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ASHESI UNIVERSITY

Any student who does not believe in mediocrity, is willing to do things the right way, and wants to change the image of Ghana and Africa, will find that Ashesi is the right place to be.
  —Araba Amuasi, Ashesi class of 2007

Ghana is a place where there has been too much respect for elders over ideas.
  —Ken Ofori-Atta, successful Ghanaian entrepreneur

It was December 2007 and Patrick Awuah, founder and president of Ashesi University, began updating his school's business plan. He looked back on the university's short history with pride—in only 10 years Awuah and his team had turned a lofty vision into reality. Ashesi had become one of the most respected educational institutions in Ghana, with about 100 top-notch students enrolling in its liberal arts program each year. But many challenges still lay ahead, not least of which was raising the $7.2 million needed to complete the first phase of construction for the permanent campus. There was the issue of academic dishonesty, which seemed to be on the rise at Ashesi and was directly at odds with the school's mission. Awuah also wondered how much longer it would be until he felt ready to begin replicating the model in other parts of Africa, which had always been part of the long-term strategy.

BACKGROUND

Republic of Ghana[1]

Located in West Africa, the Republic of Ghana is a former British colony. It proclaimed its independence on March 6, 1957, the first African colony to do so. Its official language is English, which is predominantly used in business and government communications, but there are also 250 native languages and dialects spoken. In 2008, over 2 million of Ghana's 23 million

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[1] For more information, see HBS #9-706-497, *Ghana: National Economic Strategy*, Michael Porter, August 14, 2007 or ICFAI #205-802-1, *Entrepreneurship in Ghana,* Guarav Kesarwani, 2005.

Sean Harrington prepared this case under the supervision of Professor Garth Saloner as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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citizens lived in Accra, the country's capital and most populous city. Socialist and nationalist policies were largely in place from the time of its independence until the late 1980s. Under the leadership of Jerry Rawlings, who was twice the head of state, Ghana began privatization in 1989, selling off many state-owned enterprises.

By 2007, Ghana was often referred to as "a rare African success story." Although it was still one of the world's poorest nations, with annual gross domestic product (GDP) at purchasing power parity (PPP) of $1,400 per capita, the economy was growing at a robust rate of 6.2 percent (real GDP), inflation had been contained (11 percent), and the political system was considered stable and democratic[2] (see **Exhibit 1**). The economy was highly dependant on natural resources—including gold, timber, and diamonds—and the agricultural sector, which accounted for about 35 percent of GDP and employed over half the workforce. Ghana was the second largest exporter of cocoa in the world and had increased its production of coffee, sugarcane, and citrus fruits.

Patrick Awuah

Patrick Awuah grew up in Accra, Ghana, but moved to the U.S. in 1985 to attend Swarthmore College, a small liberal arts school[3] near Philadelphia, Penn., where he was granted a full scholarship. Having only known the Ghanaian education system, which was based on rote memorization, Awuah's experience at Swarthmore was life-changing.   He described the transformation:

> I learned to think critically and ask questions in college. In Ghana, such independent thought is not allowed to flourish, as young people are taught to accept the status quo. At Swarthmore I came to learn the enormous benefits that come from a liberal arts education, where the focus is not on accepting problems, but solving them. I came out of my time there with an entirely different mental approach to life.

After completing two degrees—a Bachelor of Science in engineering and a Bachelor of Arts in economics—Awuah took a job at Microsoft in Redmond, Wash., where he worked as a program manager in the "business systems" division from 1989 to 1997 (see **Exhibit 2** for Awuah's resume). During his time at the software giant, Awuah developed the respect of his colleagues through his dedication and hard work. He regularly wrote letters to family and friends back in Ghana to keep in touch, and he saved enough money to help his parents buy a house in Accra and support his sister's education.

FORMATION OF ASHESI

The idea of starting a university in Ghana first came to Awuah in 1995. Reflecting on his experience at Swarthmore, and the extent to which it contributed to the success he was attaining in his career, Awuah realized that this was exactly what his native country needed in order to

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[2] Central Intelligence Agency, *The World Factbook*. All figures are estimates for 2007.

[3] A liberal arts education, sometimes referred to as a "classical education," has a curriculum that includes a broad range of topic areas and aims to impart general knowledge. This is in sharp contrast to professional or vocational schools.

advance to the next level of economic and social development. Ghana's education system was in crisis—its limited capacity was unable to meet demand,[4] the infrastructure was underfunded and deteriorating, and the quality of the curriculum and teaching was not equipping students with the skills needed to compete in the global economy. Awuah was energized by the thought of offering a western-style liberal arts post-secondary program to bright and motivated young Ghanaians, helping mold the country's next generation of leaders. But, as much as the plan excited him, the thought of actually following through with it frightened him. "It's hard to leave a good job and go off and do something this risky," he explained. "As I asked myself what it was that was causing me to hesitate, I realized that it all came down to fear of failure."

It would take two years for Awuah to overcome his fear. In 1997, he quit his job at Microsoft and fully committed to starting the university. "I eventually came to the conclusion that if I didn't get started, that would be just as big a failure," he recalled. He had been inspired by the famous quote from Johann von Goethe, "If there is anything you can do, or dream you can, begin it. Boldness has genius, power and magic in it." He printed it out and taped it to his mirror so that it would be in front of him every morning. The quote also led him to name the university Ashesi, which means "beginning" in Akan, a native Ghanaian language.

Once Awuah dedicated himself to Ashesi's formation, he immediately began to seek ways of mitigating the risks of failure. His first step on this path was to attend business school, so that he could acquire some of the tools he felt were required to effectively run an organization. In the fall of 1997 he entered the MBA program at UC Berkeley (UCB), moving to the San Francisco Bay Area with his wife, Rebecca. Awuah quickly stood out among his classmates, given his singular focus on starting the university after graduation. He described:

> My business school experience was different from other students' because, literally, in every class I attended I was constantly thinking about how the material applied to what I was about to do with Ashesi. We were reading cases assigned by our instructors, but there was this other case running in my mind all the time. The content of the courses took on a completely different meaning for me.

Validating the Idea

In the summer of 1998, Awuah organized a group of students from his class to do a feasibility study, as part of a course on international development at UCB, with the goal of critically assessing the viability of starting a private university in Ghana. The team of four spent three weeks in Ghana doing extensive market research, administering 3,300 surveys and conducting two focus groups with students, parents, teachers, and business leaders. In addition, the team analyzed secondary data, including statistics provided by the national government. Based on their work, the MBA students concluded[5] (see **Exhibit 3**):

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[4] In 1998, about 80,000 students wrote the university entrance exams, of which 26,000 received passing grades. Of those only 8,000 were accepted to attend one of the five public universities, but due to a backlog, they were required to wait two years before being allowed to take any classes.

[5] Ashesi University

- There was significant demand for a new private university in Ghana;
- Parents were willing to pay for high-quality local university education; and
- The Ghanaian government fully supported private involvement in tertiary education.

Buoyed by these results, Awuah and Nina Marini—one of the team members involved in the project—parlayed the feasibility study into a business plan, which they entered into a competition at UCB (see **Exhibit 4** for Marini's resume). The document outlined specific details of the proposed new school, including its curriculum, academic programs, size, location, and strategy for attracting students and faculty. The mission of the school, as articulated in the plan, was "to train a new generation of African leaders who excel in scholarship, entrepreneurial leadership, and citizenship" and "to cultivate life-long learning, concern for others, and the courage to think new thoughts." Through a four-year degree, students would first acquire skills and knowledge across a broad field of studies in the liberal arts core curriculum, and would then elect to pursue a business management or computer science focus for their final two years at the university. Every Ashesi graduate would be required to complete courses in African studies and a community service project. In the short term, Awuah aimed to build capacity to satisfy the needs of 400 students, who would be provided on-campus housing, as needed. In the long run, the plan called for the school to plateau at 1,200 students (see **Exhibit 5** for excerpts from the business plan).

Feedback on the Ashesi proposal from the competition judges was mixed. "They said the idea was compelling and the business plan was well thought-out and sound," Awuah recounted, "but, it was not fundable." The negative aspect of the critique came as no surprise to the Ashesi team, however. The contest was designed to evaluate for-profit business opportunities and Awuah had already made the decision that the Ghanaian university was better suited to the nonprofit model, after having considered the for-profit model. Coming from his career in technology, Awuah liked the idea of stock options and the incentive structure that came with for-profit start-ups. Moreover, he felt that a for-profit organization would have more flexibility in terms of its operations and strategic direction, as it would be able to use cash flow to fund growth—avoiding the need for drawn-out and time-consuming fund-raising campaigns. However, Awuah quickly realized that, even with the most optimistic financial projections, Ashesi would not be able to offer potential equity returns high enough to attract interest from private investors. In addition to the risk that came with funding all early-stage companies, there was uncertainty associated with starting a business in an emerging market, for which potential backers would expect a better return. In terms of exit opportunities, going public or selling to financial or strategic buyers was not a likely outcome for Ashesi, which would again be a deterrent for profit-seeking funders.

Despite committing to a non-profit approach, Awuah aimed to create a self-sustaining model, where tuition and earnings from an endowment would eventually cover all operating expenses. Detailed financial models were included in the business plan, and among those projections was the lofty goal of generating positive cash flows and net income in the school's second year of operation. Awuah anticipated the need to raise a total of $8.2 million to ensure the university made it through the start-up phase.

Moving Beyond the Classroom

As graduation from the MBA program approached in the spring of 1999, Awuah's dedication to starting the university was tested once again. Managers within Microsoft had made it clear that he would be welcomed back to his old employer with open arms. Several other recruiters from top firms, including the major business consultancies, had also strongly urged Awuah to participate in the hiring processes they were running. His pledge to Ashesi was not shaken, though, as he recalled, "After I turned down some of those approaches from companies, I said to myself, 'Wow, I am committed to this thing.'" Fortunately, Marini was also still fully on board with the new venture and agreed to continue working with Awuah.

