strategic for the linkage of model with participant or target entities, the linkages including:

• **Initiation of linkage**

Analyzing forms of partnership empirically came under the rubric of ‘initiation’ of linkages. Two features were pertinent: who was the primary driver of a partnership, and what was the motivation of the industry and higher education partners for seeking to enter partnerships

A specific set of dynamics is evident when *industry* partners were the primary initiator of a linkage. The situation most commonly reported was an individual company approaching a research team that it identified as having the technical expertise to solve a particular short-term, smaller-scale industry problem. [2]

• **Conceptions of interrelationship:**

Participants who perceived the interests of industry and of higher education partners from different perspectives. The main motivations offered by researchers in relation to each of three clusters below will be examined in turn.

✓ **To access funding:**

- There was a perception that industry does not possess sufficient capacity to conduct its own independent research, and moreover, it is much cheaper for industry to contract research out to universities. This is not unrelated to the global motivation for industry to collaborate with higher education because of the growing cost of high-quality research in advanced technology [2]
- The most widespread motivation for higher education was to generate funding for the fundamental survival of research capacity in a specific field. Organizational changes in higher education – with a trend towards devolving financial and research responsibility down to faculty level, and changes in the national research funding environment – were perceived to increase the pressure to identify alternative sources of funding, to feed into basic research in the department and the school. [2]

✓ **For intellectual collaboration:**

Most typical was the claim that there were intellectual motivations for the partnership but that the funding element was vital. A tension between financial and intellectual motivations was strongly evident, and many researchers juxtaposed the two in explaining why they had initiated partnerships with industry. These combinations are not unrelated to the general conceptions of partnership outlined in the previous section. In the face of increased competition for resources within the higher education sector, institutions have adopted market-like behaviors to varying degrees, while attempting to protect their academic integrity in different ways, balancing their core teaching and knowledge-production functions. [1][2]

- **Coverage and contribution**

There is a clear distinction between the role of the industry and the higher education partner. Partnerships range from their simplest form, a one-on-one short-term informal problem-solving consultancy or contract, to complex long-term networks around fundamental and strategic research. [2]

The variation is determined by the extent to which both industry and higher education partners are involved in a financial and/or a knowledge collaboration relationship. Industry's primary financial contribution can take the form of a donation, a sponsorship, a client, an investment, capacity building and social responsibility, or venture capital. [2]

Higher education's primary financial contribution can take the form of student labor, equipment, material, academic expertise and access to a pool of research capacity. There may be varying strengths of knowledge generation, diffusion or application – or technology development, transfer and application – and innovation involved in the relationship.[2]

- **Products and outcomes.**

Contribution to new 'scientific' knowledge in the field is the first prize for all participants and there is strong evidence that a minority of partnerships do indeed contribute in this way.

second key academic benefit that is believed to result from partnerships is successful postgraduate students at the master and doctoral level. An impressive number of doc-

toral and masters graduates were reported as key products of a number of partnership relations, including special mention of historically disadvantaged learners.

1.6 Cooperative alliances strategies,

Intense competition and the augmentation of business opportunities are amongst two major factors for the globalization of worldwide markets and economies. These trends are currently exploiting the industries manufacturing and non-manufacturing, calls them to take advantage of globalization process and to adopt a more sophisticated approach to strategic marketing and planning including performing collaboration.

1.6.1 Cooperative strategy

A strategy in which firms work together to achieve a shared objective. Strategic Alliances are agreements between firms in which each commits resources to achieve a common set of objectives. Companies may form Strategic Alliances with a wide variety of players: customers, suppliers, competitors, universities or divisions of government. Through Strategic Alliances, companies can improve competitive positioning, gain entry to new markets, supplement critical skills and share the risk or cost of major development projects.

Economies of scale can be achieved when two or more firms pool their resources together, maximizing efficiency based on the project's needs. Cooperative strategies also allow small companies to join together to compete against an industry giant. Companies of different sizes may also benefit from joining together. [5]

A partner's knowledge of the local market can be invaluable to a firm if it wants to get its services and products into a new market. This advantage is most easily achieved when the local firm is in a related industry with related products. The local partner knows the buying habits and preferences of the local buyers and suppliers, and he should also have knowledge of the existing channels of distribution. These relationships with others in the value chain may be otherwise unobtainable to an outside firm. [6]

1.6.2 Types of strategic alliances

There are many types of strategic alliances upon to the level, purpose and nature of agreement,, in general term, strategic alliances is collaborative agreements between businesses can take a number of forms and are becoming increasingly common as businesses aim to

get the upper hand over their competitors, The main types of strategic alliances are described below:

- **Joint venture** is a strategic alliance in which two or more firms create a legally independent company to share some of their resources and capabilities to develop a competitive advantage.
- **Equity strategic alliance** is an alliance in which two or more firms own different percentages of the company they have formed by combining some of their resources and capabilities to create a competitive advantage.
- **Non-equity strategic alliance** is an alliance in which two or more firms develop a contractual-relationship to share some of their unique resources and capabilities to create a competitive advantage.
- **Global Strategic Alliances** working partnerships between companies (often more than two) across national boundaries and increasingly across industries, sometimes formed between company and a foreign government, or among companies and governments. [5]

The strategy in which firms with headquarters in different nations combine their resources and capabilities to create a competitive advantage, A firm may form cross-border strategic alliances to leverage core competencies that are the foundation of its domestic success to expand into international markets [5]

1.6.3 Stages of Alliance formation

A typical strategic alliance formation process involves these steps:

- **Strategy Development:** Strategy development involves studying the alliance's feasibility, objectives and rationale, focusing on the major issues and challenges and development of resource strategies for production, technology, and people. It requires aligning alliance objectives with the overall corporate strategy.

- **Partner Assessment:** Partner assessment involves analyzing a potential partner's strengths and weaknesses, creating strategies for accommodating all partners' management styles, preparing appropriate partner selection criteria, understanding a partner's motives for joining the alliance and addressing resource capability gaps that may exist for a partner.
- **Contract Negotiation:** Contract negotiations involves determining whether all parties have realistic objectives, forming high calibre negotiating teams, defining each partner's contributions and rewards as well as protect any proprietary information, addressing termination clauses, penalties for poor performance, and highlighting the degree to which arbitration procedures are clearly stated and understood.
- **Alliance Operation:** Alliance operations involves addressing senior management's commitment, finding the calibre of resources devoted to the alliance, linking of budgets and resources with strategic priorities, measuring and rewarding alliance performance, and assessing the performance and results of the alliance.
- **Alliance Termination:** Alliance termination involves winding down the alliance, for instance when its objectives have been met or cannot be met, or when a partner adjusts priorities or re-allocates resources elsewhere. [5]

1.7 Operating performance drivers

1.7.1 Balance scorecard

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Drs. Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. [11]

Perspectives

The balanced scorecard suggests that we view the organization from four perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives:

➤ **The Learning & Growth Perspective**

This perspective includes employee training and corporate cultural attitudes related to both individual and corporate self-improvement. In a knowledge-worker organization, people -- the only repository of knowledge -- are the main resource. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode. Metrics can be put into place to guide managers in focusing training funds where they can help the most. In any case, learning and growth constitute the essential foundation for success of any knowledge-worker organization. [11]

➤ **The Business Process Perspective**

This perspective refers to internal business processes. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements (the mission). These metrics have to be carefully designed by those who know these processes most intimately; with our unique missions these are not something that can be developed by outside consultants. [11][12]

➤ **The Customer Perspective**

Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction in any business. These are leading indicators: if customers are not satisfied, they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is thus a leading indicator of future decline, even though the current financial picture may look good.

In developing metrics for satisfaction, customers should be analyzed in terms of kinds of customers and the kinds of processes for which we are providing a product or service to those customer groups. [11]

➤ **The Financial Perspective**

Kaplan and Norton do not disregard the traditional need for financial data. Timely and accurate funding data will always be a priority, and managers will do whatever necessary to provide it. In fact, often there is more than enough handling and processing of financial data. With the implementation of a corporate database, it is

hoped that more of the processing can be centralized and automated. But the point is that the current emphasis on financials leads to the "unbalanced" situation with regard to other perspectives. There is perhaps a need to include additional financial-related data, such as risk assessment and cost-benefit data, in this category.

