GROWING PROJECT MANAGEMENT IN AFRICA

PMSA National Conference
29 September - 01 October 2014

DOING BUSINESS IN AFRICA

BUSINESS CULTURE
INTRODUCTION: THE PAST- AFRO PESSIMISM

A lack of understanding of business culture diversity is one of the biggest hindrances to success. Africa's past has shaped the way it works. Africa: 55 countries, experiences vary widely. Colonial legacies influenced business by creating artificial boundaries, this led to decades of strife, natural disasters and poor leadership resulting in a poor continent. Fifteen years ago, someone said “business and Africa is a paradox.”
INTRODUCTION: AFRO OPTIMISM

In 2001, the economist magazine called Africa “the hopeless continent”
Local Afro: optimism Give us trade not aid; Growing confidence in the fact that our time h
Rapid increase in foreign direct investment; in 2006 investment surpassed aid for the first
African businesses moving from just being traders into building corporations
Growing enlightened middle class; Growing sense of “the African way.”
South African business expansion
China in Africa (and India, Brazil, USA, etc)
AFRICA OPEN FOR BUSINESS by Carol Pineau.
Time Magazine: “10 ideas changing the world right now: Africa, open for business”
In 2011, The Economist Magazine said “Lions on the move.
KEY ISSUES INFLUENCING BUSINESS CULTURE

Colonial legacy
Skills deficit
Corruption and crime
Disease and health
Poor service delivery
Ethnicity and race
Inefficiency in leadership and decision making
Agitation for local empowerment (BBBEE, Local content, indigenization, etc)
COMMON TRAITS

- Business is relational
- African time vs Swiss time; Time is like a flowing river
- Politics and business are greatly related, political capital plays a key role in the success of most businesses
- Social capital is important too.
- Weak social justice. Businesses need to rely on internal systems to create fairness.
Youthful workforce and customers. Due to wars etc, Africa is a young continent. A growing demand for localization, local content, local empowerment. Poor infrastructure in many parts. Travel between countries is tricky - land borders should be avoided as much as possible. A large second economy. Spontaneous decisions, little planning, unstructured.
KEY TIPS

Understand the culture; avoid “one size fits all approach.”
Conduct proper research
Relationship building is key
Prepare and plan for serious challenges
Manage expectations properly
Take a mid to long term view and plan accordingly
THE UNIQUE “DIVERSITIES”
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Welcome to the future!