Throughout the summer following graduation, Awuah and Marini focused on two main tasks: fund-raising and developing the curriculum. Awuah and his wife agreed to provide seed funding of $300,000 to the Ashesi University Foundation, which they registered as a 501(c)(3) nonprofit based in Seattle, Wash. The move back to the Seattle area was partly due to the network of family and friends that the Awuahs had developed there, but also because it would put the foundation close to Microsoft's headquarters, facilitating the fund-raising process. Since Patrick had built strong relationships with his former colleagues over his eight-year tenure at the organization, they and their friends were the most likely candidates to contribute to Ashesi.

Awuah put Marini on the payroll as the organization's first true employee, opting to pay himself a salary of only $1 per year. They established an office above a popular local pub, purchased some basic computer equipment and other supplies, and began pitching to potential backers. It was only a couple of weeks before the foundation had its first major financial commitment— $150,000 from Mike Murray, a VP at Microsoft. Awuah had worked for Murray earlier in his career, but their relationship really grew stronger following a fund-raising campaign organized by Murray in response to the Rwanda genocide in 1994. Awuah had been so impressed and moved by the fact that his colleague, with no family ties to Africa, would personally initiate a project to help survivors of the crisis in Rwanda, he made his then-largest donation ever and sought to build stronger ties with Murray. Five years later, the roles were reversed and Murray was excited to help support Awuah's efforts to start Ashesi.

On the curriculum-development front, Awuah and Marini met regularly with advisors from UCB, Swarthmore, and other U.S.-based colleges and universities, whom they had recruited to serve on various Ashesi academic councils (see **Exhibit 6**). Course requirements and schedules were laid out for the liberal arts core and for both of the main degree specializations (business management and computer science). For each course, the basic class structure and subject content were proposed.

Despite the auspicious start to fund-raising, after a few months of hard work, it was clear that the process would take much longer than originally anticipated. Awuah concluded that he would need to continue securing donations in parallel with all the other important tasks involved with getting the university started. It was also clear that it might take years of ongoing efforts before they reached the $8.2 million goal. With this realization, Awuah decided it was best for him and Rebecca to continue living in Seattle until fund-raising needs lessened.

Getting Accreditation: Chicken or Egg?

Awuah and Marini made monthly trips to Ghana on an alternating basis, tending to important matters there as needed, and hired their first local Ghanaian employee, Manu Boadi, in early 2000 to help be the face of Ashesi University when neither of them was in-country. They focused their attention on the primary objective of gaining approval from the National Accreditation Board (NAB), which was required of all universities operating in Ghana.

To receive accreditation, Ashesi's viability would have to be proved to the NAB by demonstrating that it had secured a campus with classrooms, a library, a computer lab, and administrative offices. It was also necessary to provide a list of faculty members who had committed to teaching at the school. Further, Ashesi was forbidden from conducting any type of student recruitment until the NAB gave its consent. This created a conundrum, since without students or any guarantee that the university would ever be accredited, it was difficult to attract faculty members or earn the trust of landlords needed to rent building space for the campus.

Adding to the challenge, Boadi proved to be ineffective in his role as liaison with the NAB. He was not commanding the respect of NAB's members, and on one particular occasion, the group's executive secretary was so annoyed by Boadi that he lambasted him at a public meeting. What was most distressing was that his displeasure with Boadi extended to Ashesi University as a whole, since he was the school's main representative. In fact, Boadi's overall performance as an employee greatly disappointed Awuah, as he showed poor judgment in decision-making and did not grasp the level of quality that Ashesi aimed to provide. Awuah spent months trying to coach the wayward employee, but the effort was fruitless, and Boadi eventually took the opportunity to leave with a generous severance. Although Boadi had not caused any irreparable damage, the situation was a blow to Awuah:

> My confidence was shaken, which is one of the worst things that can happen to an entrepreneur. I realized that I had either made a poor hiring decision or I was a bad manager, or both. I wondered how we were going to run an entire university if we couldn't effectively handle our very first employee. It was actually more difficult than it may seem, since this was our very first major decision—to hire Boadi—and it turned out to be a bad one.

Feeling like they rushed the hiring process with Boadi, Awuah and Marini were more deliberate and judicious in finding a replacement. In the fall of 2000 they hired Mildred Wulff, a Ghanaian Swarthmore grad who was looking to return to her native country. Given her recent experience at a liberal arts school in the U.S., Wulff immediately bought into Ashesi's mission and understood what it would take to achieve it. She took over control of operations in Ghana and immediately turned things around. Her performance not only helped restore Awuah's confidence, but also led him to a key learning. "For a long time we wondered if part of the problem with Boadi could be attributed to cultural differences," he explained. "But we later realized you can't use that as an excuse. There are real cultural issues that you have to watch out for, but performance isn't one of them. You've got to stick to your guns and demand it."

ASHESI UNIVERSITY—THE EARLY YEARS

In September 2001, Ashesi University received confirmation that their application for accreditation, which had been filed a year and a half earlier, had finally been approved by the NAB. With Wulff's help, the Ashesi team had located and rented a building in the Labone district of Accra, which housed one classroom and would serve as the entire campus until the school grew and needed more space. They had built a library filled with books and a computer lab replete with the latest technology. A small administrative staff had been hired and three professors had committed to being the school's inaugural teachers.

Mark Poynter was among those who agreed to take a position at the university before it was even up and running. A U.K. native, Poynter had recently completed a master's degree in politics and international relations in Leicester, England, when he saw an advertisement for the Ashesi lecturer position in the *Guardian* newspaper. Intrigued by the opportunity to help build a new school and the adventure of moving to Ghana, he sent his résumé off to Marini and was offered a position after making a mock classroom presentation to the Ashesi team in Accra.

Opting not to wait until September 2002 to begin classes, which would have aligned with the standard academic calendar in Ghana, Awuah and his team began recruiting students shortly after the school's accreditation was granted. The first class would be matriculated in March 2002 and the university would then move to the typical September-to-June cycle in subsequent years. The goal was to recruit 30 top-notch students—those with "the greatest leadership potential"—through an extensive advertising campaign.   The Ashesi team organized presentations at the largest and most well-regarded secondary schools in Ghana and offered campus tours for parents and prospective students.

However, as Ashesi kicked off its student recruitment drive, the management team ran into a major stumbling block. A large portion of the promotional budget was allotted to support an advertising campaign in the country's most prominent and widely read newspaper, the *Gazette*. Awuah knew that it was "the only game in town" in terms of daily papers, and it was critical that the school make a big splash, especially since it had no brand or reputation to count on to attract interest yet. To his dismay, on the day the first ads were supposed to appear—timed to coincide with a press conference they had organized—he found no mention of Ashesi in the *Gazette*. Thinking it had been a simple error, he called the representative with whom he had coordinated the campaign, who provided an excuse for the omission. With each passing day, the ads did not appear; rather, only new and often peculiar explanations were given. Finally, after a couple of weeks without progress, the *Gazette* sales rep told Awuah he would have to offer him some type of kick-back if he wanted the ads to run. Awuah described his reaction to this solicitation:

> I was pretty blown away they wanted a bribe just to get a newspaper ad to run.
> Our local PR firm advised us to pay it, but that wasn't acceptable. We broke off
> our engagement with the PR agency, ignored the paper and began shifting our
> budget to the radio ads. It was a risk, but it paid off. Once the *Gazette* sales rep
> realized we weren't going to give in, he started running the ads.

The Ashesi team was pleased to receive 150 applications, from which they selected 31 students based on previous academic performance, communication skills, involvement in extra-curricular

activities, and demonstrated sense of purpose. At last, on March 4 2002, Ashesi University's very first class session took place—a lecture on social theory by Professor Poynter.

Growing the Model

With the university successfully up and running, Awuah and his team focused their attention on growth, aiming to reach a total full-time enrolment size of 400 students and financial sustainability as quickly as possible. However, it was clear that the expansion targets originally laid out in the 1999 business plan were unattainable. Awuah faced the reality that this project would take longer than he first anticipated. Undeterred by this, he revised expectations with funders and updated the business plan accordingly. He was more certain than ever that Ashesi would play an important role in developing Ghana's next generation of public and private sector leaders.

By 2007, the number of full-time students enrolled had climbed to 365 (see **Exhibit 7**) and one new academic program had been introduced (management information systems).   To accommodate this expansion, Awuah progressively rented more space within walking distance of the original building, and the university added faculty and staff at a steady pace, reaching a total of 28 instructors and 18 administrative employees by 2007.

Academic Program

Relative to its peers, Ashesi truly differentiated itself by requiring all students to complete the core liberal arts curriculum. Regardless of academic track, all students spent the first two years at Ashesi taking almost exactly the same set of courses, which covered topics like algebra, calculus, social theory, economics, negotiation, and expository writing (see **Exhibit 8**). The two most highly rated public schools in Ghana, University of Ghana (Legon) and Kwame Nkrumah University of Science and Technology (KNUST), did not oblige its students to study such a broad range of topics. Rather, these schools offered programs that focused on a much narrower range of subject matter to prepare students for a specific function or role.

Although Ashesi's core curriculum attracted students seeking a more well-rounded education, its lack of pure science and engineering majors did make it more difficult for the school to draw the premiere students interested in science. These top performers tended to enroll at KNUST, which was known for having the top-caliber science program and faculty in Ghana. Meanwhile, Legon had historically been known for its law and business programs and was a magnet for students looking for a degree in these fields. However, Ashesi was already making headway in bolstering its reputation in terms of academic excellence and found its candidate pool improving every year. In 2007, Ashesi offered admission to 24 percent of applicants, while the equivalent figure at Legon and KNUST was about 40 percent.

Another way Ashesi stood out among the post-secondary options in Ghana was its small size and the level of individualization that came with it. Class sizes generally ranged from 10 to 40 students per professor, while at the public universities in Ghana, many lecture halls were filled with hundreds of students (at the University of Ghana, some classes had as many as 1,800). As a result, at Ashesi professors were able to develop more meaningful relationships with their pupils.