II. ANALYSIS

2 EDU BRIDGE NETWORK OVERVIEW

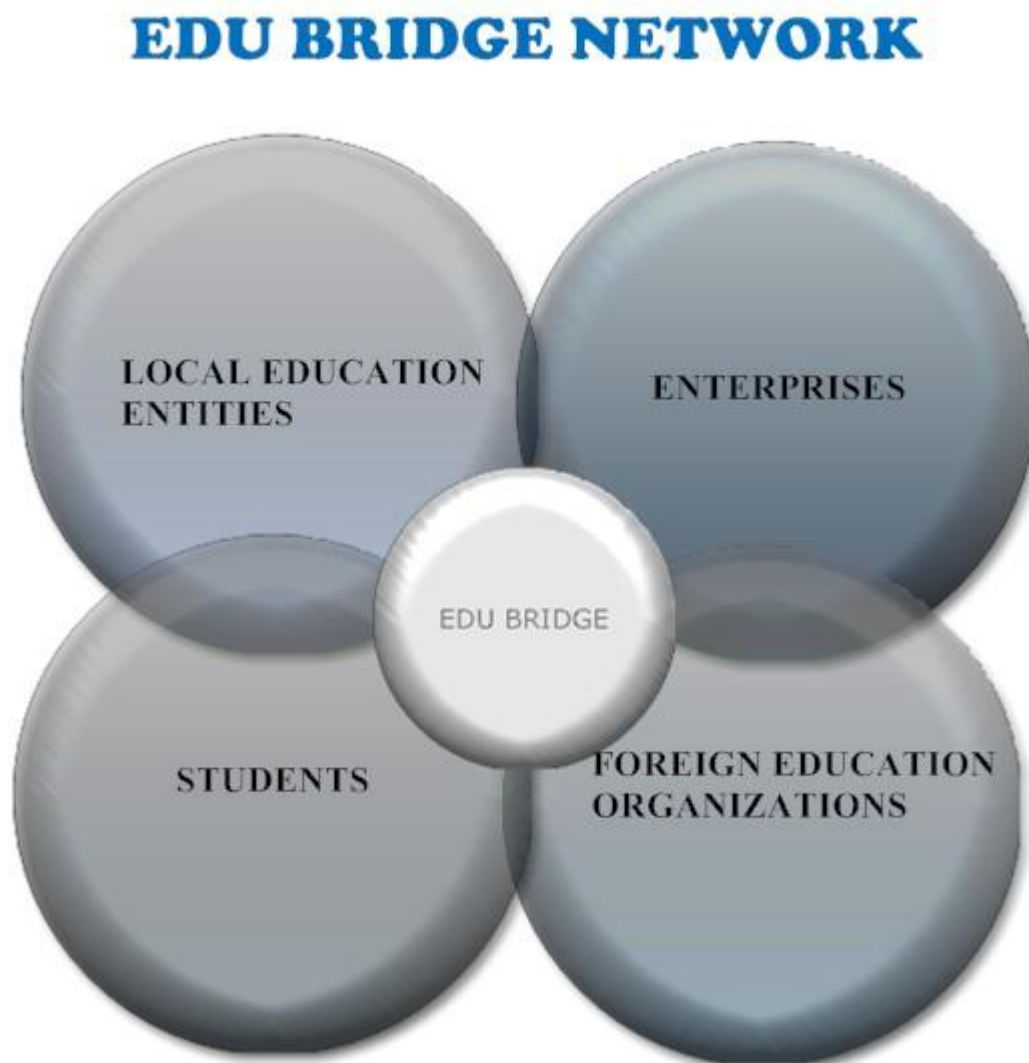


Figure 2: Edu – Bridge Network

Edu bridge network is the model as my own imagine idea where Edu bridge is a particular firm invest to education market which afford to connect of all others entities in economics and make benefit for all parties through the co-operation relationship of WIN-WIN, through this relationship and network, Edu Bridge operate their own services for profit of their on in education market and open the opportunities for partners.

There are a lot of students and Universities or Education institutions in Vietnam education system, there are also a lot of enterprises in Vietnam and also many international education firms or organizations who want to spread their service to other countries for development,

every kinds of these entities have their own specific services or purposes in the market, however they are all doing their service in particular activities and might be lack of information or the barriers to learn or cooperate together even though the demand of the co-operation are existing and potential huge in the market.

Vietnamese students might be difficult to find a place to do their internship or look for a job, while the companies might need them but they do not know about students.

Universities aim to educate quality students through the educational programs but they lack of information about the real situation and demand of enterprises or economics where they supply their product of human resources quality, this causes their training program are out of date with the real situations and human resource demand from real market.

Foreign educational organizations try to expand their services to students in Vietnam or they try to create relationship with Vietnamese universities for research or any other purposes in their field...

Those are the real and difficult situation currently in Vietnam because of the management policy from government or competency of firms or might be by the concentration of main field of enterprises where they are operating and working separately in each field... as the result, Edu Bridge might help them all for the demands they need or serve for bridge of demand in Education area.

2.1 Vietnam education system

Vietnam Education System comprises formal Education level and Higher Education level. Vietnam formal education system comprises 12 grade which including primary education from one to five grade, secondary education part from 6 – 9 grades and high school grade from 10 – 12 grade. The student finished each level of education will take a admission exam for upper level of education except primary school level. Vietnam academic year is about 42 weeks, from September to May divided in two semesters studying six days from Monday to Saturday per week, the level of primary and secondary are compulsory for people.

The student who finish formal education system can participant in a admission exam for higher education. In this exam, student will be classified to study in Vocational training school as inferior qualification, and following level are college or University, the programs offered are mostly associate degree and Bachelor's degree courses as undergraduate level

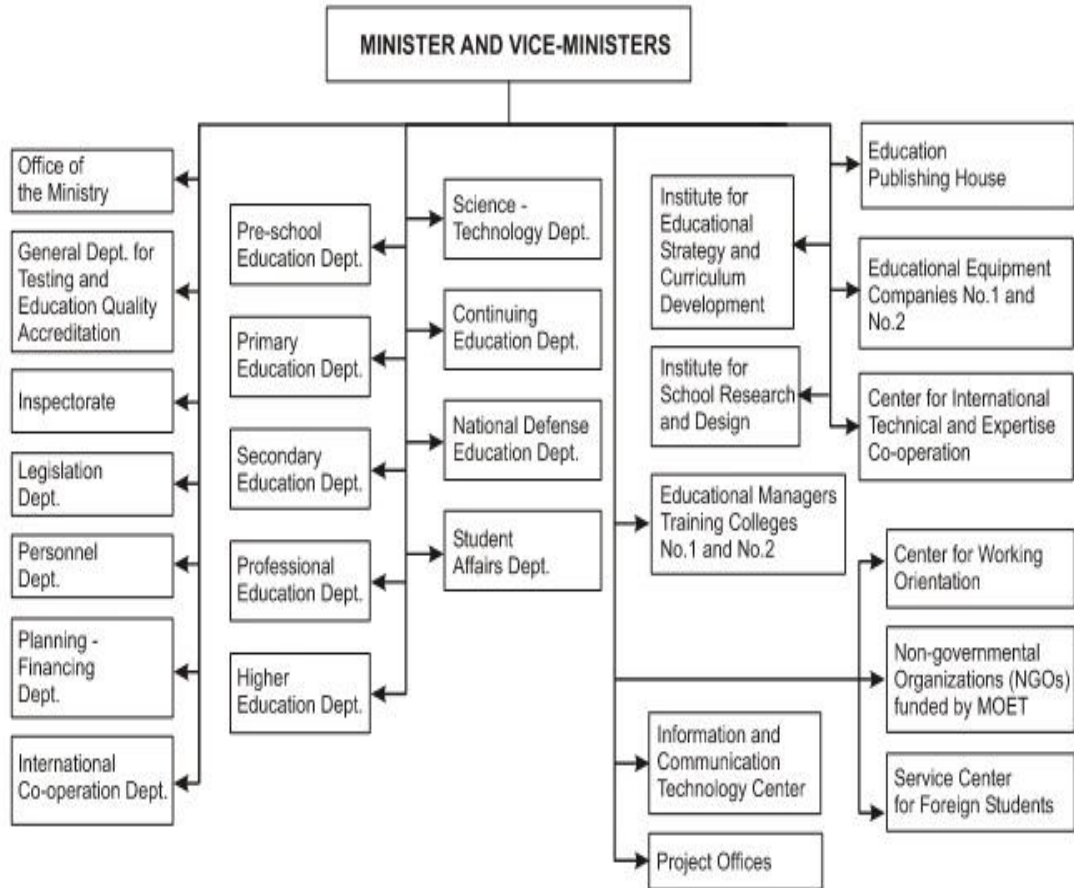
and postgraduate level of following Master's and PhDs programs. The standard length of a non-specialized undergraduate degree is four years and technical degrees take five years; it takes six years to obtain a medical degree. At postgraduate level, it takes two years to get a Master's degree and a further two years for a PhD (or four years from Bachelor's degree to PhD), with extensions frequently permitted.

Since 1989, with the policy of Socialize in education, the government encouraged private sector participate in education area, as the consequence of its growth from that time, Students of private institutions have to pay full fees, while in the state sector, students now bear a significant share of the cost of education and have to pay for tuition fees which are subsidized by the Government. Vietnam has an extensive state-controlled network of schools, but the number of privately-run schools is also growing. Increasingly, schools seek to work with overseas institutions to improve their local provision and to better prepare students for overseas studies once they graduate.

In Vietnam, most of Universities are located in big City such as Ho Chi Minh City, Hanoi, Da Nang, Can Tho... and larger universities and their branches in smaller city or provinces.

In Vietnamese culture, education are high prized and respect, parents can support whole their life for their children education and regard that is the way for their children future, the people are high educated are also respected in social.

Figure 3. Vietnam management education system.



Source: MOET website printing

2.2 Market analysis

Market analysis is scanning of environmental for researching target market, including the analysis of Political factors, economics factors, scale and resources of higher education and the enterprise and market demand of human resources , applying this method of analysis aim to illustrate for macro and micro factors of market related education in Vietnam and general information for decision maker or the strategy of model of this thesis.

2.2.1 Political factors.

Vietnam is communist country with one communist party monopoly operating the country in all fields, Vietnamese market is being operated follow the free market with government

orientation in macro scale. In almost area the political factor is embed for political purpose and Education area is also one of them.

Vietnam government recognizes that Education and knowledge are fundamental for social and economic development. In reality, the Vietnam Education system managed by Ministry of Education and Training (MOET) with many changes since 1989 when government offer encouragement investment from private sector and policy of Higher Education reform Agenda(HERA) setting for period (2005-2020) of education development plan in Higher education system. Currently Vietnam education system is facing these kind of situation on the aspect of policy or political in higher education.

MOET policy confuses the private Universities in the form operation, and over influences on private universities operation. With the special market as education while the market and non-market sometimes confused in the management from government, indeed this kind of market are clearly must have the impact from government because of its relation of human development in national strategy. The reality in Vietnam, MOET influences to Private universities in aspect of form, curriculum, staffs... by the political point of view.

On the side of form, the private university or the private education company this term cause to their operation and setting strategy. MOET regards private university is the private firm which capital own invest from private entities, operates their service in education and target to student, The firm operate by their own cost and get profit by student tuition fee as revenue without any supporting from government however on the firm's structure, the leader of university must be a communist party and manage all follow communist strategy in education. This cause the private universities confuse their function on the market or on the political aspect and this is the barrier for private university' development strategies. In general, the private and public in this aspect are sometimes confused as public or non-public or private?

The process for approval of new private universities is complex, lengthy and expensive to investors. Government control over approval processes is an important quality protection factor, but the high cost of investment in private universities is exacerbated by the excessive cost in approvals procedures. If the Government is to achieve its objectives for using private investment as a significant strategy for capacity expansion and quality improvement, the existing processes will need to be simplified and streamlined.

The non-public receive no form of State support and must survive on fees and other externally generated income. they are however, still subject to strong state regulation in the quotas on enrolment, and maximum tuition fee levels and structure and content of training programs. In general the non-public universities concentrate on areas of significant unmet student demand, such as business studies, information technology, foreign languages.

HERA: The Government has detailed its aspirations for higher education in the “Higher Education Reform *Agenda*” (*HERA*). With The main objectives of the strategy are: [7]

1. *Dramatic increase in capacity to allow an increase of the participation rate in higher education (or tertiary) institutions, which implies huge investments in infrastructure and in training of new lecturers and faculty.*
2. *Simultaneous increase in quality and/or efficiency of the system*
3. *The introduction or reinforcement of research in universities -- in order better to train the future new teachers, to enrich and upgrade present teachers” teaching and to upgrade the quality level and international visibility of Vietnamese universities*
4. *Improved governance of the higher education and research system at both national and regional levels, as well as of universities.*

These goals imply greater autonomy for individual institutions and measures that create a climate of competition between and within institutions.

