Your essential guide to de-risking Africa
Unlocking the value in Africa
Clear choices of where to play and **how to win**
Clear choices where to play and how to win

Organisations considering:
- Investing in Africa: Global Multinationals and South African companies
- Growing African footprint
- You are in Africa: Looking for growth opportunities

Entry into Africa

Understanding the opportunity landscape

Conduct market entry assessment:
- Environmental analysis
- Competitive analysis
- Customer analysis
- Regulatory environment assessment
- Distribution and sales channel assessment
- Internal product & capability assessment
- Tax implications identification
- Products/services assessment
- Market opportunity identification

Conduct security risk assessment

In Africa

Consideration of tax and incentives, risks and opportunities

Entry through establishing own in-country operations

Evaluate entry by merger and acquisition

Assess the need for transaction services and valuations
- Due diligence
- Valuations
- Tax due diligence

Assess the need for corporate secretarial services

Operationalise move into Africa

Post merger integration/new operation development

Managing your risks at an organisational level

Transaction occurs

Consider top 12 risks when operating in Africa

Changes in legislation & regulation
Corporate governance
Infrastructure
Information management
Catastrophes: Environmental, natural, social, political
Loss of reputation or brand value
Business interruption & supply chain
Thief, fraud & corruption
Third party
Human resources: talent, skills, expat
Business model/product adaptation
Cyber crime, IT failures, data breaches

African operations mobilised with controls and risk mitigation plans in place
Understanding the opportunity landscape

Essential truths
• Looking at only one indicator can give a wrong image of the market potential of particular markets.
• African macroeconomic data is often quite difficult to obtain and is sparsely populated.
• Where relevant data is available, it can take a lot of time and effort to obtain and ratify.
• Performing complex analysis and drawing key insights regarding the business environment in Africa is often difficult, time-consuming and requires key expertise in African economics and data analysis.
• Current analysis is often too high-level, and can often miss the key drivers of successfully doing business in Africa.

Immediate check points
• Do you have a view of what the key economic factors of doing business in Africa are?
• Why have so many foreign companies failed in their attempts to open up the African market? Why have some succeeded?
• What are the practical considerations a company should take into account when looking to expand into the African market?

“I am a great believer that if you know how to operate in Africa, there are unbelievable opportunities.”

Nicky Oppenheimer
(Former Chairman of De Beers)
Conduct market entry assessment

Essential truths

• Recognise that no one size fits all – Africa is a continent of disparate markets requiring differentiated and tailored solutions.
• Factor into your planning that it will take longer than you think to build and sustain Africa capability internally and externally.
• Understanding local perspective on business environment and regulatory issues, infrastructure provisions and the labour market are obvious factors to prioritise when setting a strategy for entering a market.
• You will need to systematically plan for new market entry and ensure that all the basic building blocks are in place.
• With Africa’s complexities and challenges, continuously monitoring and evaluating one’s strategy and planning for contingencies is particularly crucial.

Immediate check points

• Have you carefully considered your entry decision-making approach?
• Have you assessed strategic possibilities and potential markets?
• Have you mitigated the risk of strategy errors by conducting pre-entry analyses and selection of an appropriate mode of entry into different African markets?
• Have you considered building a long-term Africa strategy focused on developing key insights into the chosen market and its consumers... both today and how they will evolve?
• Are you confident in your ability to create and maintain a sustainable competitive advantage through a focused and disciplined execution approach?
• As part of developing your market entry strategy, have you considered industry analysis, market segments, size, growth potential, competitive landscape and alternate market entry options?

“Africa is the last growth frontier. It is the one place you want to be in if you run a business that requires a sustainable growth strategy.”

Kennedy Bungane
(CEO, Barclays Africa)
Conduct security risk assessment

“We are living in a world where everything is based on security.”
Alain Robert (French Athlete)

Essential truths
• Understanding and managing security risk is a key success factor in protecting people, process and infrastructure.
• Having a situational awareness of security risks and how it may effect your operation is a prerequisite.
• Organisational resilience is a commercial imperative; it’s the cost of doing business in Africa.
• Security risk in Africa is dynamic and covers the full spectrum from smallscale theft to regime change.
• Security strategies should map the full business life-cycle from market entry, business operations and market exit.