Fund-Raising and Financial Performance

Raising the money to get Ashesi started and fuel its growth required Awuah's perpetual attention and energy. The majority of his efforts in this regard took place in the Seattle area, influencing him to keep his full-time residence there until 2003, before he and his family, including two new additions—one-year-old and three-year-old sons—finally moved to Ghana. The majority of funding came from individual donors and small family foundations, many of which consistently provided annual gifts to the Ashesi University Foundation. In fact, from the non-profit's formation in 1999 until 2007, over 90 percent of its financial support came from the same top 10 donors. As Awuah had anticipated, his deep connections within the Microsoft community provided the most reliable fund-raising leads.

However, one of Awuah's fundamental assumptions regarding fund-raising did not bear out. Going into the project, as the Ashesi team set the school's strategy for the medium to long term, they strongly believed that large foundations would begin providing significant financial support as soon as the model proved to be efficacious. Awuah and Marini felt confident that such "proof of concept" would be evident within one to two years of the university's opening, after which time, fund-raising would become much easier. In their minds, major philanthropic organizations, such as the Rockefeller or the Ford Foundation, played the same role in the nonprofit sector as venture capital firms did in the private sector, providing big capital infusions to rapidly scale models that had gained some traction. Awuah described how this comparison proved inaccurate:

> A couple years after the school was up and running, we targeted the top ten foundations that provided grants to education in Africa. A few of them came to visit, were impressed with what we were doing, but were just not interested in getting involved. They said, 'We've never done a private university in Africa. We've only funded public universities, and that's what we're going to continue to do.' It was very frustrating and disappointing. I felt like telling them, 'The reason you haven't financed private universities in Africa before is because there weren't any!'

Awuah found that each foundation had a very narrow focus within its education segment and was extremely risk-averse, unwilling to step out and be the first to fund a new model. This reality was a constraint on growth, since it would be impossible to ramp quickly using only support from the nonprofit equivalent of angel investors.

In 2003 and 2004, Ashesi faced its most challenging years in terms of financial support (see **Exhibit 9**). "We barely made it through those years," Awuah explained. "We almost lost the school." Awuah had moved away from Seattle and became much more active in the day-to-day running of the university's operations, which made fund-raising more difficult. As the number of full-time students nearly doubled each of those years, expenses rose almost commensurately, putting pressure on Ashesi's main supporters. With more students came increased income from tuition, but about half of the university's students could not afford the fees and counted on financial aid. To compensate, Awuah's contribution to the organization increased and the management team looked at every way possible to keep costs down.

During those tough years, a few of Ashesi's key advisors suggested the school suspend the student aid program until it was on more solid financial ground. After all, they suggested, none of the other private universities that had popped up since Ashesi's opening provided any financial support to students. Further, there were plenty of qualified candidates who could afford to pay full tuition. But Awuah would not bend on this point; and the majority of his advisors supported him. He did not want the school to be for kids from affluent families only. Rather, he wanted the student body to be representative of the Ghanaian—and African—population, with all its diversity, and, believing the culture of the school would be set in those early years, he did not want to risk misshaping it. "I had many sleepless nights in those years wondering if my commitment to the financial aid program was worth the risk of losing the school," he recalled, "but I'm now convinced it was the right move."

By 2007, the school was on much firmer financial ground, reaching a point where tuition nearly covered all operating expenses. Going forward, Awuah projected the school would have net positive cash flow from operations in 2008 and beyond (see **Exhibit 10**).

Career Services

From the beginning, Ashesi University's leadership put resources toward building a strong set of career services offered to students, including counseling, resume and cover-letter writing seminars, and interviewing practice and feedback. Staff in the career services group also worked closely with private and public sector employers, helping organize recruiting efforts for internship and full-time positions. Like any other post-secondary school, job placement rates and other employment statistics were important metrics used to assess the institution's performance and efficacy. With its first three graduating classes (2005, 2006, and 2007), Ashesi exceeded its goal of placing 90 percent of students within six months of finishing their studies (see **Exhibit 11**).

In its early years, Ashesi students went to work almost exclusively in the private sector, but in the long term, Awuah expected that some would eventually becoming leaders in government as well. There was no explicit effort to keep students from leaving Ghana after graduation, but implicitly, the school tried to encourage many to stay by instilling national pride, highlighting the important need that existed for talented leaders, and helping them find good jobs in the country. However, the university also aimed to have some of its students (about 5-10 percent) leave to work internationally, which was the case throughout its early years. Placing graduates overseas helped validate the quality of the education. It bolstered marketing efforts to parents of prospective students and motivated faculty and staff. In the long run, it also benefited the university to have alumni working abroad, which would diversify development opportunities in the future.

With regard to encouraging careers in entrepreneurship, Ashesi again aimed to achieve the right balance. Awuah hoped and expected that some students would form new ventures immediately upon graduation, but he also knew that many existing Ghanaian organizations were starved for middle-management talent.   He felt Ashesi graduates could learn much from a few years of work experience, and subsequently be better prepared to succeed as a business owner-manager. The percentage of students who started their own companies directly out of school ranged between 6 and 11 percent for Ashesi's first three graduating classes.

To help provide entrepreneurial training and support, the school offered a two-quarter capstone course that walked students through the process of analyzing a new venture idea and preparing a business plan. Although optional, the class had become one of the university's most popular. In addition, the school also invited the country's top business leaders and entrepreneurs to come on campus and speak about their experiences, helping to serve as role models. Whenever possible, the university also provided ad hoc services to alumni founding new companies. For example, a group of eight graduates of the class of 2006 joined together to start an Internet payment service business—striving to be Ghana's version of PayPal—called Dream Oval, and were offered access to Ashesi's computer lab during the summer of 2007.   The university space served as the company headquarters until they located and rented a small office space in the fall of that year.

TAKING ASHESI TO THE NEXT LEVEL

In December 2007, as Awuah began to update the Ashesi business plan once again, he thought about the future of the school and its priorities. Many aspects of the university's founding had gone very close to the plan he and Marini had originally laid out in 1999, but there were a few major issues facing the institution that still needed to be addressed.

Measuring Impact

Awuah realized it would take many more years, if not decades, to fully assess Ashesi's performance in fulfilling its mission. As he explained, "The only true way to measure the long-term impact of the university is to see if our graduates end up in leadership positions, and if they are good leaders—with a strong sense of ethics and effective at what they do." Not only did this imply a long timeline, but it would also be difficult to measure quantitatively.

However, in the short to medium term, Awuah recognized the importance of tracking the school's performance using the most relevant metrics possible. Career placement rate—for both summer internships and full-time post-graduation positions—was one such measurement. In addition to beating its placement goals, the Ashesi team was proud that world-class multinationals, such as Goldman Sachs, Coca-Cola, Unilever, and Hyatt Hotels recruited its students. Further, Ashesi conducted surveys with corporate partners that hired from all major Ghanaian universities, asking them to rank the overall quality of students from each post-secondary institution along six key criteria: communication, poise, interview skills, professional skills, ethics, and business etiquette. The results showed Ashesi near or at the top of the list in all categories (see **Exhibit 12**). Although other private universities had followed Ashesi into the market, none were competing at the same level of quality.

Ashesi also commissioned brand equity studies, tracking general awareness and perceptions of the university compared with its peers. In 2007, only five years after it first began classes, about 70 percent of secondary students had unaided awareness of Ashesi. Further, in a weighted composite brand score based on public perceptions, Ashesi came in second place, beating out the University of Ghana (Legon), the country's most historic and venerated school (see **Exhibit 13**).

Although pleased with Ashesi's performance in these studies, Awuah wondered if the school was doing enough to measure its impact. Was it truly getting an accurate picture of its progress or was there more that could be done?

Dealing with Academic Dishonesty

At an offsite meeting with Ashesi's staff and faculty in the summer of 2007, Awuah put the issue of academic integrity front and center on the agenda. Over the previous two years, he had gradually become more and more concerned with the prevalence of cheating and other manifestations of academic dishonesty within the Ashesi student body. There had been a growing number of incidents brought before the judicial committee[6] and many more transgressions went unreported, as professors tried to resolve certain issues on their own. The matter was brought completely to the fore when a visiting lecturer came into Awuah's office, asked about the school's policy on cheating, and then proceeded to report that he was certain at least one-third of his class had copied others' work on the last assignment. "I nearly fell out of my chair when I heard that," Awuah recalled.

"These are the most brutal facts of our current reality,"[7] Awuah said to everyone at the offsite meeting, referring to Ashesi's problems with academic dishonesty. "We are failing in our mission."   Although initially resistant to believing the magnitude of the problem, people in the room eventually came to accept it and agreed that a thoughtful and concerted initiative was needed to combat it.   In the months that followed, professors and lecturers actively engaged in the topic in their classes, discussing the student culture at Ashesi and the implications of cheating. They also committed to bringing every incident before the Judicial Committee, such that the seriousness of such offenses was clear to everyone.

Soon the matter was being discussed and debated outside of the classroom, culminating in a student-organized event to discuss academic integrity and the school's culture. Faculty and staff listened as students read essays, many expressing concern that the Ashesi dream was in grave danger. Some hypothesized that the problem arose because, in recent years, a growing number of young people were enrolling at Ashesi because they wanted to take advantage of the brand and the benefits that came with it—not because they believed in the mission of the school. Others were more skeptical, arguing it was an issue that had been trumped up by the administration.

Awuah walked away from the meeting feeling conflicted. Those students who understood the gravity of the problem had urged him to take the lead in solving it, but his response to this had always been: "It is not up to me to make Ashesi a great place; it is up to you, the student body." He had given the suggestion they adopt an honor code, but wanted them to own the process of creating it and enforcing it. Given what he heard at the meeting, Awuah wondered if he was asking too much of the students. One of them had made a comment that particularly struck him.

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[6] The Judicial Committee was charged with hearing and adjudicating cases of suspected academic dishonesty, and determining and implementing punishments, as needed. The Committee was formed of Ashesi University faculty, staff and a student representative

[7] This is a reference to a famous assertion made by Jim Collins in his book *Good to Great*. Collins makes the argument that all outstandingly successful organizations have "the discipline to confront the most brutal facts of [its] current reality." Awuah had asked all Ashesi staff and faculty to read the book in preparation for the offsite.