In HERA, the Government has set the following targets for the higher education sector:

1. *Revenue from science and technology activities increased to 15 percent of total university revenue by 2010, and to 25 percent by 2020*
2. *The proportion of university teaching staff with masters level degrees increased to 40 percent by 2010, and to 60 percent by 2020*
3. *The proportion of university teaching staff with doctoral level degrees increased to 25 percent by 2010, and to 35 percent by 2020*
4. *The ratio of university students to teaching staff reduced to 20:1 by 2020.*

Source: [7]

2.2.2 Economics factors

Vietnam's population is about 90 millions (2010) with growth rate is 1.1%, more than 60% of population are under 35 years old as the younger country and potential workforce for economic development. the country's surface are about 336.000 square kilometers and more than 3000 kilometers long run vertically of coastline. The country is well endowed natural resources, including 2 big rivers Mekong and Red river regards as the Rice manufacturer, sizeable forest cover of the country beside the huge resources of coast, petroleum, natural gas, and hydro-electric potential.

Vietnam is agricultural country in the long tradition in the past, now industry and service area are getting more higher in structure of Economy, The country remains among the poorer countries, with a per capita income estimate of approximately US\$890 in 2008, on a straight conversion to US\$, \$2700 per head at purchasing power parity, Vietnam has a faster rate of growth than many countries with a similar poverty ranking, and so is climbing up the ranks towards "Lower Middle Income" status. [7]

Table 1. Annual % rate of Economic growth of Vietnam

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.79	6.89	7.08	7.26	7.79	8.4	8.2	8.5	6.2	5.3	6.78

Source: Economy of Vietnam and the World 2004-2005, Vietnam Economic Times, Jan., Hanoi, 2004, and World Bank, East Asia and Pacific Economic Update, April 2010.

Vietnam has remarkable growth rate in last decade, the country was regards as one of the most GDP growth rate increasing of the world beside China, India, Russia... the average growth in 11 years since 2000 – 2010 is about 7.2%. The most remarkable growth period was in the years from 2004 – 2007, the contribution of eruption of stock and real estate markets of this period fostered the Vietnam's GDP in strongly increased. Since 2008 until now, Vietnam economic under the impacts of regression and world economical crises, the crises in capital market and the problems of regulation of monetary policy lead Vietnam in high inflation 12% in year 2010 and economic turn down with GDP growth rate 5.3% in 2009 and 6.78% in 2010. Currently Vietnamese economic is still recovering by the effort from government in executing policy on monetary and financial market.

Financial factor:*Table 2: State budget for education and training, 2000-2008*

Fiscal year	Expenditure for education and training as percentage of GDP (%)	Expenditure on education and training (as % of total state expenditure)	Including		
			<i>Regular expenditure</i> (as % of total expenditure on education & training)	<i>Targeted programs</i> (as % of total expenditure on education & training)	<i>Investment</i> (%total expenditure on education & training)
2000	3.0	15.0	71.6	4.8	23.5
2001	4.1	15.3	73	4.0	22.3
2002	4.2	15.6	71	4.0	24.9
2003	4.7	16.4	81.7	4.3	14
2004	4.9	17.1	79	4.3	16.7
2005	5.1	18.1	79.8	4.3	15.9
2006	5.6	18.4	82.5	5.4	17.5
2007	5.6	18.1	77.6	5.1	17.2
2008	5.9	18.2	73.9	8.9	17.2

Sources: MOET (table extracted from WB, HEDPO1, 2009)

Table 3: State budget for higher education (projected) (VND billion)

	2006	2008	2009	2010	2011	2012
Higher Education	4883	8838	10288	11643	13418	15318

Source: MOET, *Đề án Đổi mới Cơ chế Tài chính của Giáo dục và Đào tạo Giai đoạn 2008-2012 (2008)* [2006 figure is actual], Extracted from HEDPO1

The number of investment for education increase steadily from 3% - 5.9% of GDP 2000-2008, this number is not so large but it expresses the effort from government inherent with

the priority plan for this area, most of this amount supplies for existing system of education and training which evaluate as complex and inefficient in operation activities, however the higher education sector attracts a lot of investment from private sector and as MOET plan for improvement both in quality and quantity for human resource development. The amount investment on higher education from the government recent years is slowly however MOET offers and seeks for project development and co-operation for private and international to take advantages their quality of education, management, science, technologies...that is the opportunities for external entities to invest and develop.

Public investment in improvements in quality are being made primarily via significant ODA loans from the World Bank, currently up to \$150 million since 1998 under the Higher Education Projects No 1 & 2 (with a further loans of up to \$300 million planned to be made available by the World Bank under a Development Policy Lending modality over three years from 2009-2011. The Government now plans to use additional ODA borrowings to fast-track the expansion and to support new investment in the critical areas of enhancing the country's capacity for driving innovation and economic development through science and technology. The proposed new-model universities will be the initial investment to demonstrate the way forward. [7]

2.2.3 Education Scale and resources:

Vietnam higher education has long history, the first University was establish by Nguyen King reign in 11th century. The current system of higher education was establish in 1904 when Vietnam was colonial of French since 1945 and 1954 after the revolution from French, number of higher education has increased substantially until now with the number of 376 Universities and colleges. Vietnam higher education system is now in fragmented situation and inadequate compare with the demand and number of population, Among the total of 376 universities and colleges MOET governs just 54 (14.5%); other ministries and sectors govern 116 (31%); People's Committees (PCs) control 125 institutions (33%); and there are 81 private institutions (21.5%). Scientific research is largely in the hands of separate research institutes responsible to the Ministry of Science and Technology. Many institutions are mono-disciplinary in character; this applies not only to specialist institutions reporting to other Ministries but also to some of the national universities reporting to MOET.

Table 4: Statistical data on Viet Nam's Higher Education - Academic Year: May 2009

Number of Higher Education and Research Institutions	
Total:	376
- Universities & Research institutes	150
- Colleges	226
Including	
- Non-public universities	44
- Non-public colleges	37
Institutions offering Postgraduate Studies	159
Universities	88
Research institutes	71
Number of students	
Total, 2009	1,752,561
Of which:	
Graduate and advanced professional students, 2009	33,142
- Doctoral students	2,504
- Master students	30,638
Undergraduate students, 2008-09	1,719,419
- Public universities and colleges	1,501,310
- Non-public universities and colleges	218,189

Source: MOET report "On the Development of the Higher Education System and the Solutions to Ensure Quality Assurance and Improve the Quality of Education", Doc No, 760/BC-BGDĐT, Hanoi 29/10/2009.

Number of private Universities and institutions increased large amount upon to the policy from government of socialized in education since 1993, most of private university and institutions are young organization in the time of developed and seeking developing model and opportunity to expand and integrate to international standards, however during this period private institutions are still facing many problem because of the unstable rule in govern policy from MOET, in fact the current education system in Vietnam is inadequate to serve for demand in both term of higher education and human resources needs to correspond to the growth rate in economic and social aspirations.

Vietnam total students who are studying in higher education system with the amount more than 1.7 million while the country has only 376 universities and colleges in whole, this number is unbalance with the size of serving, in fact, there are too many students in one class with number average as 45 students lack of professors and PhD with the number of 8503 peoples, Masters and advanced professional 24831 peoples, who lecture and serve for those number of students.

The overload of working in teaching leads to the low quality of outcome of labor force from graduated students and efficiency of education system is the big problem of Vietnam education currently. The small amount of professor or and PhD and master causes the situation that, one professor works in too many university or institution, and most of them do not have more time for research or other scientific activities.

Table 5: Statistical data on Viet Nam's Higher Education - Academic Year: May 2009

Participation Rates	
Number of HE Students in Vietnam in 2009 per 10,000 Population	195
International Comparisons of Participation Rates, 20057	
China	20%
Korea	91%
Laos	8%
Malaysia	32%
Thailand	43%
Vietnam	16%
Graduations	
Number of graduates in Vietnam in 2009	222,665
Faculty Staff 2009	
Total:	61,190
Professors and Assoc. Professors	2,286
Ph. D. and Doctor of Science	6,217
Master and advanced professional	24,831
Bachelor and lower diplomas	30,142

Source: MOET report "On the Development of the Higher Education System and the Solutions to Ensure Quality Assurance and Improve the Quality of Education", Doc No, 760/BC-BGDDT, Hanoi 29/10/2009. [13]

In comparison rate with neighbor countries in term of participant, Vietnam has also low rate with number 195 per 10.000 population occupies 16%, compare in other Asian countries, Vietnam is in low position just better than Laos, this problem cause by the low capacity of higher education in Vietnam with the demand and this drives on the barrier of entering to higher education for students who finished 12 grades studying, and the admission exam is quite difficult in general compare with other countries.

Vietnam is on course to meet its target of 200 HE students per 10,000 population by 2010; but has a target of 450 students per 10,000 population by 2020 (equivalent to about 45% of the Gross Enrolment Rate (GER)).

Growth in Non-Government provision: While most higher education institutions, including all of the leading universities, remain publicly owned and funded, the growth of a 'non-public' sector has been striking. In 2006 approximately 11 per cent of all students attended higher education institutions that, though communally owned in most cases, rely almost entirely on tuition fees for their income. It is planned that this proportion should increase to 40 per cent by 2010. [7]

Table 6: Time series of Higher education growth:

	1987	1997	2009
No. of Universities and Colleges	101	126	376
No of Students	133,136	715,231	1,719,419
No of Graduates	19,900	73,736	222,665
No of Academic Staff	20,172	20,112	61,190

Source: MOET report “On the Development of the Higher Education System and the Solutions to Ensure Quality Assurance and Improve the Quality of Education”, Doc No, 760/BC-BGDDT, Hanoi 29/10/2009. [attracted from report of ADB]

Number of student participate strike increased in the period 1987 due to the “Doi Moi” policy from government in 1986, opened country to the world after 11years closed with planning economy operation, the country then changed new policy in many fields and education is also one of area, however the significant increasing is from 1995 – current the number of colleges and university striking increased due to the policy of socialism in education and government priority development area, this trend is still developing strongly when the management system is still unstable, MOET seems to find the model for develop and improve management quality however with the high growth rate and beginning in the period of integration to Economic world lead the demand for high skills labor is huge in the situation of the capacity supply from education is low quality and inadequate capacity, co-operation international and promote investment from private sector and foreign investment are one of most priority strategy in human development orientation strategy.