Immediate check points
• Do you understand threat factors capability and intent and how they influence the target attractiveness of your business?
• Are local, regional and country security risks continuously monitored and do contingency plans exist to cater for changes in the threat landscape?
• Do security controls actively support or hinder business?
• Do you know your duty of care obligations for local nationals and expats?
• Are there security, emergency & incident management, business continuity, medical emergency and relocation, hibernation & evacuation plans in place?
Consider tax and incentives risks and opportunities

“The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital... the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth in the economy.”

John F. Kennedy
(Past USA President and American politician)

**Essential truths**
- There are a vast range of hidden and unexpected withholding taxes and tax traps across the African continent.
- Multinationals doing business in Africa must consider the potential tax treatment of group structures, transactions and cash flows well in advance.
- Information sharing among African tax authorities is becoming a reality.
- Base erosion and profit shifting has become a highly charged political and ethical issue for multinationals operating in Africa.
- Various governments in Africa provide different forms of funding to assist manufacturing, mining and engineering concerns.
- Taking advantage of incentives creates an immediate cash benefit, often reducing effective tax rates and increasing EPS.

**Immediate check points**
- Have you structured your organisation, transactions and cash flows in such a way that tax leakage is minimised?
- Do you have clear insight into tax laws that will be applicable to you?
- Have you assessed your company’s opportunities in terms of using double tax treaties or a unilateral provision?
- Do you have an effective tax risk management process in place to cover African operations, including tax planning and strategy, compliance and reporting?
- Are your transfer pricing policies up to date and relevant for all jurisdictions?
- Are you aware of the grants and incentives available to your business?
- Within your organisation, do you possess in-depth technical knowledge of the various incentive programmes, including their rules and the relevant tax legislation and regulations as well as value?
Entry by manager and acquisition

“"The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital... the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth in the economy."”

John F. Kennedy
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Essential truths

• Gaining entry into new markets through mergers and acquisitions provides immediate infrastructure, helps to overcome institutional voids and makes entry into new markets easier in countries with tough governmental regulations.

• Viable acquisition opportunities are scarce thereby providing little opportunity for large scale mergers & acquisitions. Investors will need to consider alternative approaches.

• Deal values in Africa remains significantly below the levels of other emerging market regions.

• Due to the underdeveloped nature of formal economies in Africa, acquisitions are only feasible on a piecemeal basis.

• Innovation in executing and funding merger & acquisition deals will be fundamental to success, as investors cannot expect to do deals in the same manner as in more sophisticated markets.

Immediate check points

• Have you adequately considered all the risk areas, including country specific challenges during your merger & acquisition transaction?

• Have you identified the assets, people, resources and IP essential to the success of the merger/acquisition?

• Have you accurately assessed the variety of deal structures available (e.g. share or asset transactions) and determined the most efficient and appropriate structure that achieves and protects the objectives of all stakeholders?

• Does the negotiated agreement incorporate a comprehensive operating and governance framework for the management and participants in the business alliance?

• Have you fully assessed “localisation” sentiment from key stakeholders?
Assess the need for transaction serves and valuation

“A company that does not perform adequate due diligence prior to a merger or acquisition may face both legal and business risks.”


Essential truths

• African deal activity has begun to increase substantially.
• More and more companies are seeking guidance and assistance with transaction support services including acquisition due diligence and valuations.
• Over and above typical M&A risks, transacting in Africa presents its own unique challenges to overcome.
• Once you have made the decision to acquire, legal agreements which sufficiently protect against regulatory and other risks which could impact the return on investment are critical.
• Saving costs through short-cuts on due diligence will be a very expensive mistake.