After describing the prevalence of academic dishonesty throughout Ghana's entire education system, the student asked, "How can we continue to do the same thing everyone else is doing and expect a different result?"

Building a Permanent Campus

Moving Ashesi to a permanent residential campus, where students of diverse backgrounds could all live and study together, had always been one of the school's major medium-term goals. In the feasibility study of 1998, over 85 percent of respondents had indicated that on-campus boarding facilities were important or very important. Since its opening, the university had provided housing for those students that needed it by renting apartments in the residential neighborhood surrounding the school's campus buildings, but this was far from ideal. The situation offered few of the advantages—such as the sense of community and fraternity—that came with on-campus dormitories. Further, Ashesi administration was juggling relationships with 10 different landlords, which took time and energy from other important school initiatives. Awuah wondered if now was the time to begin the enormous task of raising the requisite funds and building the permanent campus.

In 2002, the school acquired 100 acres of land in Berekuso, a suburb on the outskirts of Accra, and even completed a conceptual design of the future campus. According to estimates, phase one of construction would require $7.2 million and take 12 to 24 months to complete, resulting in facilities to accommodate 600 fulltime students and housing for 240 of them. Phase two would require an additional $4.4 million, resulting in capacity to handle 800 students (see **Exhibit 14**). In the long term, Awuah estimated it would take another $17 million investment after that to build out infrastructure needed to sustainably support 2,000 students in 10 to 15 fields of study. Beyond building a greater sense of community and unity, Awuah believed a permanent campus was necessary to ensure the long-term viability of the school, especially in regard to succession planning. He felt the hodge-podge combination of leased buildings was tenuous. The permanent campus would also serve as a much better launching pad to scale the model to other regions of Africa, which had always been a component of the university's long-term strategy.

The benefits of a new residential campus were clear, but its funding was not. In the eight years since its 1999 inception, the Ashesi University Foundation had raised a total of $3.9 million. The prospect of launching a $7.2-million campaign was more than daunting. Awuah wondered if it was time to go back to the large foundations.

Replicating the Model Throughout Africa

When Awuah first came up with the idea for Ashesi, he envisioned the project ultimately becoming a franchise model, where ambitious, committed, and well-connected social entrepreneurs from other African states would build private universities in their home countries using the Ashesi toolkit and best practices. This vision had never faltered, but the critical issue was timing.

In Awuah's mind, replicating the model was still years, if not decades away. He described his hesitation to start the process too early:

We will not lose our center of gravity again. A few years ago, when we had that financial crisis and got really close to the edge, we decided we were never going to let it happen again. We're going to move forward with our entire heart and being to get this done, but we're not going to get off balance or put the survival of this institution at risk. Until we've stabilized things here in Ghana, it is just not helpful to think about replicating. About a month ago, I had a conversation with my wife, where I said, 'You know, maybe we should commit 30 years to this thing. It may actually take that long just to get this one in Ghana fully done.'

But some of Ashesi's advisors and supporters were more sanguine about the scaling process and were eager to start sooner rather than later. They felt the demand for world-class universities spanned the entire continent and the paucity of ethical leaders was cause for urgent measures. No one else was better equipped to address the issue as Ashesi University, they argued.

THE LAST STRAW?

As Awuah typed the first words of the new business plan, Adzo Ashie, Ashesi's dean of student and community affairs, came into his office with a concerned look on her face. She explained there was a significant shortage of proctors for the final exams, which were just a week away. Since all the professors had already been tapped, Ashie suggested the only solution was to recruit staff from career services, accounting, and admissions to help sit in on the tests.

"This sounds crazy to me," Awuah responded, at wit's end. "It is pretty sad if we need the accountants to stop students from cheating. I've got a different idea—why don't we just stop proctoring exams altogether." Ashie gave an incredulous smile, thinking Awuah must be joking or losing his mind. It took her a moment to realize that he could not have been more serious.

Exhibit 1
Ghana World Rankings—2007

Organization	Survey	Ranking
Heritage Foundation/The Wall Street Journal	Index of Economic Freedom	91 out of 157
Reporters Without Borders	Worldwide Press Freedom Index	29 out of 168
Transparency International	Corruption Perception Index	69 out of 179
United Nations Development Programme	Human Development Index	135 out of 177
Vision of Humanity	Global Peace Index	40 out of 121
CIA – The World Factbook	GDP (PPP) per capita	162 out of 194
CIA – The World Factbook	Real GDP growth	78 out of 216
United Nations	Population growth	53 out of 230

Source: Wikipedia

Exhibit 2
Patrick Awuah's Resume in 1998

EDUCATION

1997– **HAAS SCHOOL OF BUSINESS, UNIVERSITY OF CALIFORNIA, BERKELEY, CA**
Master of Business Administration
1999

1985– **SWARTHMORE COLLEGE, SWARTHMORE, PA**
1989 Bachelor of Science in Engineering, Bachelor of Arts in Economics

Member of TAU BETA PI national honor society for excellence in engineering

EXPERIENCE

1998 **ASHESI UNIVERSITY PROJECT, ACCRA, GHANA**
- Led a team of graduate business students from UC Berkeley's Haas School of Business on an independent market research project in Ghana. The study evaluated the macro-economic environment, domestic demand for private university education, and the competitive and regulatory climate for tertiary institutions in Ghana. Results were used in a subsequent business plan.

1989– **MICROSOFT CORPORATION, REDMOND, WA**
1997 **Program Manager, Business Systems Division**
- Conducted market research and analysis, formulated strategy, and managed engineering, documentation and testing efforts for Intranet software for the Microsoft BackOffice suite.
- Spearheaded the design and development of the award-winning Remote Access component of the Windows NT operating system. Project was an essential part of Microsoft's Internet strategy.
- Coordinated engineering, documentation and testing efforts for Windows NT networking components including Macintosh connectivity, and Internet routing.
- Worked with industry partners to establish a network interface standard called the Network Driver Interface Specification. Established NDIS as a de-facto industry standard by 1990.

TEACHING EXPERIENCE

1999- **HAAS SCHOOL OF BUSINESS, UNIVERSITY OF CALIFORNIA, BERKELEY, CA**
Graduate Student Instructor – Management of Information Technology
- Lectured first-year MBA students on fundamentals of Information Technology
- Facilitated group discussion and grade course assignments and projects

1986– **SWARTHMORE COLLEGE, SWARTHMORE, PA**
1989 **Senior Computer Consultant and Programmer**
- Supervised computer consultants and assisted students with the general use of computer facilities.
  - Tutored students on geometric concepts of computer graphics and FORTRAN programming.

1984– **ST. MARY'S SECONDARY SCHOOL, ACCRA, GHANA**
1985 **Mathematics Teacher**
- Solely responsible for the curriculum and instruction of 120 tenth grade students.

ACTIVITIES

1998 Director, Challenge for Charity Talent Show, fund-raising event at the Haas School of Business.

1995-97 Volunteer, Project Compute, Seattle, program to assist economically disadvantaged youth.

1985 -99 Shotokan Karate. Attained rank of 2nd degree black belt.

Source: Ashesi University

Exhibit 3
Excerpts from Feasibility Study Results

A market analysis conducted in Ghana by a team of graduate students from the UC Berkeley Haas School of Business in May 1998 shows that there is significant demand for private university education in Ghana.

In order to assess and characterize the demand for a new private university, the team conducted surveys, focus groups and informal interviews. The sample sizes for surveys included approximately 2,800 students from nine secondary schools and two universities, and 500 parents of school-age children. Pricing information was measured through surveys of three different groups: parents, current university students, and individuals actively seeking educational opportunities abroad, as measured by their attendance at information sessions at the United States Information Service (USIS) in Accra. The team also conducted two focus groups –one with a focus on business peoples' perspectives and the other with a focus on parents' perspectives.

The research project measured preferences and price sensitivity of students and parents, as well as the needs of the Ghanaian business community. Below is a summary of our key findings,
Curriculum: The research data indicates an overall preference for a four-year program that strikes a balance between technical expertise and theory on one hand, and general professional and critical thinking skills on the other. Students and parents surveyed also gave high priority to modern computer and library facilities. Integration of computer literacy into all parts of the program was encouraged.
Reputation/Image: Although international teachers were not a priority, visiting professors from foreign and domestic universities as well as the domestic private sector were considered important in forming a good, credible reputation for the school. Other factors that were considered effective in establishing such a reputation included official accreditation from foreign and domestic accreditation bodies; affiliations with established universities and the business community; a strong on-going relationship with business leaders; and the success of the school's graduates in industry.
Location: Students and business people indicated a strong preference for the school to be located in the Greater Accra region.[8]
Tuition Fees: Parents expressed a willingness to pay for the current public university system and to pay even more for a private education.

Using data from the survey, a regression analysis was used to build a model for predicting expected enrollment, depending on price point. Since Ashesi will start as a non-residential school and then move to a residential campus in its fourth year of operation, it is useful to consider different demand curves for a residential vs. non-residential school. As shown in figures IV.1a and IV.1b, the demand for a non-residential school is slightly lower than that for a residential school. Furthermore, the measured demand curves indicate that the sharpest drop in the percentage of people who would be willing to pay the stated price is measured in the $2,000 to $4,000 price range (i.e., price sensitivity is highest within this range of prices).

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[8] This includes both Accra, Ghana's capital, and Tema, which lies 17 miles east of Accra.