Table 7: Increase in higher education by public and private

	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008	2008-2009
Colleges	84	114	127	151	209	226
Public	79	108	119	142	185	189
Private	5	6	8	9	24	37
Universities	69	77	87	104	160	150
Public	52	60	68	79	120	105
Private	17	17	19	25	40	44
Total HEIs	153	191	214	255	369	376
Share of private institutions (%)	14	12	13	13	17	23

Source: MOET (Table extracted from WB, HEDPO1, 2009, and updated from the data referenced in Ft 2 above to add 2008-09 column)

Table 8: Share of enrollment by private higher education institutions

Level	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Colleges	7.93	8.7	9.6	11	9.08	7.39	9.89
Universities	12.23	10.8	11.32	13.9	10.79	12.71	13.82
Total	9.5	9.8	10.96	12.5	10.44	11.57	13

Source: MOET (Table extracted from WB HEDPO1, 2009)

Student Numbers: The average GER in OECD countries now exceeds 50%¹¹, and in other regional countries on similar development trajectories it ranges from 20% in China and 43% in Thailand (Table 5 above). A participation rates in higher education in the arena of 50% is seen as important to sustaining a developed economy status, particularly to support continually increasing demands for high skilled workers in an environment of expanding knowledge based economies driving a need for technological skills to support new solutions for international industry competitiveness and new climate challenges. Newly developing countries are equally affected by these pressures, and to achieve its development goal of becoming and industrialized economy by 2020 Vietnam will need to increase its higher

education participation rate, and within that, to also increase the proportion of students who are enrolled in science and technology. However such increases must also be balanced with quality, and current concerns that quality enhancement cannot keep up with rapid participation increases may prompt a review of the 2020 target for participation rates.

Table 9: Staff qualification in higher education institutions (%)

	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008
PhD	14.8	13.8	13.4	12.4	10.5
Masters	22.4	26.6	29.3	32.3	36.1
Other university & college qualifications	59.1	56.6	54.6	53.4	51.7
Professional qualifications	1.9	1.7	1.4	0.9	0.8
Others	1.8	1.3	1.3	1.1	0.9
Total	100	100	100	100	100

Source: MOET (Table extracted from WB HEDPO1, 2009)

The HERA targets are for 25% of university staff qualified to doctor level by 2010 and 35% by 2020. It would take 6000 PhDs just to raise the 2010 percentage of PhDs in Vietnamese universities from 10 to 20%, where as the annual number of persons graduating PhD in Vietnam is about 500. Moreover universities have to compete for these graduates with non-university research institutes and the private sector. The importance of increasing domestic production of PhDs so as to reduce reliance on the expensive alternatives of foreign training of Vietnamese or the recruitment of foreign doctors is clear. [7]

Post-graduate is still relatively small with the number 2500 PhD studying in 2009, the country has 114 institution offer PhD and approximately 100 for Master program however those institutions are limited access and high pressure for entering because of huge demand, the infrastructure and condition for research in those institution and out of date and low condition, the quality for researcher are limited.

the MOET recognized the need to be upgrading qualifications of university staff, MOET suggest many post-graduate program which cooperate with foreign program, every year there are thousands of scholarships scheme to send Vietnamese students to studying abroad and research in developed countries and institutions, and aimed to send 400 a year to for-

eign destinations. This included plans for 300 to study PhDs, 100 for Masters, 40 for Bachelors and 60 for scientific practice in 2010

In October 2009 MOET reported that in the ten years from 2000 to October 2009, just over 7000 scholarships had been taken up for foreign studies. Of these 2,029 were for PhDs, and 1,589 for Masters, the balance for undergraduate degrees or other shorter term „intern“ studies. This represents an average of 700 of all levels per annum, but MOET indicated that the annual uptake is now increasing up to about 1000. If the Scheme continues PhD scholarships at the intended rate to 2014, there should be approximately 4,000 additional PhDs trained over 15 years from the year 2000. Clearly this is a very important increment to new supply. The cost, however, is much greater than for educating the students in Vietnam and the number is not sufficient to support the targets for higher quality researchers/teachers in the system. [7]

Fees and Scholarship

Table 10: Summary Analysis of the Expenditure of Public HEIs in Vietnam, 2005

No.	Item	Expenditure - US\$	Percentage
1	All public HEIs	\$337,800,000	100%
2	Number of Students	1,072,384	100%
3	Expenditure per Student	\$315	
4	Staff Salaries and Wages	\$121,600,000	36%
5	Other Staff Costs	\$6,756,000	2%
6	Administration and Other Recurrent Expenditure	\$104,718,000	31%
7	Recurrent Expenditure on Fixed Assets	\$37,158,000	11%
8	Research-related Infrastructure and Special projects	\$40,536,000	12%
9	Scholarships	\$20,268,000	6%
10	Research Expenses	\$6,656,000	2%

Source: MOET Derived from Table 3/10 and Figure 3/11 in the Skills for Growth Report

The expenditure for HE is still very small, most of them using in salaries and wages with 36%, and administration 31% while the researcher expense just 2%, MOET has suggest low level of research, most of fee or investment for this term is attract from private and

foreign sector with much more larger amount as MOET planning, however this number also the quality of public education and quality of research in Vietnam public from higher education is in low condition and quality, the MOET should have much more projects to improve condition and cut down other management level to invest in specific field

Following the ADB bank report, large part of tuition fee for HE in Vietnam are covered by Government and another part is at low level paid by student, in 2008 is 180.000VND (10US\$) per month, the tuition fee might be different in studying field and is in the tendency to be increased follow living standard, those coverage is subject to public higher education, in private sector student have to pay for all fee. All student must pay and self-finding the accommodation other fees, and just small number of public universities equip accommodation for student with low price, with students unable to find places in the dormitories paying much more to rent privately.

Concerning to the scholarship and loan scheme, with the support for world bank in several project for development, Vietnam government offer the loan scheme for poor student since 2005 parallel with the scholarship for good students, Publicly funded scholarship and loan schemes include:

- *programs offering tuition fee exemptions or rebates*, and in some cases also scholarships to support living expenses, for tightly-defined equity groups
- *merit scholarships*: Universities are expected by the Government to devote 15% of their tuition fee income to the support of merit scholarships; and
- *student loans* from the Social Policy Bank. [7]

2.2.4 Enterprises and human resources demand

With the high rate of economic growth since 1991, Vietnam attracts large number of foreign and private enterprises investment with large number of entry and continuously developed as high rate, private and foreign enterprises have significant distribution for economic human development, however the state own enterprises still have important role for this term because of some priorities as developed planning of government.

Vietnam enterprises might be divided into three groups including State Own enterprises (SEO), Private enterprises, and foreign investment company (FIC). Follow the report from Vietnam department of planning and investment in 2008, Vietnam has 350.000 enterprises

the number of small and medium size enterprises (SMEs) occupy 94%, and using more than 50% of labor force, most of enterprises are located in big cities as Ho Chi Minh City, Ha Noi, Da Nang, Hai Phong, Binh Duong...vv.

The number of labor force in Vietnam in 2009 is near 48 millions peoples report by Vietnam general statistics office, which 5,2 millions work for state own enterprises, 41 million works at private enterprises (including join-stock company but has state capital) and 1.2 millions work in foreign investment companies.

The general problem with Vietnam labor force following the research by Le Dong Phuong, and Misud JIN in project of Human resources development for Vietnam Enterprise's competitiveness in 2008 are stated as below:

- Majority of Vietnam human resources (HR) are middle level and no skilled, this accordant to the Vietnam HE as analysis of education in quality above
- SOEs' HR are better qualified than FICs or private companies in accordance with HE
- Enterprises have skills shortage problem both in terms of quality and quantity. The outcome of labor force from HE is not enough for the demand from enterprise and economics growth
- Lack of skills training but strong need for training [8]

Most of Vietnamese enterprise are facing the difficulty in HR situation, HR difficulty is rank 5th difficulty from enterprise followed the research selected from 1000 enterprises in which FICs have more difficult than Private companies and SOEs, this cause by the strong developed from FICs and higher standard in working conditions, strategies and management.

Table 11: Skills shortage in Vietnam

	Current shortage		
Group	SOE	PRIVATE	FICs
Manual workers	19.50%	14.20%	27.30%
Technicians	20.30%	18.50%	27.30%
Engineer and technologist	22.10%	15.80%	28.80%
Managerial workers	21.30%	12.50%	25.50%
	Future (5 years) shortage		
Group	SOE	PRIVATE	FICs
Manual workers	37.70%	22.20%	46.40%
Technicians	45.90%	25.60%	44.50%
Engineer and technologist	40.50%	21.40%	46.90%
Managerial workers	38.80%	17.30%	43.20%

Source: report on HRD policy for Vietnamese Enterprise's Competitiveness

FICs: The shortage of skilled worker in Vietnam is high number for enterprises upon the report the FICs is most shortages in current and future as estimate this shortage cause by the extension in business from this segmentation, most of the shortage engineer and technologist and manual workers. FICs invest almost by the model of outsourcing and manufacturing relatively with cheap labor and hard working labor from Vietnam therefore the demand of those kind of work skills shortage is relevant with the demand and relatively with HE, to deal with problem the FICs suggest the strategies for training and labor force develop skills in both short term and long term, and the plan of cooperate in educations was promote between industry and local, international education. FICs support in many education program of education in technology and management fields as their strategy in marketing as social responsibility and also for their needs of human resources.

On side of SOEs, recently government are on the trend to privatize the model of state-owned enterprise to attracts capital from social and improve the competitiveness for enterprise however the government are still keeping several priorities for this kind of term which ex-

plained by the national defense purposes, the trend of privatize are happening strongly in almost of fields which just state own model operating in the past therefore the demand for this human resource is high and the shortage for it is relative clear however the difficulty for this shortage is in less pressure than FICs or private because those most important field of SEOs, they have their own higher education campus and training institution, such as banking university, pedagogic university, medical university, industrial university... as the analysis in higher education in previous past, within 376 Universities and institutions MOET govern is just 54, most of other part by the in private and industry own for their demand, therefore the shortage from SOEs come from the unbalance in growth rate of their field and the outcome of education.

