



Networking

Fighting Africa's Brain Drain

Victoria Barret, 05.26.08, 6:00 AM ET

Fred Swaniker says he isn't a schmoozer: "You probably wouldn't notice me at a cocktail party. I tend to corner one person and tell them my story."

Yet this 31-year-old Ghana native has deftly networked his way into the hearts and minds of several of Silicon Valley's biggest names--and these names are helping him achieve his dream.

This September, Swaniker will officially launch the African Leadership Academy (ALA), a Johannesburg, South Africa, high school he hopes will create a new generation of entrepreneurs on a continent known for losing its best brains. His mission: Give African kids a network of successful peers to tap for job opportunities, mentoring and career guidance.

In Pictures: 10 Great Schools For Networking

"I've seen the power of relationships in my career," says Swaniker, who has worked at consulting company McKinsey and is a graduate of Stanford's business school. "So many talented young Africans can't get far because they don't have those relationships. They may have an idea or a desire, but they don't have a connection to someone who can help them realize it."

With \$4 million in donations from Cisco Systems, former Hewlett-Packard Chief Carly Fiorina and Derek Schrier of San Francisco hedge fund Farallon, among others, Swaniker is launching his dream school. Last year he purchased a 20-acre former printing plant, which would become the site of ALA, and hired 20 teachers from top schools around the globe.

Swaniker opened admissions in January for the two-year boarding-only program, aimed at juniors and seniors in high school. The response was stunning: ALA received an astonishing 1,700 applications for 104 spots, making his school more competitive than Harvard or Stanford, which have 7.1% and 9.5% admission rates, respectively.

Students will hail from 29 countries, mostly within Africa. Several will come from St. Paul's and Andover, elite boarding schools in New England. To inspire budding leaders, ALA has compiled 200 case studies about African companies from top business schools. Swaniker is also recruiting executives to speak and teach seminars at the school.

The list of outside speakers, so far, includes turnaround expert and board member at UCLA's Anderson Graduate School of Management Tom Epley; hedge fund founder Thomas Barry; and Pfungwa Serima, who heads **Microsoft's** efforts in South Africa.

"Africa won't come out of poverty unless we become entrepreneurs. But we still cling to our colonial legacy, where you aspire to [a] comfortable, secure civil job," says Swaniker. "We don't have a culture of risk-taking." He knows this first hand.

The son of Ghanaian parents, Swaniker lived in four countries in Africa before the age of 18. His father was a lawyer and judge; his mother is an educator. He went to Macalester College in Minnesota and worked at McKinsey before going to business school at Stanford University.

His epiphany for ALA came when he was working on a microfinance project in 2003. "I met families who were spending \$50,000 to send their kids to top schools in the U.K., and [I] wondered, 'Why are we paying so much to send our kids to study overseas?'" he says.

Swaniker returned to Stanford energized to launch a school. But there was a big obstacle: His employer, McKinsey, paid his \$124,000 tuition with the condition that he return to work after graduating. So Swaniker planned to delegate his idea of starting a school.

After he graduated from Stanford, Swaniker took a nine-month leave of absence from McKinsey with the intention of hiring someone else to launch his school. Instead, in October 2004 he wound up quitting McKinsey and committed to paying back the full \$124,000 tuition credit to his former employer. "I realized I couldn't outsource my dream," he says.

His first backers were two managers from McKinsey. He used their funds, in part, to pay off his debts to the company. Then he struggled to get support from someone he thought would offer it up instantly: his mother. Edna Wilhermina Swaniker started a school in Botswana and has been an educator for 29 years. But she didn't speak to Swaniker for nine months after he told her of his plans.

"I wasn't too pleased. He was making such good money, and then he wants to come back?" says Swaniker's mother. For several months he stayed on friends' couches while traveling to raise funds. In the summer of 2005, his mother relented and began giving him pieces of what would total a \$100,000 donation to help hire staffers.

Swaniker put his theory about the importance of networking into practice. He tapped colleagues and classmates to find sponsors. "You meet people, and you're not thinking that one day they'll help you out. But then you decide to share your dream, and these people come out of the woodwork," he says.

A Stanford business school alumna, Kim Smith, of New School Ventures, introduced Swaniker to Deborah Dunn, who once headed Hewlett Packard's corporate citizenship program. Dunn encouraged Carly Fiorina to meet with Swaniker, and she agreed. "The emphasis on bringing people back to Africa to solve problems is really appealing to me," says Fiorina, who went to high school in Ghana. She has contributed to ALA through her foundation.

To find top students, Swaniker hired five scouts to visit high schools across Africa. This costly, on-the-ground effort yielded 15% of his final applicants. One out of five schools didn't allow visits. Much more successful: Swaniker wrote to 1,600 headmasters and asked for nominations. A third responded with student names, and that list has led to 85% of ALA's applicant pool.

This fall, 80% of ALA's students will pay nothing to attend. (The other 20% will subsidize the \$16,000 tuition cost by paying \$30,000, for U.S. residents, and \$20,000, for Africans). But Swaniker isn't giving away full-ride scholarships. Instead, these kids will have "forgivable loans." When they turn 25, ALA will get in touch. If they're working in Africa, and plan to for at least 10 years, their debt to the school is waived. But if they're working anywhere but Africa, they'll owe full tuition, plus accrued interest.

"We want their talents back in Africa," says Swaniker.

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