Exhibit 3
Excerpts from Feasibility Study Results (continued)

Figure IV.1a: Regression Analysis
Price Sensitivity for a Non-Residential Private University in Ghana
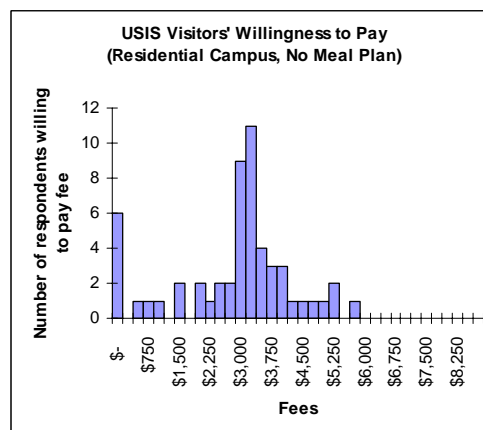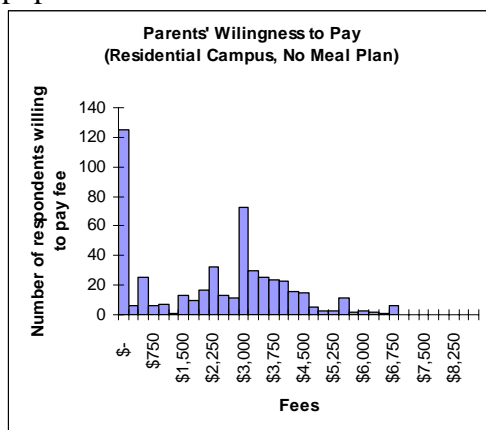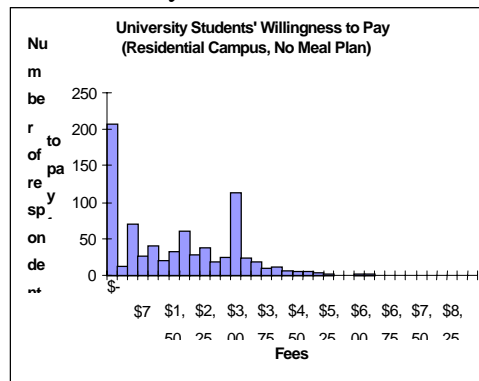

Regression Analysis
Dependence of Enrollment on Price
(Non-Residential School)

$$y = -5031.6x + 4402.6$$
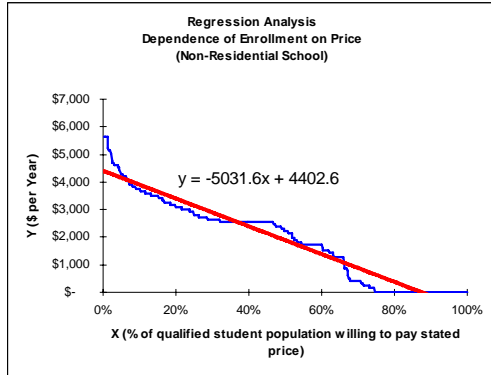
Figure IV.1b: Regression Analysis Price Sensitivity for a Residential Private University in Ghana (assumes no meal plan)

Dependence of Enrollment on Price
(Residential School, No Meal Plan)

$$y = -5837.5x + 5115.9$$
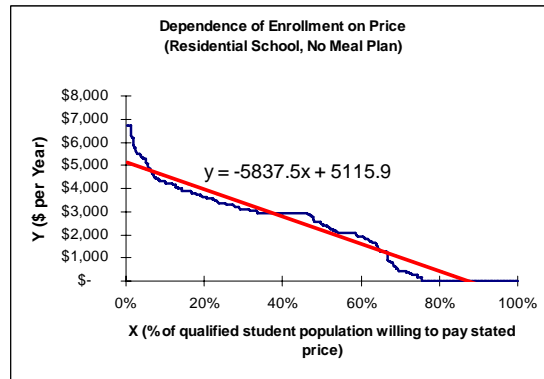
Figure IV.2: Frequency Analysis: Price Sensitivity for University Education in Ghana

In spite of the precedent set by heavy subsidization of the public schools, 76 percent of current university students surveyed indicated that they would be willing to pay some amount of money for a private education.

The most frequently chosen price-points were remarkably similar for all three groups. The consistency of the pattern that emerged from three different samples provides an additional measure of confidence that the results of this survey can serve as a good proxy for the entire population.

University Students' Willingness to Pay
(Residential Campus, No Meal Plan)

Parents' Wilingness to Pay
(Residential Campus, No Meal Plan)

USIS Visitors' Willingness to Pay
(Residential Campus, No Meal Plan)

The frequency analysis complements the regression analysis by answering the question, "If we had to decide on the basis of a 'vote', which would be the most popular price point?" In this case, the answer shows that there are two price points, $0 and $3,000, that stand out as being popular among those surveyed.

Exhibit 4
Nina Marini's Resume in 1998

EDUCATION

1997– 1999	**HAAS SCHOOL OF BUSINESS, UNIVERSITY OF CALIFORNIA, BERKELEY, CA** Master of Business Administration Steering Committee Member, Inaugural Haas Technology Conference
1988– 1992	**HAVERFORD COLLEGE, HAVERFORD, PA** Bachelor of Arts, History President, Asian Students' Association; Student Director, Minority Scholars Program
1991	**LA SCUOLA DI LINGUA E CULTURA ITALIANA PER STRANIERI, SIENA, ITALY** Courses in Italian history and language

EXPERIENCE

Jun-Aug 1998 — **HEWLETT-PACKARD COMPANY, PALO ALTO, CA**
Summer SEED Intern, Corporate Tax Department
- Conducted survey to evaluate appropriateness of current inter-company pricing policy.
- Assisted in development of new inter-company royalty policy.

May-Jun 1998 — **ASHESI UNIVERSITY PROJECT, ACCRA, GHANA**
Consulting Team Member
- Measured and characterized the demand for a private, non-profit university in Ghana.
- Collected and analyzed primary and secondary data, including surveys, interviews, focus groups.

1995-1997 — **HORST, FRISCH, CLOWERY & FINAN INCORPORATED, WASHINGTON, DC**
Analyst.
- Performed financial statement, accounting and industry analysis regarding multinational corporate transfer pricing, accounting and economic issues.
- Prepared reports for and facilitated discussions with Japanese clients.

1992-1995 — **BRIDGESTONE CORPORATION, TOKYO, JAPAN**
Corporate Communications Department
- Represented company to foreign and domestic customers, media, and analysts.
- Created English and Japanese PR material; organized press meetings and interviews.
- Planned and supported public relations activities of subsidiaries in over 20 countries.
- Reported to Japanese senior management on foreign media coverage of industry issues.

1991 — **AT&T JAPAN LTD., TOKYO, JAPAN**
Research Assistant, Business Development Division Math
- Researched U.S. firms' potential in emerging sectors of Japanese electronics market.

1990 — **INTERNATIONAL EDUCATION SERVICES, TOKYO, JAPAN / WALNUT CREEK, CA**
Organized and implemented exchange program for Japanese students in the U.S.

LANGUAGES

Fluent in spoken and written Japanese, conversant in Italian

Source: Ashesi University

Exhibit 5
Excerpts from Original Ashesi Business Plan—May 1999

II. THE CHALLENGE

The Republic of Ghana, formerly known as the Gold Coast, was a British colony until March 6, 1957 when it became the first African country to gain independence. Shortly thereafter, Ghana fell into economic decline fueled by political instability and poor economic policy. Economic recovery began in the mid-1980s with the introduction of free-market economic reform, and was further boosted in the 1990s when a constitutional multi-party democracy was introduced. With a relatively stable political system and 5% GDP growth in the 1990's, Ghana is currently considered a potential African success story.

Today, Ghana's university system is in a state of crisis. It consists almost exclusively of public universities, which face several critical problems. First, they do not have sufficient capacity to meet demand. About 80,000 students take university entrance exams, of which approximately 26,000 students are assigned passing grades. Of the 26,000 students who pass, 8,000 are admitted to attend one of the five public universities. However, the public universities are so severely backlogged that "accepted students" are put into a two-year queue before they actually start school. At the University of Ghana, Legon, dormitory rooms originally designed for one or two students now house four or five students. Second, the public schools have an outmoded curriculum that depends heavily on rote memorization and does not provide practical experience. Graduates of the public schools do not have the skills needed to thrive in a free-market economy. Third, the public schools' infrastructure is in decay. Fourth, teachers and staff are poorly compensated and are thus not appropriately motivated. Few people choose to pursue careers in academia in Ghana, and the public schools have been compelled in recent years to call back retired teachers.

To ensure the success of ongoing economic and political reform in Ghana, the educational system must be overhauled to produce graduates who not only thrive in a free market economy, but who also have the ethical and social perspective necessary to lead Ghana – and Africa – into the 21st century.

Exhibit 5
Excerpts from Original Ashesi Business Plan—May 1999 (continued)

III. OUR VISION OF HIGHER EDUCATION IN GHANA

To help strengthen the new democracy and free-market system in Ghana, we propose establishing a western-style liberal arts school in Ghana whose mission is:

- *To train a new generation of African leaders who excel in scholarship, entrepreneurial leadership, and citizenship.*
- *To cultivate life-long learning, concern for others, and the courage to think new thoughts.*

The three principles of scholarship, leadership, and citizenship will guide Ashesi University's selection of students, faculty and staff, and will be the defining attributes of the school's graduates. First, the school will maintain the highest academic standard available in Ghana by placing high priority on attracting the best faculty possible, giving high priority to teaching excellence, and providing a strong liberal arts curriculum appropriately bolstered by the use of technology. Second, the school will place priority on providing practical experience to its students, through extensive use of class projects that give students the opportunity to analyze and solve real-world problems. The school will also develop strong relationships with the business community and will seek to place all students in internships during vacation periods. Third, the school will remain engaged in the community and will seek to nurture a strong sense of community among its students. Students will be required to complete a community service project. Furthermore, on-campus housing for students will provide an environment that nurtures a sense of community and encourages dialogue between students of different ethnicity and economic backgrounds. Fourth, Ashesi will attach great importance to ensuring equal participation by men and women and will use scholarships as a tool for ensuring a balanced student population. Fifth, Ashesi will prioritize the maintenance of high ethical standards within its student body, faculty, and administration. Sixth, the administrative function of the school will have a decidedly business tone and will pay particular attention to financial management and business strategy. Strong financial and business management will be as important as pedagogy in ensuring the long-term success of the school.