Immediate check points

• Have you properly assessed the target business, including from a financial, tax, legal, IT, HR and commercial angle?
• Have you unlocked the true value of your transaction by valuing, modelling, and analysing the target’s interests and underlying assets, including real estate, fixed assets, intellectual property, and complex financial instruments?
• Do you understand the nature and scope of the due diligence efforts, including the use of corporate intelligence to gather information on entities and individuals?
• Have you effectively incorporated the due diligence findings into the valuation model, deal terms and integration plan?
Entry through establishing own in-country operations

“The other part of outsourcing is this: it simply says where the work can be done outside better than it can be done inside, we should do it.”

Alphonso Jackson
(Former United States Secretary of Housing and Urban Development)

Essential truths
• More and more companies are seeking guidance and assistance with back-office transaction processing services from a centralised location.
• Limited local qualified accounting skills available within Africa countries.
• Entities established in African countries are relatively small, and therefore a full accounting team is not required. It becomes too expensive.
• Over and above typical M&A risks, transacting in Africa presents its own unique challenges to overcome such as:
  - Local Bookkeeping requirements
  - Local Tax compliance requirements
  - Local Payroll compliance requirements
• A non-core component of the business is removed, along with all the associated “headaches” such as fraud, corruption and mismanagement matters.

Immediate check points
• Do you know what the local finance, tax and payroll requirements are in the specific country you are operating in?
• Do you know what the due dates are for submission of any local compliance activity?
• Do you know if you need to submit Annual, Financial Statements, Frequency, Language and currency?
• Do you have an accurate overview/visibility to financial performance within each country?
• Are you comfortable that the financial information received is accurate?
• Do you feel comfortable that all creditors and employees are paid in time?
• Do you feel that you need your in-country leadership to focus more on growing the business instead of administration/finance/back office activities?
Raising Capital

“...Africa is on the move and it is moving forward.”

Julian Roberts, Group Chief Executive, Old Mutual

Essential truths

• Investment opportunities on the continent abound, but a deep understanding of the political, operational and regulatory environments is critical to accessing the most appropriate source of funding.
• There are few countries on the continent that have well-established financial and capital markets which limits the ability of investors to raise local funding.
• When funding in foreign currency, the ability to hedge against a local currency is often very difficult and can often be expensive, negatively impacting the economics of a potential transaction.
• Innovative capital raising structures are available but are largely dependant on the expertise of the advisor and on the sophistication of the capital market in that particular country.

Immediate check points

• Have you obtained strategic advice on financing objectives?
• Are you able to Identify and construct the optimal capital structure?
• What are the available sources of finance?
• Do you have the capabilities to analyse potential market counter-parties?
• Have you sourced the most experienced advice and execution resource to facilitate the approach to finance counter-parties?
• Do you have the ability to compile and provide detailed information to selected lenders?
• Are you able to adequately negotiate on the lenders’ proposals and finalise the detailed terms and conditions?
• Can you coordinate with legal advisers to facilitate successful completion of the transaction?
Assess the need for corporate secretarial services

“Developing countries often have hypertrophied bureaucracies, requiring businesses to deal with enormous amounts of red tape.”

James Surowiecki (American journalist)

**Essential truths**

- Failure to comply with statutory obligations can have potentially severe legal consequences for the company, its shareholders and directors.
- Sound corporate secretarial functions provide confidence to the Board and investors.
- Corporate governance good practices are reference points for regulators in Africa and for investors.
- Company funding documents must enable shareholder and investor objectives.

**Immediate check points**

- Have the funding documents (post structure decision) been appropriately drafted prior to lodgement with the regulator?
- Have all the necessary corporate reporting and submission obligations been identified?
- Have sufficient processes been implemented to ensure and facilitate compliance with the relevant obligations?
Post merger integration (PMI)/new operation development

“Friendly mergers can really derive leverage and value for the shareholders and for the employees. Both companies will work together to plan an integration strategy, and the value of a merger really only comes in the post-merger integration.”

