

# Understanding the diversity of Africa is key to its growth

Africa is second only to south-east Asia in terms of economic growth over the past 15 years and understanding Africa in all its diversity, is fundamental to business excellence on the continent - and that means dispelling current myths and misconceptions of Africa as one homogeneous continent.



Mandla Shezi, CEO of Hollard International.

This was the key takeout of a special media roundtable event hosted by the Hollard Insurance Group, on the subject of *Business excellence and risk mitigation in Africa: the vital link*.

The event, held at Hollard's historical Villa Arcadia campus on 30 November and also streamed live to viewers around the continent, highlighted Hollard's sponsorship of the Company of the Year category in the 8<sup>th</sup> All Africa Business Leaders Awards (AABLA), won the previous evening by Ethiopian Airlines.

The roundtable featured a distinguished group of speakers, including:

- Sam Bhembe, head judge for the AABLAs, who spoke about the rationale for the awards.
- Peter Mountford, CEO of Super Group and winner of the 2018 AABLA Business Leader of the Year category, who provided a personal reflection on what the awards mean to winners.
- Keynote speaker Professor Adrian Saville, founder and CE of Cannon Asset Managers and director of the Centre for African Management and Markets at GIBS, who addressed current trends and challenges for business in Africa.
- Mandla Shezi, CEO of Hollard International, who spoke about lessons Hollard has learned in doing business in Africa.
- Sarina de Beer, director: client experience at research firm Ask Afrika, who spoke about what customer-centricity really means in the context of an "opportunity market".

Bhembe told the audience that the thinking behind the awards, an initiative of the ABN media group, was "to show the world what Africa has to offer" in the business realm.

Importantly, he said, the AABLAs have set verifiable standards against which African companies can now be measured and benchmarked against their peers. The awards have now also been in existence for long enough that companies' performance over time can be assessed.

"It is my firm belief that we are growing companies that will compete globally," he said.

Mountford, who spoke on the need for African businesses to overcome, "almost an inferiority complex in Africa; an unfounded belief that they are not globally competitive", agreed with Bhembe.

"As Africans we should stand up and say, 'We can compete, and we can deliver excellence to the rest of the world,'" he stated.

Saville, using the example of cartographers drawing wild animals in place of towns on early maps of Africa to fill gaps, said, "I think there's a tragedy in this, because it's the way it's mapped still... It is impossible to talk of Africa as a single place and the gaps in knowledge are vast."

Because of this, Africa is persistently "caricatured" as one entity, often portrayed as either a "dark" or "hopeless" continent or collectively "rising". Which belies the many changes and challenges on the continent.

In discussing major economic transformation in other parts of the world – including in China, Costa Rica, Estonia, Singapore, Poland, Chile, Germany, Japan and South Korea – he listed a "six pack" of conditions such countries have in common:

1. Elevated saving rates and functional investments
2. Demography – in particular, a young population
3. Policy and institutions – more specifically, policy stability and capable institutions
4. Education
5. Health
6. Openness or economic connectedness

## **Fastest growing economies are in Africa**

Saville then described a number of African success stories and highlighted the fact that Africa is second only to south-east Asia in terms of economic growth over the past 15 years. He revealed that Ethiopia and Rwanda have had the world's fastest-growing economies for the past 15 years; that Kenya has improved its position on a global ease-of-business index by 21 places; and that sub-Saharan Africa enjoys economic growth that is 2% higher than the rest of the world.

Shezi, whose Hollard international division currently operates in seven African territories, used a series of maps to illustrate perceptions of Africa. Global corporates see it as one "dark" continent; more enlightened players may differentiate between North Africa and sub-Saharan Africa; and South African companies tend to segment much of it as extensions of their own country – or struggle to see South Africa as part of the continent at all.

"These things, while they seem clichéd, shape how you do business in Africa," he said, before explaining that it was necessary to look past economic indicators and factor in such elements as existing brand presence, accessibility, big cities, networks, regulation and, above all, people – including partners, customers and suppliers.

“There is no single way to do business on the continent,” Shezi argued. “We have to understand customers, we have to understand suppliers and we have to understand the nature and role of all other stakeholders in each individual market.”

## **Poor understanding of customers in Africa**

In her presentation, De Beer argued that Africa is plagued by poor understanding of customers and customer segments, what drives them politically and socially, and why they spend the way they do. This has a negative impact on organisations’ ability to meet consumer needs.

Trust and emotion are also very powerful customer drivers, she argued. Trust is dropping because customers don’t feel heard, as is people’s emotional satisfaction with brands.

“If we want to be customer-centric, then we really need to understand consumers,” she said. That meant not over-simplifying customer segments and adopting an authentic approach based on true customer understanding, and building trust.

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