Source: Ashesi University

Exhibit 6
Advisors for Curriculum Development—June, 1999

Business Administration Academic Council
The business administration academic council meets at the University of California at Berkeley's
Haas School of Business. The following faculty and staff members (listed alphabetically) at the
Haas School serve on Ashesi's business administration academic council:

Name	Title
Jennifer A. Chatman, Ph.D.	Associate Professor
David H. Downes, Ph.D.	Director of MBA Program
Dan Himelstein. M.Sc.	Director of Undergraduate Business Program
Dwight M. Jaffee, Ph.D.	Professor
Jonathan S. Leonard, Ph.D.	Professor
Richard K. Lyons, Ph.D.	Associate Professor
Andrew W. Shogan, Ph.D.	Associate Dean of Instruction
Brett M. Trueman, Ph.D.	Professor
David J. Vogel, Ph.D.	Professor
James A. Wilcox, Ph.D.	Professor
Russell S. Winer, Ph.D.	Professor

Liberal Arts Academic Council
The liberal arts advisory council will meet at Swarthmore College in Pennsylvania. Recruiting
for faculty and staff to serve on the liberal arts academic council is in progress.

Computer Science Academic Council
Recruiting is still in progress for the computer science academic council.

Other Advisors
In addition to the formal academic councils, the following people have also agreed to give advice
on Ashesi's curriculum (listed alphabetically by organization/school and last name).

School/Organization	Name	Department
Columbia University, New York	Kenneth Leonard, Ph.D.	Economics
Fuel & Combustion Technology Int'l , Malvern, Pennsylvania	Akwasi A. (Kwesi) Boateng, Ph.D.	
Moravian College, Pennsylvania	Cliff Kussmaul, Ph.D.	Computer Science
Swarthmore College, Pennsylvania	Erik Cheever, Ph.D.	Engineering
Swarthmore College, PA	Fred Orthlieb, Ph.D.	Engineering
Virginia State University	Kwaku Bawuah, Ph.D.	Economics
Virginia State University	Samuel Gyapong, Ph.D.	Economics

Source: Ashesi University.

Exhibit 7
Student Enrollment Statistics

Ashesi University Enrolment

Ashesi University Enrolment
Fulltime Students
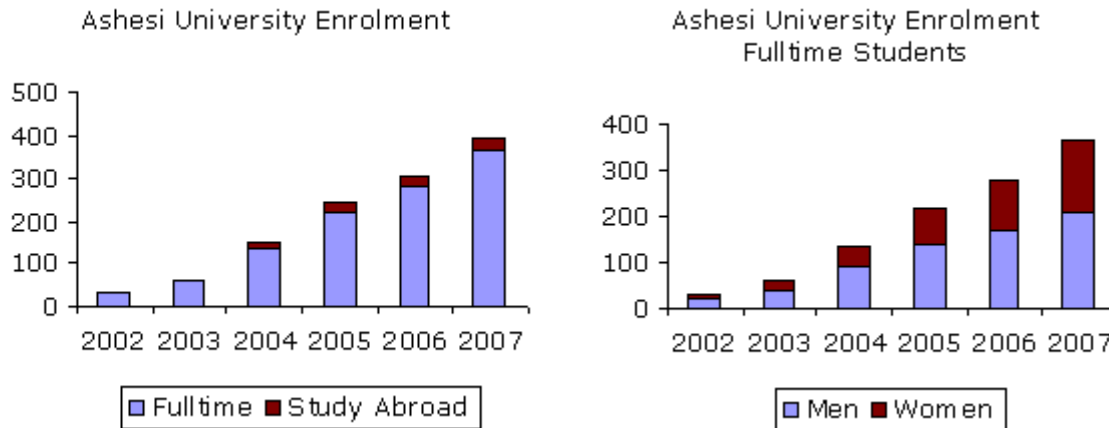
Graduting Class	2005		2006		2007		2008		2009		2010		2011	
Year Enrolled	2002		2003		2004		2004		2005		2006		2007	
Total Applicants	156		224		257		107		480		469		536	23%
Offered Admission	53	34%	79	35%	102	40%	39	36%	154	32%	138	29%	128	24%
Total Enrolled	31	58%	41	52%	54	53%	29	74%	90	58%	102	74%	100	78%

Student E Nrolment	2002	2003	2004	2005	2006	2007
Full Time Students (Aug-Dec)	30	60	136	218	280	365
Male	73%	68%	65%	65%	60%	58%
Female	27%	32%	35%	35%	40%	42%
Study Abroad Students	- -	- -	16	23	24	29
Countries Represented	Benin, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Kenya, Lebanon, Liberia, Nigeria, Palestine, Sierra Leone, Sudan, Togo, United States of America					
Ghanaian Students	80%					
International Students	20%					
Full Time Students Receiving Financial Aid	50%					
Study Abroad Institutions	CIEE, NYU In Ghana					
Instructional Faculty	28					
Administrative Staff	18					

Source: Ashesi University

Exhibit 8
Ashesi University Four-Year Curriculum

Semester	Business Administration	Management Info Systems	Computer Science
Year 1			
1 Aug - Dec	Text & Meaning	Text & Meaning	Text & Meaning
	Algebra & Pre-calculus**	Algebra & Pre-calculus**	Algebra & Pre-calculus**
	Expository Writing	Expository Writing	Expository Writing
	Statistics	Statistics	Statistics
2 Jan - May	Programming 1	Programming 1	Programming 1
	Leadership Seminar 1*	Leadership Seminar 1*	Leadership Seminar 1*
	Social Theory	Social Theory	Social Theory
	Microeconomics	Microeconomics	Microeconomics
	Calculus or Pre-calculus	Calculus or Pre-calculus	Calculus or Pre-calculus
Year 2			
1 Aug - Dec	Macroeconomics	Macroeconomics	Macroeconomics
	Quantitative Methods	Quantitative Methods	Quantitative Methods
	Leadership Seminar 2*	Leadership Seminar 2*	Leadership Seminar 2*
	Design	Programming 2	Programming 2
	Financial Accounting	Financial Accounting	Financial accounting or Finance for Non-Finance Mgrs
2 Jan - May	Negotiation	Negotiation	Negotiation
	Leadership Seminar 3*	Leadership Seminar 3*	Leadership Seminar 3*
	Introduction to Finance	Introduction to Finance	Data Structures & Algorithms
	Social Research Methods	Social Research Methods	Social Research Methods
	African Studies Elective	Discrete Math or Data Structures	Discrete Math
Year 3			
1 Aug - Dec	Organizational Behavior	Design	Design
	Marketing	Marketing	Computer Org & Architecture
	Managerial Accounting	Managerial Accounting	Programming 3
	Leadership Seminar 4	African Studies Elective	African Studies Elective
2 Jan - May	Business Elective	Database Management	Database Management
	Operations Management	Operations Management	Human Computer Interaction
	Int'l Trade & Policy	Web Technologies	Web Technologies
	Investments	Leadership Seminar 4	Leadership Seminar 4
Year 4			
1 Aug - Dec	Competitive Strategy	Competitive Strategy	African Studies Elective
	New product Development	Software Engineering	Software Engineering
	Corporate Finance	Advanced Database Systems	Computer Science Elective
	Entrepreneurship 1 or Thesis 1 or Applied Project / Elective	Entrepreneurship 1 or Thesis 1 or Applied Project / Elective	Entrepreneurship 1 or Thesis 1 or Applied Project / Elective
2 Jan - May	Business Law	Ecommerce	Computer Science Elective
	Business Elective	Networks & Dist. Computing	Networks & Dist. Computing
	African Studies Elective	Systems Administration	Systems Administration
	Entrepreneurship 2 or Thesis 2 or Applied Project / Elective	Entrepreneurship 2 or Thesis 2 or Applied Project / Elective	Entrepreneurship 2 or Thesis 2 or Applied Project / Elective

* 1/2 units ** 1.5 units | Electives will depend on student interest and faculty availability

Source: Ashesi University

Exhibit 9
Ashesi University Financial Statements—2002 to 2007

	2002	2003	2004
Tuition Fees	89,648	246,878	470,244
Other Income	3,638	4,262	42,835
Total Income	93,286	251,141	513,080
Administrative Expenses	520,457	601,999	872,342
Operating Deficit	(427,171)	(350,859)	(359,262)
Donor Support	591,919	424,098	445,576
Net Surplus After Donor Support for period transferred to accumulated Fund	164,748	73,239	86,314

Exhibit 9
Ashesi University Financial Statements—2002 to 2007 (continued)

Statement of Financial Position	Dec 31, 2007	Dec 31, 2006	Dec 31, 2005
Current Assets:	(Pre-audit)	(Audited)	(Audited)
Checking & Savings	$ 260,682	$ 134,496	$ 157,642
Accounts Receivable	33,257	161,096	81,759
Other Current Assets	213,795		
Total Current Assets	507,734	295,592	239,401
Total Fixed Assets	442,778	425,196	432,800
Total Student Loans Defferred	447,314	400,624	260,715
Total Assets	**$ 1,397,826**	**$ 1,121,412**	**$ 932,916**
Liablilities & Net Assets:			
Accounts Payable	130,876	196,304	156,309
Deferred Tuition & Grants	448,143	400,624	269,304
Net Assets	818,807	524,484	507,303
Total Liabilities & Net Assets	**$ 1,397,826**	**$ 1,121,412**	**$ 932,916**

Statement of Activities	Jan-Dec 2007	Jan-Dec 2006	Jan-Dec 2005
University Fee Income:			
Tuition Fees	$ 1,469,889	$ 1,129,706	$ 826,751
Less Financial Aid	(396,540)	(345,862)	(268,386)
Other Income	176,384	99,107	96,941
Total Fee Income *	1,249,733	882,951	655,306
Administrative Expenses:			
Salaries and Benefits	372,946	338,160	273,104
Contractor & Professional Fees	249,431	147,915	94,215
Rent & Occupancy	296,170	302,050	216,486
Depreciation & Amortization	189,256	187,029	161,995
Other Operating Expenses	237,770	281,157	219,875
Total Administrative Expenses	1,345,572	1,256,310	965,675
Net Operating Surplus (Deficit)	**$ (95,840)**	**$ (373,359)**	**$ (310,369)**
Other Income:			
Foundation, Government & Deferred Grants	339,162	390,545	384,205
Net Surplus (Deficit)	**$ 243,322**	**$ 17,186**	**$ 73,836**

Source: Ashesi University

Exhibit 10
Ashesi Financial Projections—2008-2012

Ashesi University is expected to achieve operational sustainability in 2009 for academic programs. Operational sustainability means that the university's tuition revenues will fully support operating expenses, including depreciation of equipment and furniture.