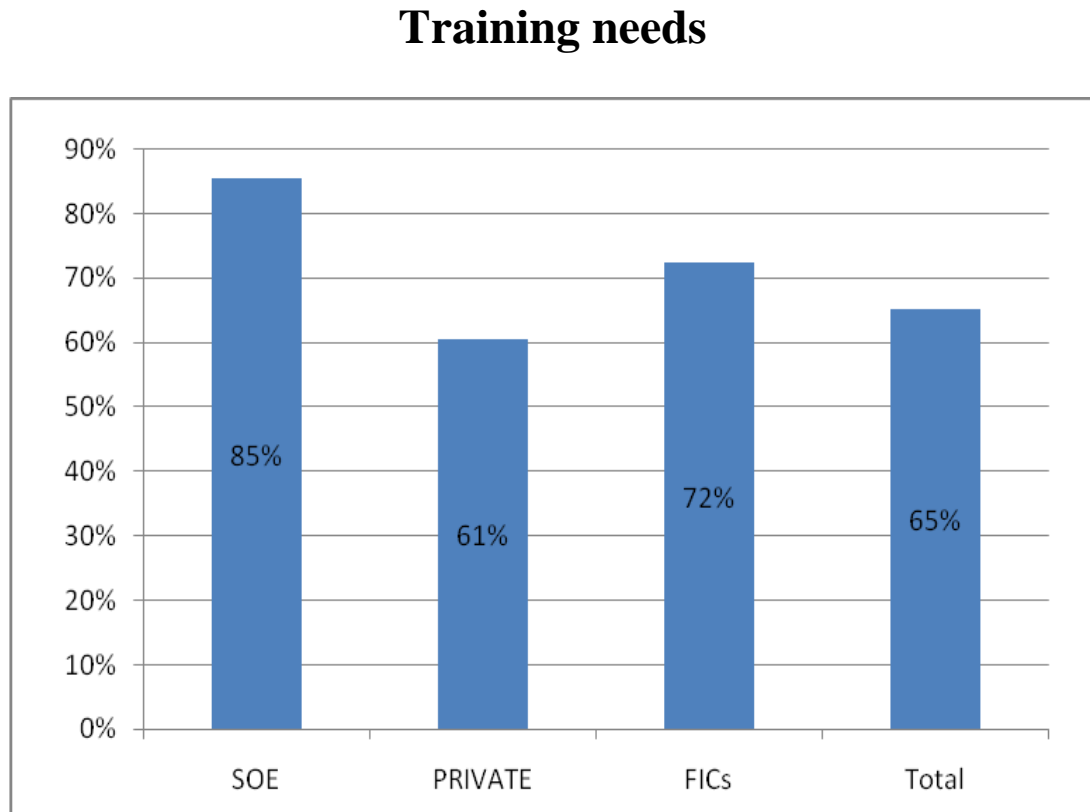
Private enterprises: 94% of enterprises are classified as SMEs and most of them operate in private own with more than 50% labor force working, the requirement of skills standard is not so high and strict, moreover many of private own operating as personal, family own and work, they are self-training and operate by experience through the work. [16]

The labor supply for this segment is diversity, the shortage is just in skills level of high management skill and expert in technician of specific fields

Demand on Human resources development

The weakness and inadequate in HE in both terms of quality and quantity cause to the lack of training and impact on enterprise's side of their huge demand and need for this term, on the other hand, the weak of cooperation between university and industry also the problem, the graduated students and worker seem to feel strange with real working environment, they lack of skill to case deal and lack of reality specialized knowledge for working they almost need to be trained in the beginning of working environment that's the reason of high need of skills from enterprises

Figure 4: Training needs



Source: report on HRD policy for Vietnamese Enterprise's Competitiveness [8]

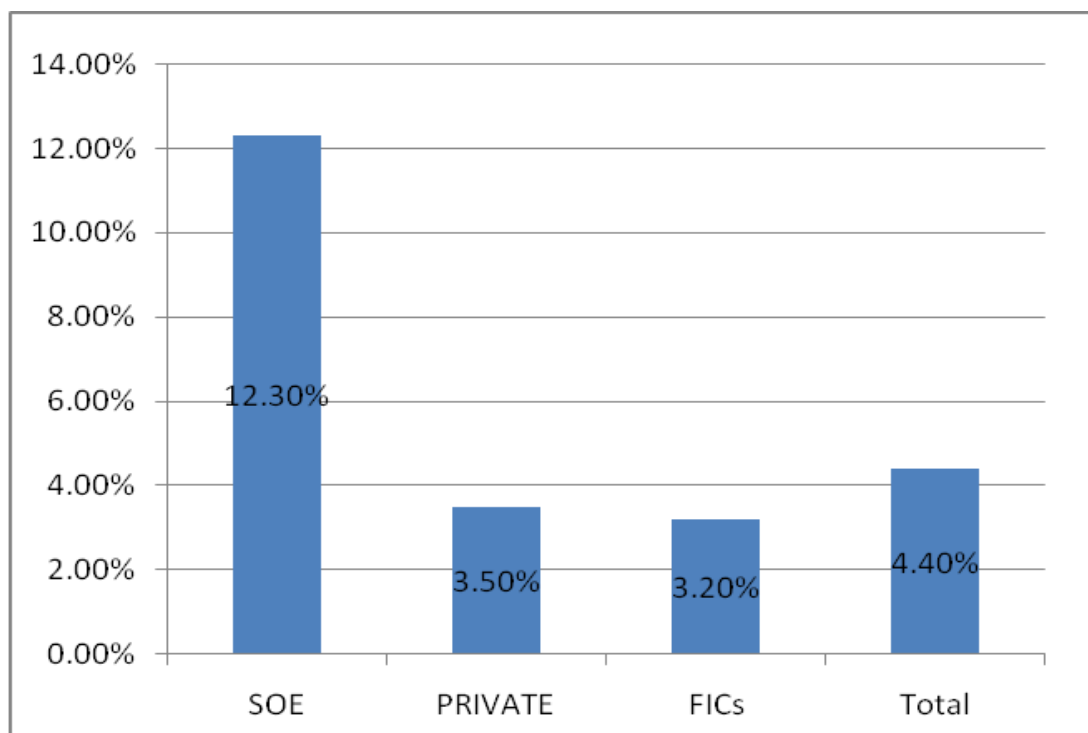
Due to relative shortage and demand, SOE has high need for training with 95.4%, while from FICs is 72.3% and Private 60.5% and total need of market is 65.2%, this illustrate for high demand of training services and that show the opportunities and pressure for Vietnam education system.

Skill training provided and cooperation need

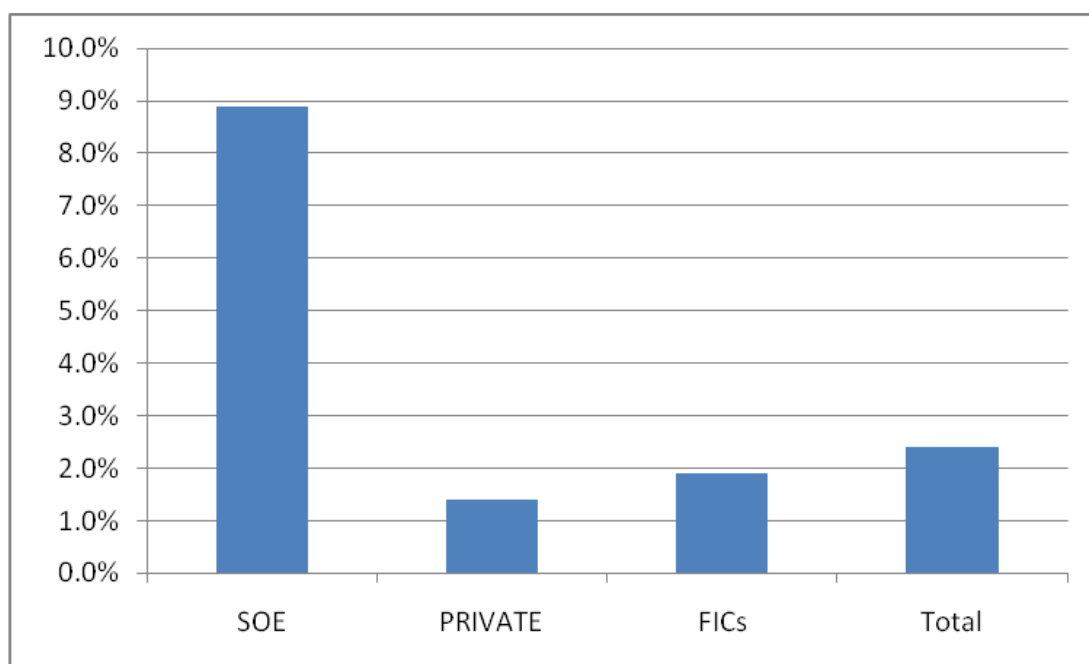
To deal with the lack of training and shortage skill need, many company usually developed their own training campus or establishment for self-training supply and in fact this model happens more popular recently as the result serial of private university, institutions established by enterprises and industry such as FPT University, Minh Long college...vv however this kind of education organization is still young, and facing many difficulties by policy, the capacity of training, lack of professors, students... lead to the supply of human resources is limited.

