

# BUSINESS EDUCATION

## Why B-Schools Are Expanding in Africa

*Competition, Financial Pressures in More Established Markets Prompt Push Into Continent; Some See Long-Term Potential*

By MELISSA KORN

They've mastered the U.S., saturated Europe and made headway in Asia. Now, business schools are taking on Africa.

Financial pressures and fierce competition in more established markets are pushing schools to view the continent as something more than a destination for student volunteer trips. But the recent Ebola outbreak in Sierra Leone, Guinea, Liberia and Nigeria highlights the unique challenges schools face in expanding their footprints in the region.

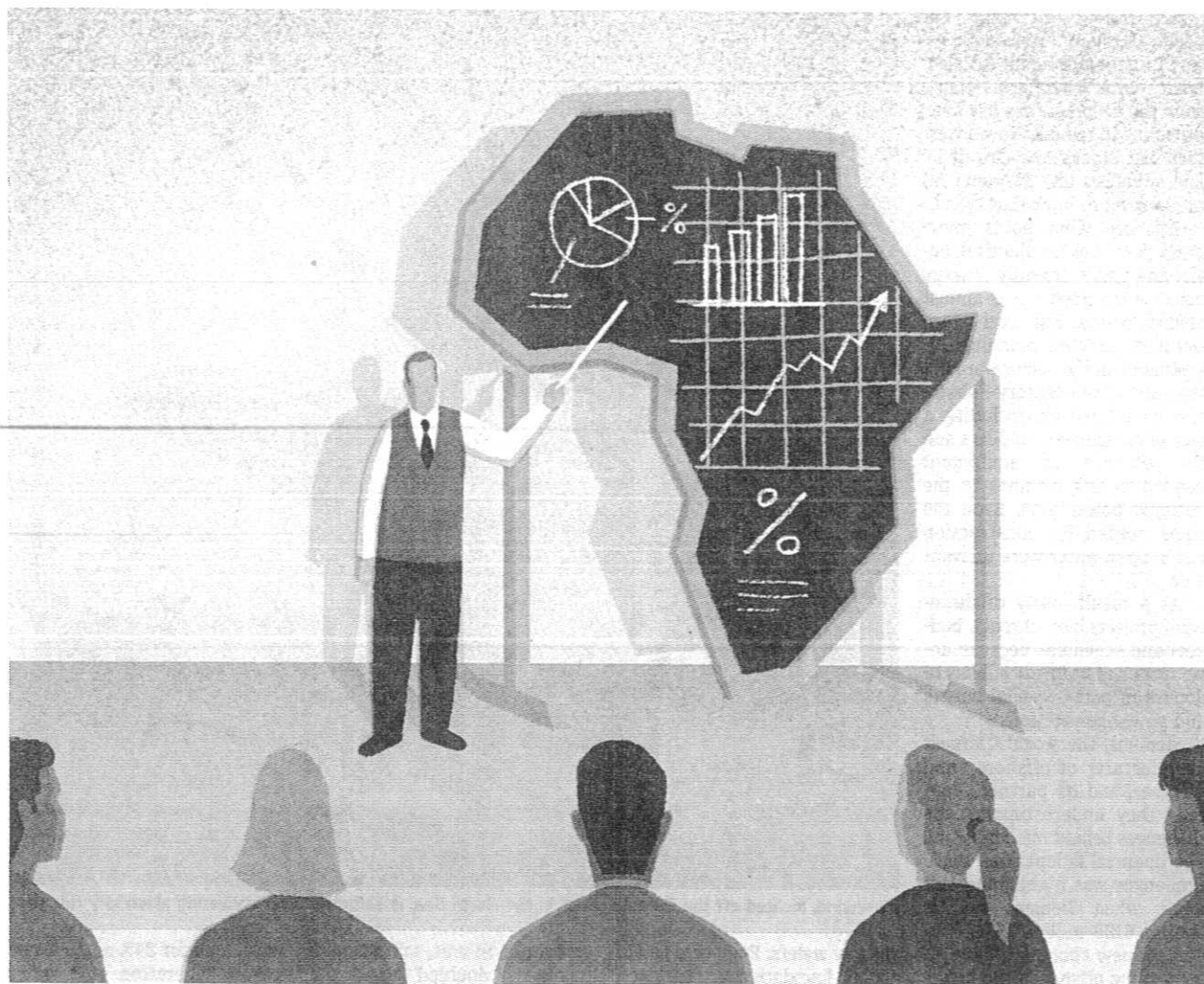
The business school of Milan's Università Cattolica del Sacro Cuore successfully launched an M.B.A. program in Nairobi, Kenya, in 2011, expanding to Accra, Ghana, last year. But it decided to delay the start of a Sierra Leone-based M.B.A. program to at least mid-November, and possibly January, from September, because of public health concerns.