Tuition revenues will grow by 22% over the five year period, with expenses growing 18% over the same period. Growth in tuition revenue will be driven by increased student enrollment coupled with increases in tuition fees to accommodate inflation. Growth in expenses will be driven by inflation and incremental quality improvements such as hiring more full time faculty.

University Net Income Projections
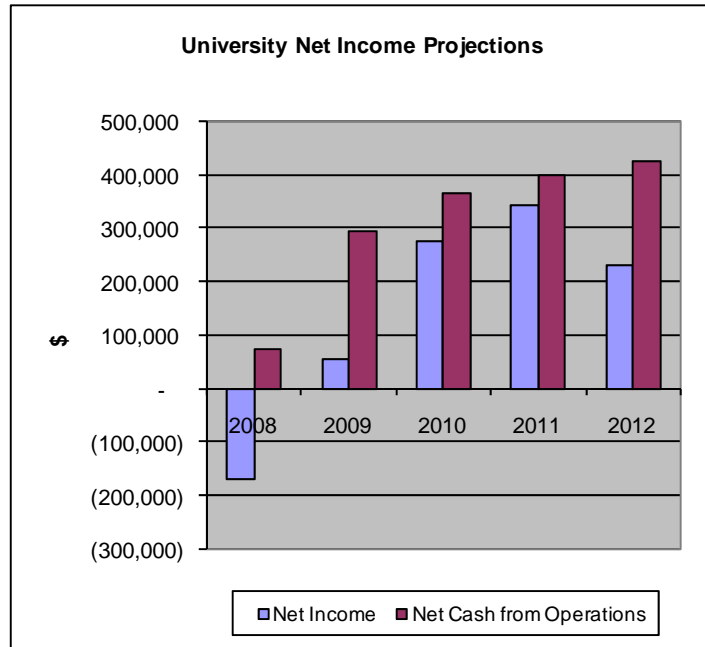
	2008	2009	2010	2011	2012
Tuition fees	$5,321	$5,587	$5,867	$6,160	$6,468

Ashesi University - Profit & Loss

	2008	2009	2010	2011	2012	2013
Year / Month(s)	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec
Ordinary Income/Expense						
Income						
4000 · Tuition Fees						
Total 4100 · Tuition Fees-Current	1,918,155	2,243,208	2,416,830	2,537,671	2,664,555	2,796,514
4130 · Deferred Tuition Earned	25,430	37,001	65,597	92,661	114,418	135,446
Total 4150 · Less - Financial Aid	(592,793)	(654,160)	(705,708)	(740,993)	(778,043)	(816,945)
Total 4000 · Tuition Fees	1,350,792	1,626,048	1,776,719	1,889,339	2,000,931	2,115,015
4200 · Total Local Other Income	216,747	244,499	257,032	270,123	283,726	297,962
Total Income	1,567,539	1,870,547	2,033,751	2,159,462	2,284,656	2,412,977
Operating Expense						
Total 6000 · Personnel Expenses	683,631	714,513	746,790	780,525	815,784	852,636
6140 . Recruiting Expense	10,365	10,834	11,324	11,836	12,370	12,930
Total 6200 · On-Campus Contractors	63,090	65,942	68,922	72,038	75,294	78,697
Total 6300 · Professional Fees	124,213	142,198	153,779	165,286	177,833	191,520
Total 6400 · Supplies	36,500	42,144	47,663	52,429	57,672	63,439
Total 6500 · Postage & Delivery	1,990	2,189	2,408	2,649	2,914	3,205
6550 · Printing & Reproduction	-	-	-	-	-	-
6570 · Periodicals, Sub & Dues	28,639	31,503	34,653	38,118	41,930	46,123
Total 6600 · Occupancy	351,970	357,860	379,009	399,494	419,853	441,912
Total 6700 · Travel & Entertainment	22,630	24,893	27,382	30,121	33,133	36,446
Total 6800 · Marketing & Promotion	76,302	76,302	76,302	76,302	76,302	76,302
6850 . Total Repairs and Maintenance	45,472	52,504	59,379	65,317	71,848	79,033
Total 7100 · Equipment Expenses	22,711	24,982	27,481	30,229	33,251	36,577
7200 · Insurance	10,138	11,152	12,267	13,494	14,843	16,327
7270 · Licenses & Permits	-	-	-	-	-	-
7500 · Bank Service Charges	4,065	4,472	4,919	5,411	5,952	6,547
7600 · Exchange Rate & Other Variance	-	-	-	-	-	-
7890 · Miscellaneous	13,520	14,872	16,359	17,995	19,795	21,774
7980 · Depreciation & Amort Expense	243,185	240,462	88,734	53,425	194,584	225,303
Total Expense	1,738,422	1,816,822	1,757,371	1,814,667	2,053,358	2,188,772
Net Ordinary Income	(170,883)	53,726	276,379	344,795	231,298	224,205

Source: Ashesi University

Exhibit 11
Career Placement Statistics

Class of 2005	Class of 2006
90% placement within 3 months	97% placement within 3 month

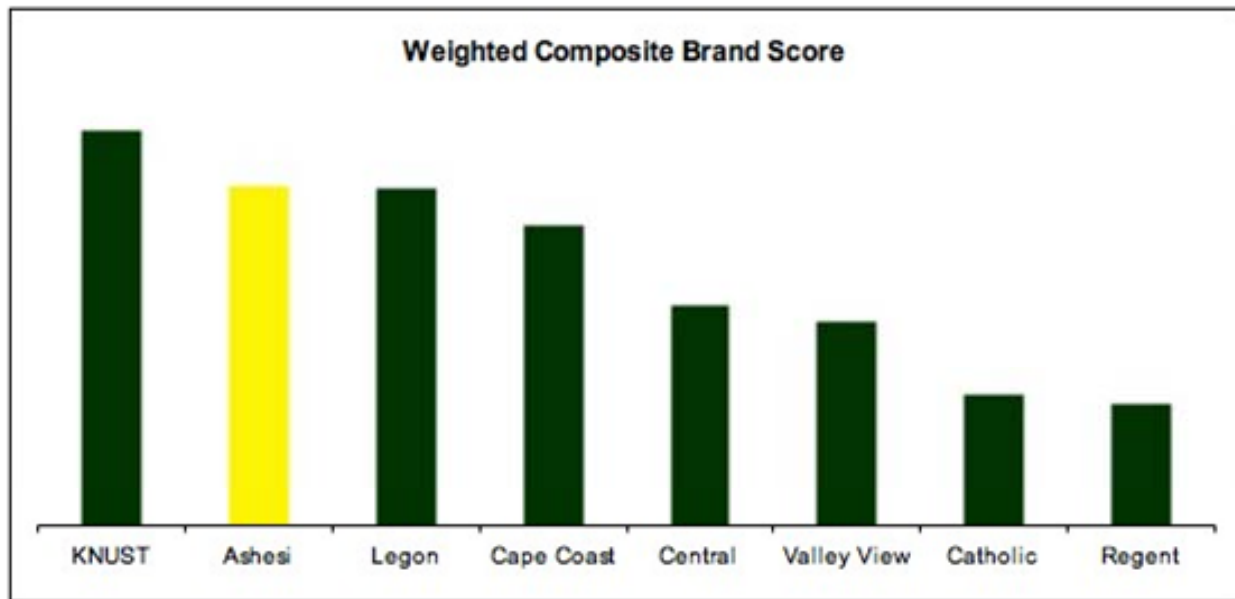| Class of 2007	
97% placement within 3 months	