Lorraine Segil
(South African-born entrepreneur, founder of the Lared Group and CEO of The Little Farm Company)

Essential truths
• The starting point of any merger integration should be a clear vision and strategy for the future business.
• Establishing a detailed integration plan and proposed post-merger management matrix in advance of the merger closing is key.
• Taking steps to measure, mine and achieve synergies is critical to a transaction’s success.
• An effective merger hinges on determining and deploying an effective operating model to meet the changing business needs.
• A merger (and the post-merger integration) brings with it a period of change and uncertainty. Only constant and consistent communication throughout the entire process can ameliorate this situation.
• Establishing own operations directly in another country is bold with high risks but with potential higher returns; this necessitates a well considered strategy

Immediate check points
• Have you created a clear vision and strategy where a convincing merger logic is derived? Does this vision, strategy, and merger logic serve as a basis for the acquisition itself, and a guide for all decisions during the integration?
• Have you finalised the integration plan including central leadership, a process framework, programme management, integration roadmap and resource support?
• Have the synergy goals been mapped out in enough detail, identifying critical value adding synergies?
• Has an effective operating model been defined addressing questions such as where will the company operate, what products will it sell, which customers and segments will it target, and what operations will be outsourced?
• Have you created a structured and formal communication programme with a dedicated post-merger communication support team?
• Have you assessed local market stakeholder support for establishing own operations in-county?
Managing your risks at an organisational level

“Good Risk Management fosters vigilance in times of calm and instils discipline in times of crisis.”

Dr. Michael Ong
(Professor of Finance and Director of the Finance Program at the Stuart Graduate School of Business at Illinois Institute of Technology)

Essential truths

• Risk exposures increase the minute an organisation moves outside of its established borders of operation.
• Risk management and awareness needs to be built into the expansion process from beginning to end.
• Aside from the obvious operational risks inherent in an expansion or acquisition, the specific country risks, and stakeholder risks need to be carefully considered.
• The regulatory environment often creates a number of unique risks that need to be fully understood before structuring and modelling new business and may hold significant potential for fines and sanctions.
• Care needs to be taken in considering the broader reputational risk impact in expanding into new jurisdiction, and its impact on your current business profile.

Immediate check points

• Do you have a clear expansion or acquisition strategy and are you aware of the risks inherent in that strategy?
• Do you have adequate local knowledge to understand the risks unique to the jurisdiction you are moving into?
• Have you set a risk appetite and specific risk tolerances to guide decision making?
• Have you considered the velocity and momentum of risks in the new jurisdiction? The speed of onset may be significantly quicker than you are used to in an organisation.
• Have you allocated adequate resources to manage risks identified, including financial, infrastructure and human resources with the local knowledge and deep industry experience?

“Good Risk Management fosters vigilance in times of calm and instils discipline in times of crisis.”
Responding to changes in legalisation and regulation

“Compliance can be a moving target with constant regulatory changes in economic, industry, and operating conditions.”

Jane Taeger
(Director of Compliance at Samuel Shapiro & Company, Inc)

Essential truths

- Increasing regulator activity resulting in penalty enforcement, significant brand damage and market capital losses.
- Ongoing uncertainty about new regulations and legislation (e.g. transfer pricing, base erosion and profit shifting) demands a more strategic approach to compliance management.
- Regulation is becoming more operational in nature and thus affecting core business processes.
- Strong compliance effort, rooted in understanding regulations, can create a competitive advantage, focusing on upside to compliance risk.
- Being ahead of regulations requires embedding compliance activities into day-to-day business operations – regulatory compliance is not only of concern to the legal and risk departments.

Immediate check points

- Have you established the complete regulatory universe applicable to your organisation’s different jurisdictions?
- Do you continuously monitor your compliance to priority pieces of legislation?
- Are you proactively influencing legislative developments that impact on your business?
- Do you make it a habit to follow regulatory activities globally as these will become relevant in a local context?
- Are you responding to legislative changes before enforcement becomes a practice (e.g. Protection of Personal Information Act)?
- Are you integrating risk, compliance, and control activities with a focus on unlocking value?