Figure 5: Skill and in-house training provided

Skill training provided



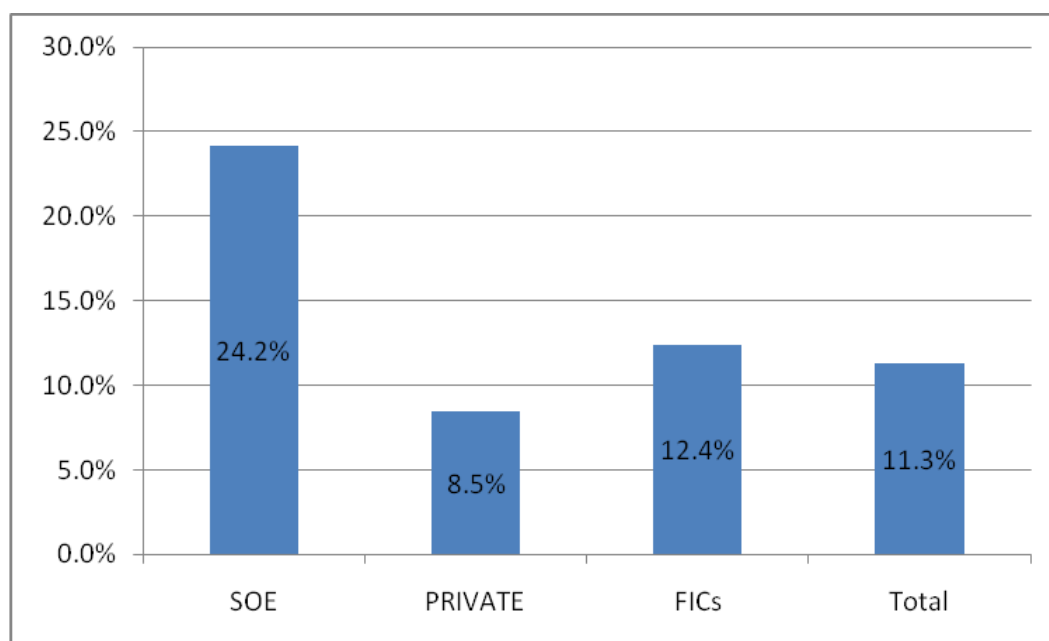
In-house training provided



Source: report on HRD policy for Vietnamese Enterprise's Competitiveness

Figure 6: Current HR Cooperation need

Cooperation experience with HR institutions



Source: report on HRD policy for Vietnamese Enterprise's Competitiveness

The fact that is just 4.4% training provided 2.4% in-house training facility to workers in total and SOEs are more active in this term because of higher demand, this number is to large compare in the need and lead the productivity of human resource in Vietnam is low level.

The training need (figure 4) is high with 65.2% in total, in which high rate from SOE 85% and 72% from FIC due to their development and business expansion growth. SOEs needs national qualification system more strongly, FICs need policy for improving quality of VET (Vocational education and training), private needs more cooperation and VET facilities improvement

Table 12: The needs of education and cooperation

Policy	SOE	PRIVATE	FOREIGN
More VET schools	7%	9%	9%
More VET centers	5%	9%	9%
National Qualification System	18%	15%	8%
Cooperation between education	20%	24%	22%
Quality of Teachers	17%	14%	20%
Facilities of VET	13%	16%	12%
Curriculum and Text	20%	13%	20%
Others	1%	1%	0%

Source: report on HRD policy for Vietnamese Enterprise's Competitiveness

2.3 SWOT ANALYSIS

SWOT analysis in this part is aim to summary the factors for project on the aspects of Strength, Weakness, Opportunity and threats for the models and support for management and decision maker or planning, this analysis is the picture of business environmental of

Vietnam education and the project environmental overview for the model at those aspect.
[13]

2.3.1 Strengths

- Vietnam has the long tradition in education, Vietnamese people is high prized and respect in education and hard working in studying, studying is the respect for family and parents, Vietnamese family can support and sacrifice for their children and next generation, and regards that as the foundation and proud for family, social and development
- Education is the first priority from government development strategy in the future, and government attract more and more from private sector and foreign investment on this field.
- The strongly developed in higher education recently years, with the trend of globalization and cooperation
- There is a high adult literacy rate of 94 per cent, although the rate is much lower among ethnic minorities, Vietnamese people is active, urge in education and ambitious for their future.
- Vietnam has an extensive state-controlled network of schools, but the number of private-run schools is also growing. Increasingly, schools seek to work with overseas institutions to improve their local provision and to better prepare students for overseas studies once they graduate.
- With a goal to have 20,000 more PhD graduates by 2020, the Government supports studying abroad and has been rolling out overseas scholarships programs for future leaders, both at central and provincial levels, and the UK is among the most favored destinations.
- Vietnam education is attracting and cooperation with many countries and destination on macro scale.
- Vietnam has set an objective to upgrade its higher education system toward international standards by 2020; as a result, the Government now strongly encourages collaboration with overseas campuses in research collaboration and collaborative program delivery. Vietnamese institutions are very keen on franchise and split degree programs with study abroad elements. [15]

- Funding for education from the state budget and from other sources is increasing. The state budget for education increased from 8% in 1990 to 15% in 2000. Many programs and large projects have mobilized various resources for the development of education, especially general education.

- The education sector has carried out innovations in education goals, including diversification of the modes of delivery and financial resources, mobilization of social forces for education development, creating opportunities for more people to learn and increasing international exchanges and co-operation. The mass associations and social organizations have also had many activities supporting education development.[16]

- The education management is not effective. Negative trends and undisciplined environment in education are not prevented in time. The “commercialization of education” phenomena such as buying degrees, selling marks, enrolling more students than the allocated quota, indiscretion in charging and spending have badly affected the reputation of schools and teachers. Cheating on examinations affect negatively on students and their work attitude in the future. Drug abuse and social evils have entered schools.

2.3.2 Weaknesses

- The policy for education business from the government is unstable, it is can be changed frequently because the MOET is trying to find the appropriate model for their management and operation.

- The structure of public and non-public in universities and institution sometimes are confused, the government over relates to non-public structure and teaching program universities and institutions by the political purpose, this leads university sometimes confusing their functions, they are heavily depend on orientation from MOET, and government

- The disparity in income between big cities and countries side is large cause for the difficulty in serving demand and the model reaches to largely customers

- Lack of number of professor, PhD, Master and staffing might lead difficulty in strategy in short term of training skills services

- The quality of education in general is low. It has neither gone up to the advanced level of the region and the world nor has it responded to the job needs of the society.

- The ability in creative thinking, the practical skills and the adaptability to the professional world of graduates are limited. Their work discipline, spirit of co-operation and healthy competition are not high and so the ability to make their living is limited.
- The education of our country is still imbalanced in terms of levels, career training and disparities between regions. The practical guidance and the mentality of society has a bias in favor of higher education, while less attention is paid to vocational training, even with high qualifications. The increase of enrollment is only at university level [15]

2.3.3 Opportunities

- The greatest demand has been for business / management and finance. Tourism, IT, applied / life sciences and, especially, engineering, are also popular. Given Vietnam's development priorities and job market predictions, these trends look set to continue.
- Vietnam is not primarily a short-term profit-generating market. Given the strong competition among different providers, a set of sound marketing strategies is needed to respond to the inevitable maturation of markets. [15]
- The main demand in Vietnam comes from school-leavers seeking entry to higher education. Vietnamese students are attracted to the full range of pathway programs that boarding schools, further education colleges, schools and universities in all competitor countries can offer. This includes school-leaving qualifications, such as A-levels, the International Baccalaureate, international foundation programs and HNDs.
- The shortage in human resources, skill, the cooperate, would give the good opportunities for the model to operate and generate profit
- There are many international education organizations which offer opportunity for Vietnamese student, to integrate international services and standards of education, the model might be the bridge for Vietnamese student on this aspect.
- The model is new and facilitating for huge demands from participant, who just operate in separate services
- Private sector and international cooperation in education is encouraging from government

2.3.4. Threats

- The administrative procedure for business in Vietnam is complicated and authoritative this can make difficulty in project operating
- There is a shortage in teaching staff. Generally low in quality, they do not meet the requirements of increased enrollment or the need of enhancement of quality and effectiveness of education. In particular, the academic staff of higher education rarely have opportunities for regular upgrading of their knowledge or accessing new scientific and technological achievements of the world. [15]
- The quality and effectiveness of mass knowledge, manpower training and nurturing talents is low and do not respond the needs of our country in this new phase of development.