Source: Ashesi University

Exhibit 12
Corporate Ratings of Various Ghanaian Universities

Corporate Rating of Student Quality
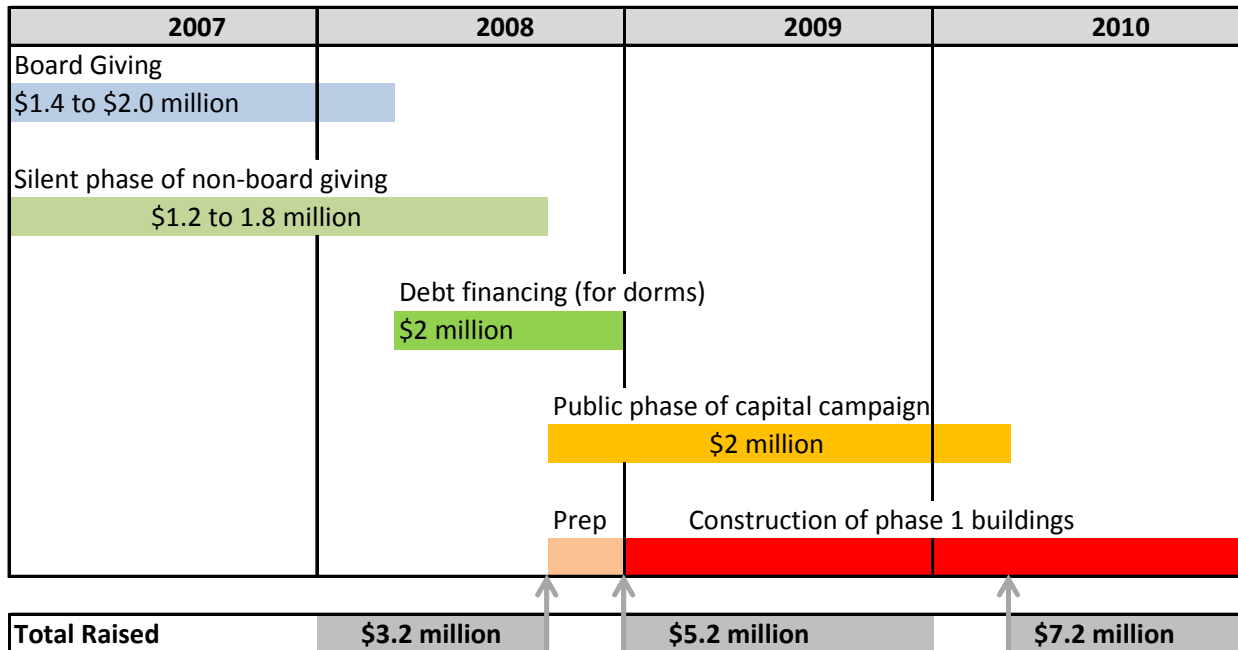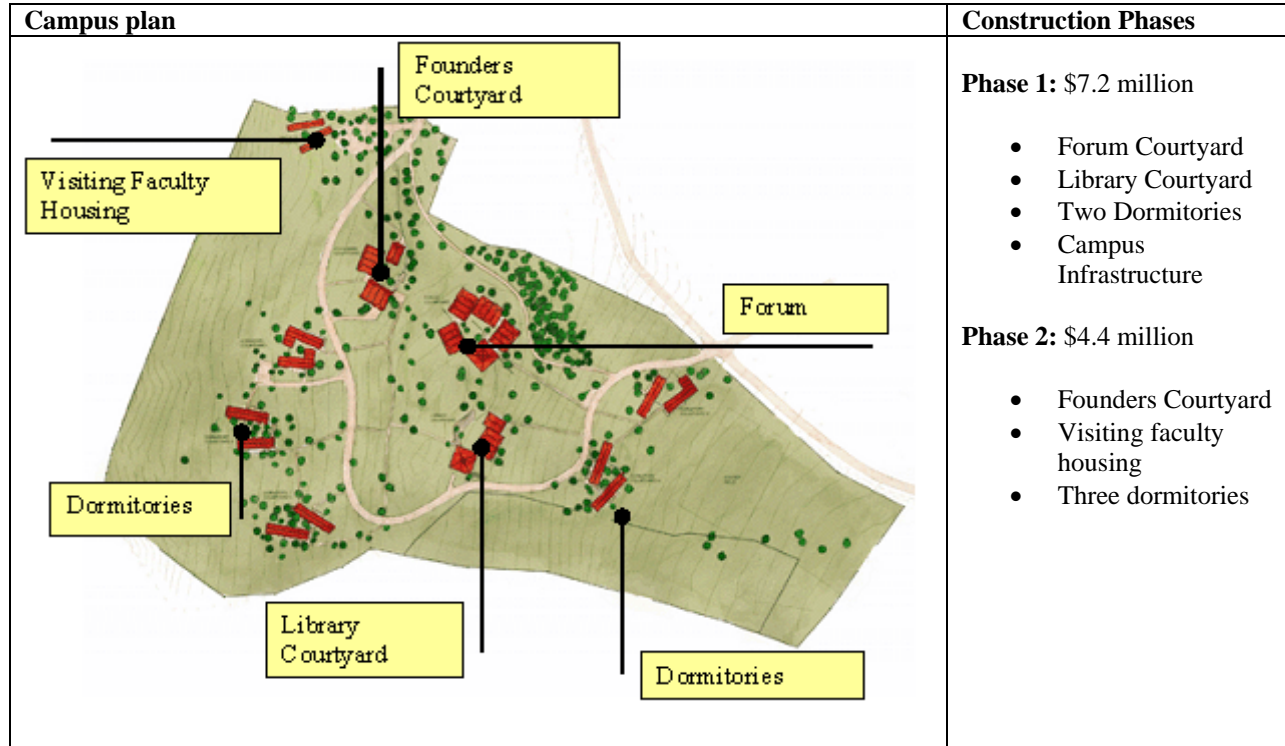(as % of respondents indicating above average)
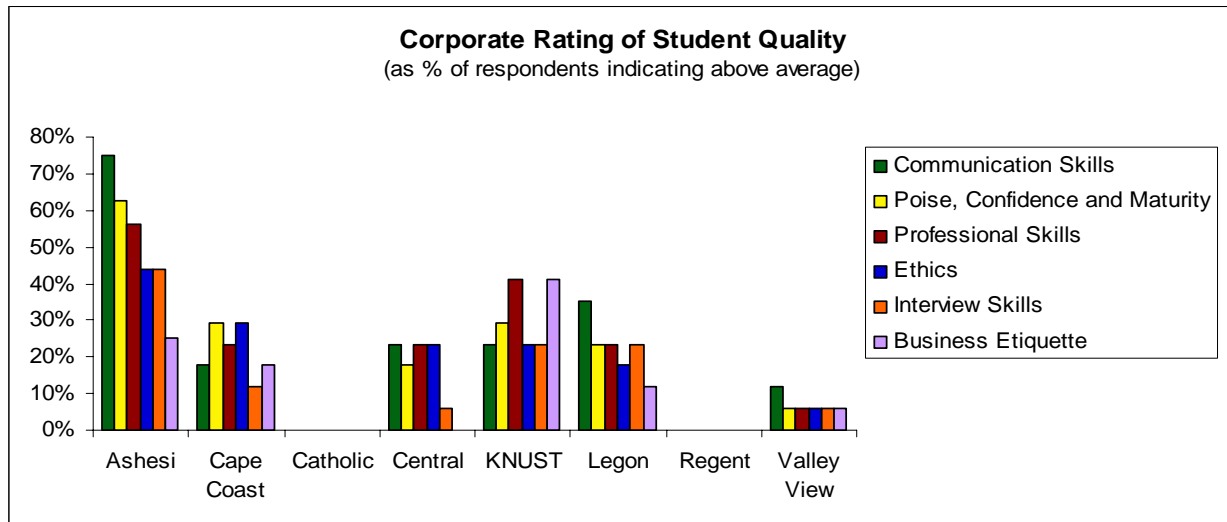
Source: Ashesi University

Exhibit 13
Ashesi's Brand Equity
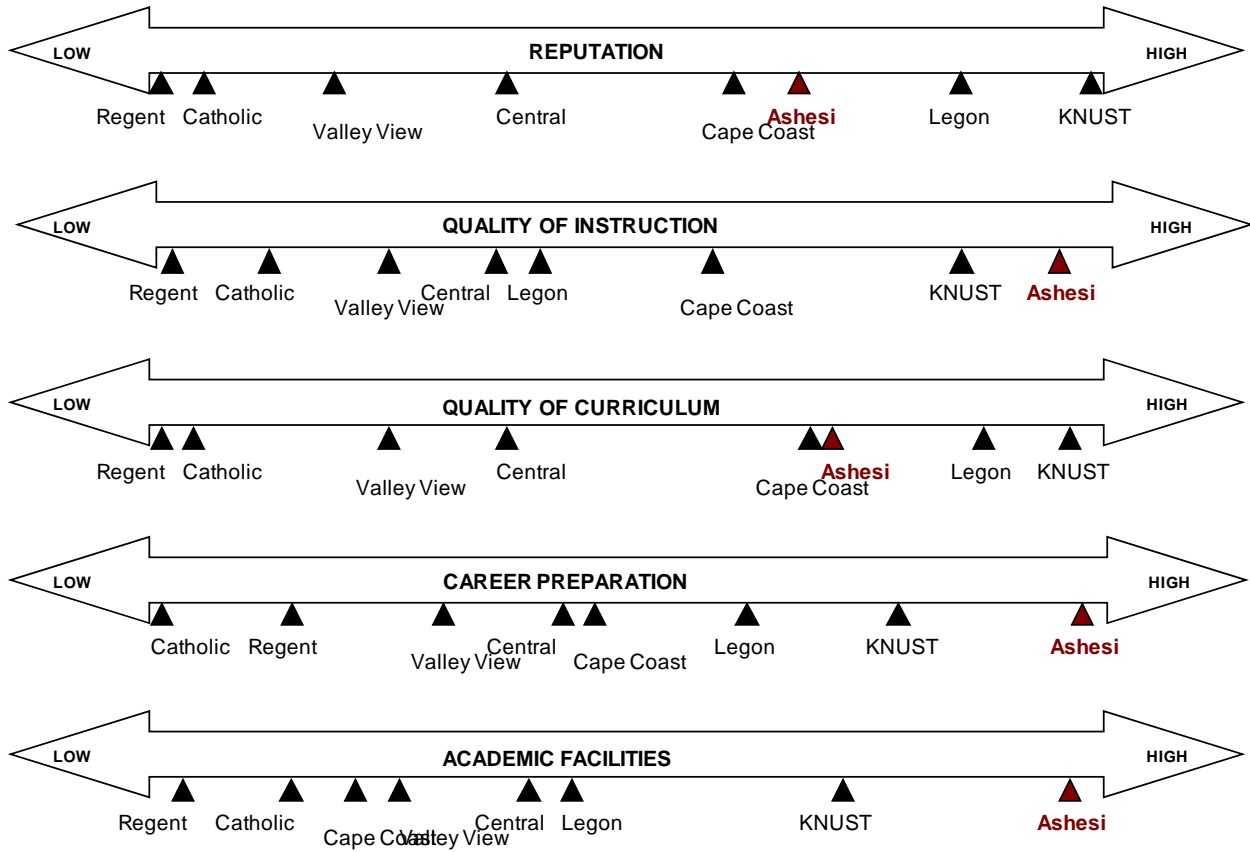
Source: Ashesi University

Exhibit 14
Permanent Campus Plan and Fund-Raising Timeline

Campus plan	Construction Phases
Founders Courtyard / Visiting Faculty Housing / Forum / Dormitories / Library Courtyard / Dormitories	**Phase 1:** $7.2 million • Forum Courtyard • Library Courtyard • Two Dormitories • Campus Infrastructure **Phase 2:** $4.4 million • Founders Courtyard • Visiting faculty housing • Three dormitories

2007	2008	2009	2010

Board Giving
$1.4 to $2.0 million

Silent phase of non-board giving
$1.2 to 1.8 million

Debt financing (for dorms)
$2 million

Public phase of capital campaign
$2 million

Prep   Construction of phase 1 buildings

Total Raised	$3.2 million	$5.2 million	$7.2 million

Source: Ashesi University