“Compliance can be a moving target with constant regulatory changes in economic, industry, and operating conditions.”

Jane Taeger
(Director of Compliance at Samuel Shapiro & Company, Inc)
Managing cyber crime, IT failures and data breaches end-to-end

“Cyber threats have become a ‘life and death’ issue.”

Tim Cook (CEO Apple)

Essential truths

• Your information network will be compromised.
• Physical security and cyber security are increasingly linked.
• Cyber damages go beyond monetary value.
• Everything can’t be protected equally.
• Your existing security is probably not strong enough.

Immediate check points

• Are you using techniques such as scenario planning, business impact analysis and vulnerability assessments to assess your risk exposure?
• How did you define the cyber risk management priorities, risk appetite and mechanisms of accountability for your organisation?
• Do you carefully scrutinise outsourced relationships to make sure your providers have in place robust disaster preparation and recovery plans?
• Have you created a corporate-wide cyber mindset incorporating awareness, training and education?
• Are you asking the right questions, of the right sources – typically the CIO, CRO and CISO?
• Are you ready to respond to a cyber crime incident?
Preventing, detecting and responding to theft, fraud and corruption

“Fraud occurs when opportunity meets motivation.”

Donna McKay
(Executive Director at Physicians for Human Rights)

Essential truths

- Businesses remain under intense pressure to grow, and growth through corruption or fraud often seems like the quickest option.
- Financial statement fraud is a reality.
- Unethical behaviour, such as offering cash payments and gifts, to help businesses survive is seen as justifiable.
- Bribery/corrupt practices happen widely.
- Fraud and corruption in the procurement function (such as illicit rebates, kickbacks and dubious vendor relationships) are all too common.

Immediate check points

- Do you use hindsight and insights (including benchmarking) to prevent and detect potential fraud and theft?
- Are you staying in touch with your industry-awareness of the new forms of fraud and theft impacting similar organisations?
- Are you geared to respond to new and sophisticated tactics?
- Do you use your data to determine, identify or tell a story about the fraud risk in your organisation?
- Are you gaining foresight on better ways to design and evaluate controls to prevent, detect and respond appropriately to risk of fraud and theft?

“Fraud occurs when opportunity meets motivation.”
Controlling business interruption and managing a crisis

“Supply chains cannot tolerate even 24 hours of disruption. So if you lose your place in the supply chain because of wild behavior you could lose a lot. It would be like pouring cement down one of your oil wells.”

Thomas Friedman (American journalist, columnist and author)

**Essential truths**
- Don’t wait until a crisis hits to get ready. Monitoring, preparation, and rehearsal are the most effective ways to get ready for a crisis event.
- Every decision during a major crisis can affect stakeholder value. Reputational risks destroy value more quickly than operational risks.
- Response times should be in minutes, not hours or days. Teams on the ground need to take control, lead with flexibility, make decisions with less-than-perfect information, communicate well internally and externally, and inspire confidence.
- You can emerge stronger. Almost every crisis creates opportunities for companies to rebound. Those opportunities will surface only if you’re looking for them.
- When a crisis seems like it’s over, it’s usually not. The work goes on long after you breathe a sigh of relief.

**Immediate check points**
- Companies face crises every day, and some of those crises have the potential for catastrophic impacts. How prepared is your company for the threat of a major crisis?
- Have you stress tested your potential business interruption points and have you assessed the impact of the various interruption points?
- What big risks could undermine the operations or financial position of your business? What level of confidence do you have in your leadership team to deal with a related crisis event?
- Who, specifically, is on point for crisis management in your company? How will leadership respond under fire?
- What makes you confident in your overall crisis management approach? How do you test that approach? When was the last time that happened?
Managing human resources: talent, skills, expats

Essential truths

- Leadership remains a top human capital concern and key barrier to organisational growth.
- Organisations now compete globally for scarce technical and professional skills.
- HR professionals need an increasingly wide range of skills, not only in talent areas but also in the understanding of how the business works, makes money, and competes.
- Talent acquisition and recruiting are undergoing rapid disruption, challenging companies to leverage social networks, aggressively market their employment brand, and re-recruit employees every day.
- Immigration in Africa is complex. There is uncertainty in terms of application of the laws and time-frames. This area is also fraught with attempted bribery and widespread corruption.