3. MODEL OF COMPANY'S SCENARIO

3.1 Introduction

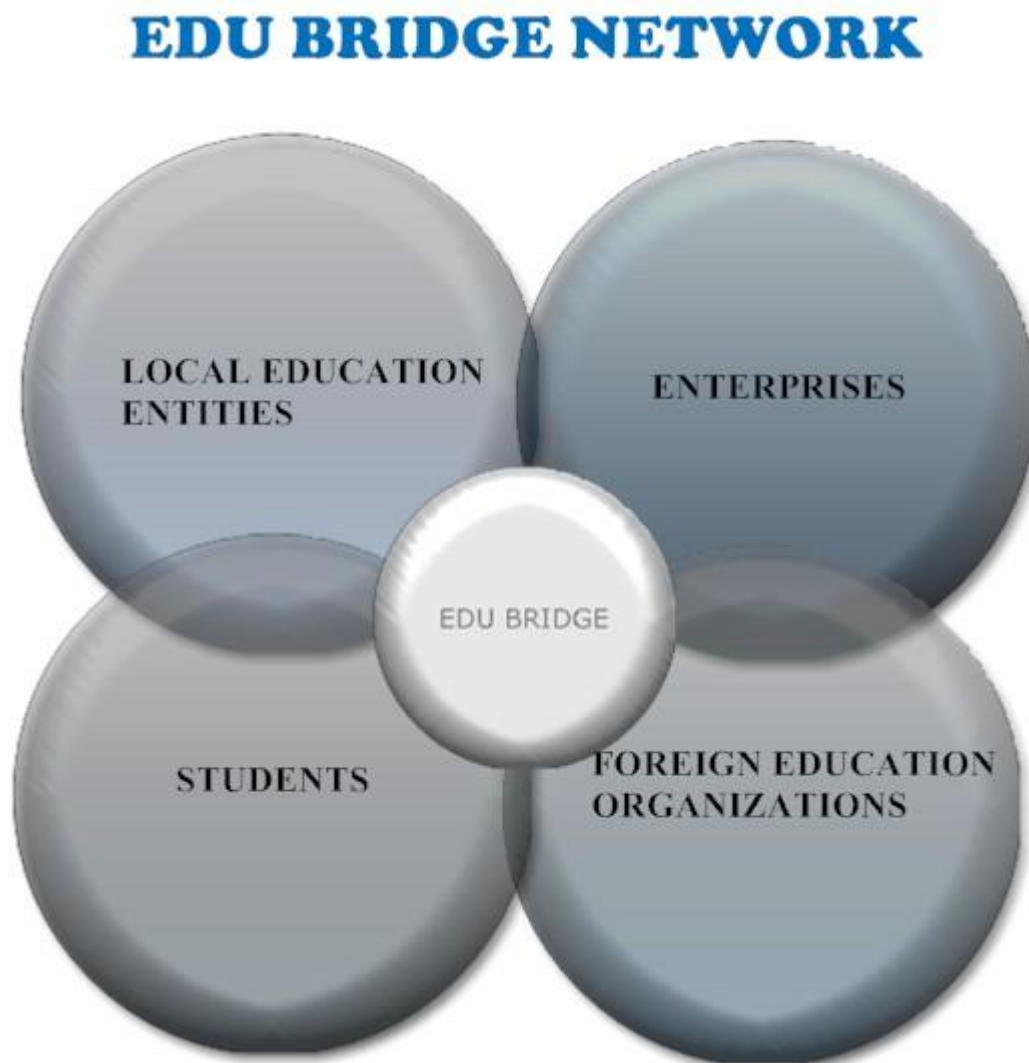


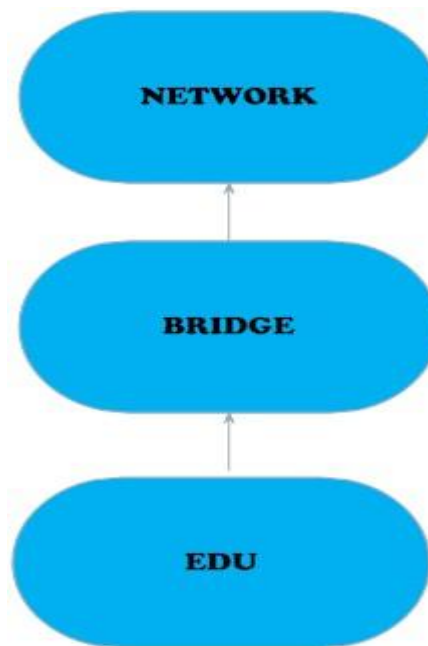
Figure 2: Edu – Bridge Network overview

EDU-BRIDGE NETWORK is the model of company which invests in education and human resource development market. The term “EDU” is representative for education and human resources services where the model target.

The term “ BRIDGE” shows the intermediate role of network, this contents of consultant activities of model for cooperation roles in some service that the model aim to serve their customer, the term “NETWORK” is quite popular, that is a global trend in many fields, but in education, especially in developing country it seems to be strange to the market.

The general term EDU-BRIDGE NETWORK also contains my guidelines strategy development strategy. “EDU” is at beginning step when company is established and operated, which comprises offering short term skills training courses, human resources training, education consultant aim to both students and SMEs enterprises at beginning to generate profit and create relationship with target customer for development in short-term and preparing for long time strategies.

Figure 7: EDU development steps



“BRIDGE” is the next step for company when the company has the particular position in the market, customer relationship, market acknowledgement, customer’s data... the model aim to expand more services to promote service in project target to cooperation between education and industry. On the other hand, the company also target to bridge role for student, closing their relationship with enterprises in their studying, create the opportunities for studying abroad and participating in activities of prestige international educational institutions or organizations, vice verse the company promotes for international education institution for their expanding their service to Vietnamese students through company consultant or cooperation in particular projects.

Final step is “NETWORK”, when the model developed the to this steps, the company aim to creating the network between participant which comprise Local education entities, Student, enterprises and international education entities through the system of information and

relationship has been creating before the model exploit shortage of labor skill in Vietnam, the spacing between education and industry as well as local education system with international, the company might conducting larger projects to promote and supporting for MOET in their management and smoothing existing customer in both small and larger scale.

3.2 Company overview

Mission

The company aim to smooth education service which bring benefic for social return and development. The development of the model is parallel the support the education and human resources quality development and quality of HE system in Vietnam which is facing many problem currently in the period creating and development.

This model is the connecting and closing between the theoretical and practicing on the side of education and industry apply, it contents the social benefit in term of human resources and economics developing.

Vision

The company is unique model which operates in large range and comprises most of aspects of education and human resources development market.

The model aim to be the largest and complete service range relates to human resources and education supporting service. The model aim to enterprises for their human resources skills shortage fulfillment services in training, consulting, and smoothing service for their cooperate with education and students. The model is aim to students as their services of training skills, career orientation, promoting them close to enterprises to enable their knowledge to reality and working environment.

The model is aim to support university in updating their pedagogical curriculum to close with real human resources demand and improve their quality of education work. The model is also supporting them in cooperation with international universities, organizations or cooperate with enterprises to develop their service, updating knowledge, programs, research...

Market

The target market is Vietnam education and human resource development market however this model can be apply in other developing countries. The range of services offer including training service, consulting service, project conducting service, cooperating service... object to enterprises, students, universities and institutions.

3.3 Management and strategy

In term of management and strategy in choose the model of balance scorecard for the company because of the advantages of this method, this maps management and strategic in related perspectives comprises all the aspects of company in management and strategy, supporting for effective management in short and long run

Figure 8: Balance scorecard of EDU-BRIDGE NETWORK

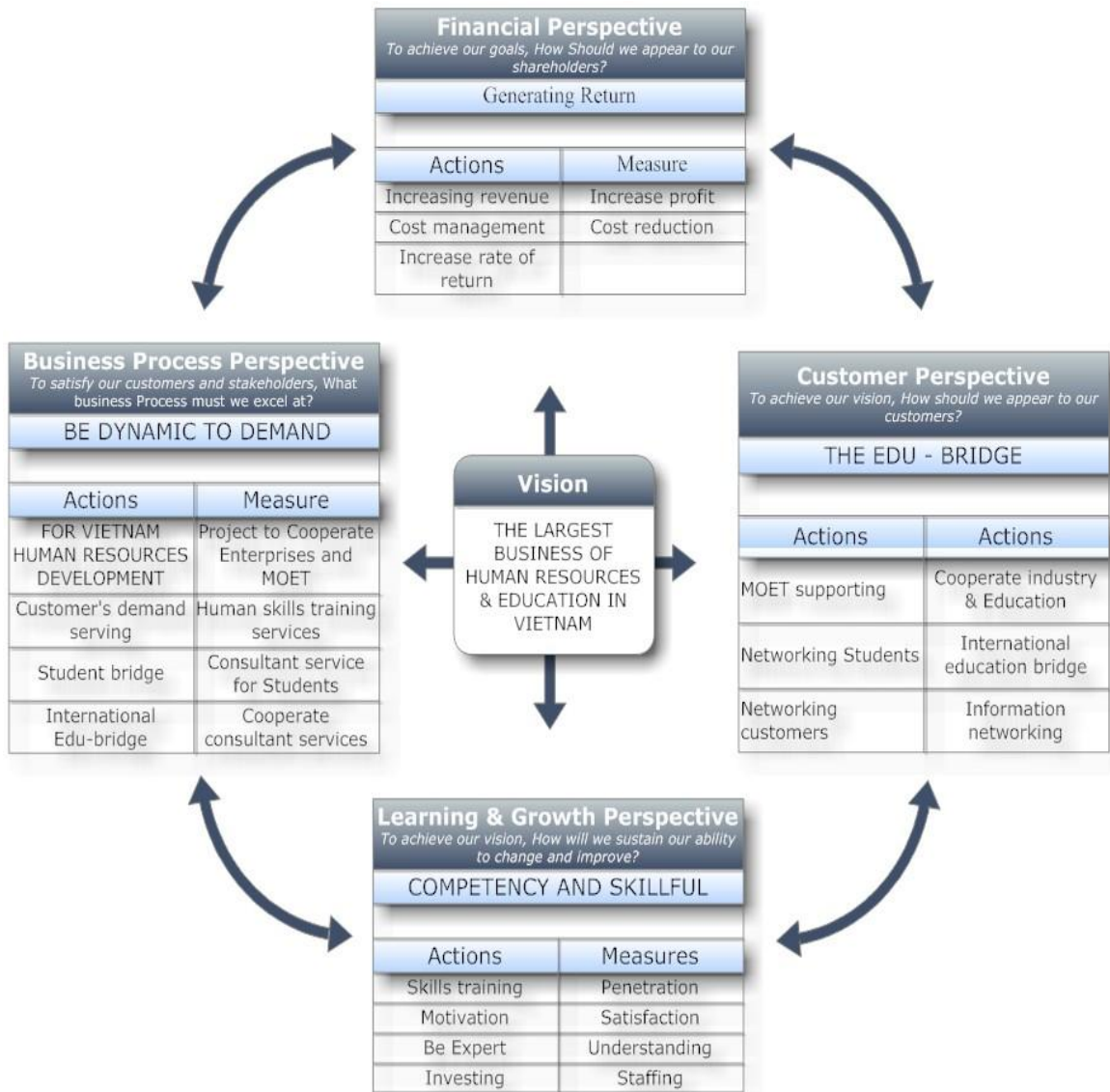
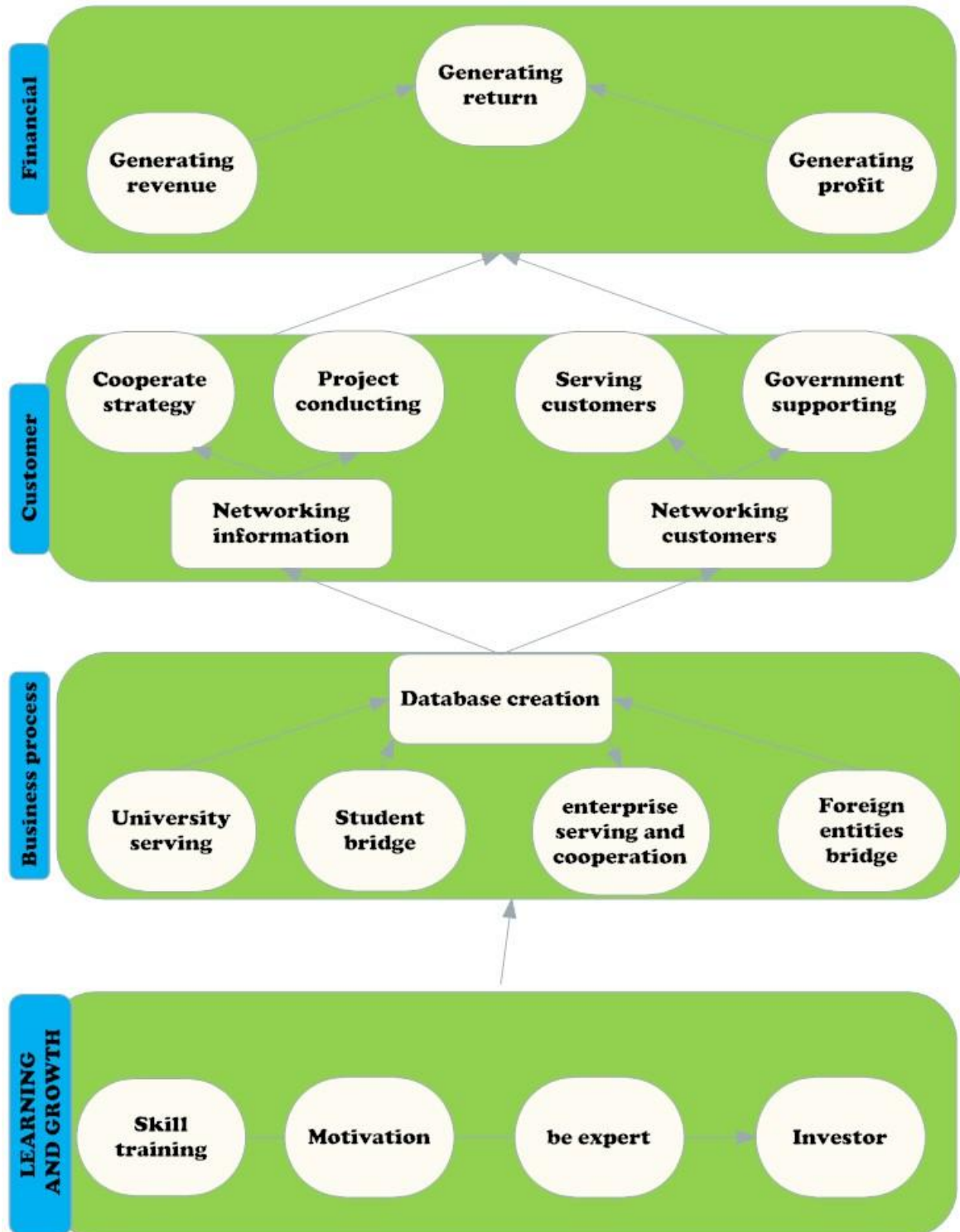