And St. Louis-based Webster University, which opened an Accra location in March, is instructing students, faculty and staff on how to comply with global guidelines to contain the threat, such as avoiding unnecessary meetings.

Still, administrators remain optimistic about the long-term potential for programs in places such as Accra, Kinshasa, Congo, and Abidjan, Ivory Coast.

"The business opportunity is huge," says Udo Steffens, president and chief executive officer of Germany's Frankfurt School of Finance & Management. The school started a master's degree in microfinance in Kinshasa in 2009 alongside the Université Protestante au Congo. Last fall the two schools launched an executive M.B.A. program.

Each school will book €35,000 to €40,000, or \$46,800 to \$53,500, in surplus revenue for the inaugural year. Prof. Steffens says he expects that with a larger class and higher price tag—tuition will jump by two-thirds next year, to €12,500—they should soon each be able to receive €110,000 to €120,000.



Prof. Steffens says he is optimistic because the Congo is still "a virgin market" for high-quality, European-style education.

Sylvain Bebel, a 52-year-old branch manager at African Motors Co., a Ford dealership in Kinshasa, says his only other option for a decent business degree would have been a costlier, lengthier program more than 2,000 miles away in South Africa.

"I wouldn't have gone to a local school," he says. "I was looking for a school that could guarantee a good business education."

Mr. Bebel, who previously worked as a supply chain man-

ager at British American Tobacco for more than 20 years, has been trying to build up his own domestic transport company.

China Europe International Business School is capitalizing on entrepreneurs as well. That school created a program for women entrepreneurs in Ghana in 2012, expanded into Nigeria last year and started a class in Kenya this year.

Multinational firms' demand for well-trained managers is fueling much of the interest in creating new Africa programs.

Duke Corporate Education, a wholly owned subsidiary of Duke University, derives between 10% and 20% of its revenue from

training programs for African clients, such as banks, mining companies and telecommunications firms.

Africa Regional Director Sharmla Chetty says the customers want to teach a new cadre of middle managers and strategize international expansion plans.

When Duke opened its regional office in South Africa seven years ago, its main competitors were domestic training outfits, Ms. Chetty says. Now, she says, Duke is pitching against top institutions from the U.S. and Europe.

Last month, HEC Paris signed deals with Ivory Coast's ministries of state and foreign affairs,

and a federation of private companies across that country, to lead programs for hundreds of public- and private-sector executives. Inge Kerkloh-Devif, executive director of global business development for HEC's executive education arm, says that programs of similar scope generally yield €1 million in revenue.

Webster University, which has residential campuses in Geneva, Vienna and a handful of other cities, opened its Accra location with 40 students pursuing undergraduate and graduate programs in business and international relations. The school's first full class, starting this summer, will be double that size. The

school expects a 150-student entering class next year.

Webster has invested about \$3.5 million in the Ghana venture so far, and Provost Julian Schuster says the school is on track to break even within three to five years.

But in a region still scarred by centuries of imperialism, schools won't succeed just by transplanting American or European faculty and course material.

David Bach, senior associate dean for the executive M.B.A. and global programs at the Yale School of Management, says a student he met on a recent trip to Lagos Business School in Nigeria was relieved to hear that Yale didn't want to bring its own

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programs to the campus, but rather was focusing on student exchanges and research collaboration via its 27-school Global Network for Advanced Management.

"We don't want to proselytize," Mr. Bach says. "A bit more humility and listening is in order."

Webster President Beth Stroble says Ghanaian accreditation and an internationally diverse faculty and staff help ensure that the school's program doesn't "smack of colonialism."

Though early experiments are starting to yield monetary returns, industry experts acknowledge that success is far from a sure thing.

"Any business school going into that market can't be doing it for anything other than a longer-term play," says Tim Westerbeck, president of higher education consulting firm Eduvantis LLC. "Is there even a market there? Right now, the answer is 'maybe.'"