Figure 9: EDU-BRIDGE BSC CAUSE & EFFECT RELATIONSHIP



3.3.1 Learning and Growth perspective

The nature of services of EDU-BRIDGE NETWORK is human resources development skills and competence therefore the member of EDU-BRIDGE NETWORK must be the face of the company where the culture is active open sharing idea, innovation and creative are encouraged.

Staff at top management level: should be higher education qualification PhD or Master are priority, they must be the expertise in education field, good management and planning, knowledge, and understanding market, customer's demand, negotiation, persuasion and interpersonal communication skills expertise, good relationship with government or public relationship...

Operating staffs should be good in communication, negotiation, and persuasion skills to deal with various range of customers, information technology and interpersonal communication skills should be ensured...

Group of experts in human resources training, the company aim to serve several services of training course for enterprises and students therefore the groups of expert in teaching and training is one of the most important for company, they must be the expert in their fields, understanding demand and knowledge in real business environment...vv

Actions for this perspective:

The group of expert in training and teaching would be encouraged as the investors, and salary scheme can pay by share, opportunities to conduct the research as their aspiration,

Skill training for operating staffs are frequently to improve their competency and update real information, clearly guidelines for understanding company's goal target beside implying challenges and prized for their good performance creation, and contribution...

3.3.2 Business process

Base on creating competence staffs and member, EDU BRIDGE NETWORK operate their services for their customer, and collect database for networking information. Firstly, creating enterprise customers groups, students customer group, offer cooperation to international entities to consult their services in Vietnam, and making relationship for universities and students serving for creating system of information of those parties

Actions: Creating website information exchange, with all related information about education and human resources development, effective search engine tool for customers, students and universities can easily find information of enterprises for their internship or research. Vice versa enterprises can search their needed information about students and universities for their cooperation and human resources needs. Public press or magazine specialize of higher education and human resource, Investing database creating and management for information networking.

3.3.3 Customer perspective

Enterprises: the enterprises are facing serious problem in shortage human resources skills and large demand for training cooperation (analysis part concerned). Therefore this is the big target source for company serving, the necessary thing is to understand their diversity of needs to offer partial or completely solution and service beside the cooperation strategy for future relationship and strategy

Student: is the target of all other customers and entities in education system, they comprises huge diversity needs and demands on different aspects. The students and outcome of human resources development and education, Service for students are also various such as short term courses of skills training, consultant for studying abroad, participating in international organization, conducting research, internship... Vietnamese higher education student with large amount, but the quality and capacity form MOET is limited, Vietnamese students are ambitious for their future, and urge for knowledge and innovation, therefore EDU-BRIDGE NETWORK target to them as center for planning orientation because all others customers of company target network is aim to them too.

Education entities: the most important with this group of customer are the cooperation for their updating service and knowledge, creating the network for searching partner easily, cooperation with industry through the contract by conducting research projects from the enterprises and apply result into the real economical environment, on the other hand, suggesting consulting service for cooperation with foreign education entities as the trend of development, improve the quality of outcome in human resources development

International education entities: Including foreign universities, institution, educational education, or education organization, the trend of globalization lead the expansion trend in education, Vietnam education market is potential in good opportunities for those entities,

the problem with those group of entities is market knowledge and information, EDU-BRIDGE NETWORK might be the bridge for their entering Vietnamese market as their demand, by consulting services, cooperation or partnership, representative... through this operation EDU-BRIDGE NETWORK creating opportunities for students to integrate into global education system and opportunities for education cooperation with local education entities.

Actions for this perspective:

1. Networking information

Networking information and engagement relationship: through the service offering and operating EDU-BRIDGE NETWORK, creating database of following group of customers and through that creating information changing among them on the aspect of human resource and education, Education and Labor force press or magazine is one of the tool to establish for information exchange and company brand, Website which database of searching and information of related customer needs, demands, trend analysis, reports on human resources and education, industrial needs, research...

2. Engagement education by program of For Vietnam education and human resource development:

The program offer to MOET and partner in conducting, which MOET offer program to enterprises who would sign agreement for supporting for university in research and students studying activities. In the side of enterprise, they received the public prized certificate from government of this programs, and this might get benefit for them in marketing benefit and social responsibility, on the other hand they can find students working in their business in term of internship or conducting researches or project, the benefit for universities that they get close with industry through the research or making them as contract in specific research for enterprises training human skills close with enterprises needs for updating the curriculum for most reality and improve outcome of their services

3.3.4. Financial perspective:

Concerning increase of return for investment efficiency, company expands their service as large range of customer's need to generating the revenue, generating profit, reduce cost in management and structure, attracting outside investors for extending scales, The tuition and income amount from human skills training services, consultant services, cooperating services, and conducting research or project for partner...

3.4 Cost management

Operating cost: expenses associated with administering a business on a day to day basis. Operating costs include both fixed costs and variable costs. for the service company is not too large as production company, this might be high as the initial investment for infrastructure, office space lending, equipments, salary...the objects of company is to manage and use them as most productivity, efficient in its range of capacity to generate revenue and return

Fixed cost: which are the same whether the operation is closed or running at 100% capacity those might be the cost operating equipment, offices space rent, office supply consumable, Public Utilities such as telephone service, Internet connectivity, salary for operating staffs, database and network maintenance, marketing, advertising cost... the company manage their resources and cost in most affected, ensure using 100% capacity of this kind of cost in its serving range.

Variable cost: which may increase depending on whether more production is done, and how it is done. This might includes the training service cost which arises follow training courses offered comprised wage and salary for lecturers, material for teaching, creating programs, selling cost...company considering dynamic salary for lecturer follow the revenue for appropriate contribution and income.

3.5 Risk management

The company is model of business in terms of economic and education therefore the risk of company associated with risk of those kinds where the company operate those including:

Economic risk: The possibility that an economic downturn will negatively impact an investment, while economic and government reform has been going on for many

years, its pace is very gradual and opposition to privatization remains strong. progress has been made to open the economy to globalization The difficult economic conditions that will exist over the next few years create a challenging environment for economic reform. . In the macro environment Vietnam economic is facing several problem which might impact in risk for company.

Financial risk: The financial system remains constrained by relatively poor infrastructure and cumbersome bureaucracy. Monetary policy, interest rate, currency exchange rate are unstable and high rate because of high inflation situation currently, the country is facing problem in this term and several policies on monetary regulation promulgated, this might be impact on rate of investment for company and service fee balance for company decision making plan

CONCLUSION

The aim of this master thesis was to apply theoretical and practical knowledge of Vietnam education market into the model of Vietnam education company EDU BRIDGE NETWORK. Even though, the model is facing several issue concerning macro environment of the market, it is still meaningful for social and opportunity in applying to fulfill the market need in shortage of human resources skill and education quality.

The model is unique in the market, EDU BRIDGE NETWORK developing and expanding its services and creating network, it covers for whole range of education and training and comprise all related participants.

The theoretical part showed the ideas of model in this market, this is valuable to developing country in Vietnam. The practical illustrated the picture of factors of Vietnamese education and human resources market. This identified the necessary trend and model to serve and fulfill for the shortage as opportunities or business. In the project part, that is my own idea about that model. Through the time of model development, it provides many opportunities for participants, including Students, Universities, institutions, enterprises, government in term of networking them as network and take advantages those relationship to fulfill for shortage in education quality and human resources skill needs.

Even though the model will be applied in real business or not, I hope that this thesis give some useful idea for Vietnamese education and contributing idea for the education system development.

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LIST OF ABBREVIATIONS

HEDPO1	Higher Education Development Policy Operation No 1 (approved 2009)
MOET	Ministry of Education and Training (Vietnam)
HEDPO1	Higher Education Development Policy Operation No 1 (approved 2009)
HERA	Higher Education Reform Agenda (of Vietnam for the period 2005-2020)
HEIs	Higher Education Institutions
VET	Vocational Education and Training
HÉP/HEP2	Higher Education Project (No 1 or No 2) (WB funded ODA loan)
PhD	Doctor of Philosophy
WB	WORLD BANK
BSC	Balance Scorecard
EDU	Education
HR	HUMAN RESOURCE

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In-House Training center	
SOE	8.9%
PRIVATE	1.4%
FICs	1.9%
Total	2.4%

APPENDIX P II. SKILL TRAINING PROVIDED

SOE	12.30%
PRIVATE	3.50%
FICs	3.20%
Total	4.40%

APPENDIX III. SKILL TRAINING PROVIDED

SOE	85%
PRIVATE	61%
FICs	72%
Total	65%

APPENDIX P IV. COOPERATION WITH HR INSTITUTION

SOE	24.2%
PRIVATE	8.5%
FICs	12.4%
Total	11.3%