Immediate check points

- Have you aligned your business strategies with your employees objectives? Do you actively identify talent needs across African markets and align opportunities to the right skill-sets at the right time?
- Is your talent management strategy focused on mobility strategies and developing in-country talent?
- Is your HR team an effective business partner? Has the team developed deeper business acumen? Have they learnt to operate as performance advisors, and do they understand the needs of the 21st-century workforce?
- Is your HR team equipped and prepared to deal with increased challenges and complexities that arise when operating in Africa?
- Do you adopt a best practice approach by working with in-country service providers to keep abreast with legislation changes and get assistance with the work permit applications and tax filings?

“In the long run, your human capital is your main base of competition.”

Bill Gates (Co-founder, chairman and past CEO of Microsoft)
Ensuring good corporate governance

“Good corporate governance is about ‘intellectual honesty’ and not just sticking to rules and regulations, capital flowed towards companies that practised this type of good governance.”

Mervyn King (Chair of the King Committee)

Essential truths

• African economic growth will not be sustainable if the continent does not improve its reputation for corporate governance.
• Corruption is still at the centre of any governance debate in Africa.
• Operating within the Africa business environment is challenging, imposing obstacles and raising numerous issues for a corporate governance system to navigate.
• Governance codes, rules and guidance have grown in quantity and complexity
• Governance is one of the most sensitive areas of reporting (focusing explicitly on the activities of the directors).
• Shareholders are a diverse audience and their information needs are complex.

Immediate check points

• Do you have a robust board performance assessment and board succession processes in place?
• Are you abreast of all the latest codes, rules and regulations?
• Do you take care in reporting the facts objectively and honestly?
• Do you manage your stakeholders effectively and communicate the relevant information?
• Is your reporting transparent and reflective of significant events that could have an impact on the running of the business?
• How do you compare against your peers and best practice in terms of good corporate governance?

“Good corporate governance is about ‘intellectual honesty’ and not just sticking to rules and regulations, capital flowed towards companies that practised this type of good governance.”

Mervyn King (Chair of the King Committee)
“Infrastructure is at the core of inclusive growth, a growth for all, a growth that creates jobs, reduces inequalities and offers opportunities to African citizens.”

Gilbert Mbesherubusa  
(Vice-President for Infrastructure, Private Sector and Regional Integration at the African Development Bank)
Managing exposure to reputation/brand issues

Essential truths

• Reputation problems have the biggest impact on revenue and brand value.
• Reputation risk is the number one strategic business risk.
• Customers are the most important stakeholders for managing reputation risk.
• Companies are investing to improve their capabilities for managing reputation risk.
• Reputation risk is driven by a wide range of other business risks that must all be actively managed.

Immediate check points

• Do you link strategy and innovation with risk-management programmes to identify potential disruption hotspots?
• Are you analysing both internal and external data to gather and help interpret market intelligence?
• Are your organisational leaders prepared to respond and recover in the event of a reputational event as part of your business continuity plans?
• Do you live your brand through creating a risk intelligent organisation?
• Do you understand stakeholders and their expectations – and realise that those expectations tend to evolve over time?

“It takes 20 years to build a reputation and 5 minutes to ruin it and if you understand this you will do things differently.”

Warren Buffett
(Chairman, CEO and largest shareholder at Berkshire Hathaway)
Responding to catastrophes: Environmental, natural, social, political

“By failing to prepare, you are preparing to fail.”

Benjamin Franklin
(Scientist, Statesman, and Founding Father of the United States)

Essential truths

• Without C-suite sponsorship, business continuity programmes tend to become a set of multiple and disconnected initiatives making resiliency difficult to achieve.
• Businesses in Africa have not yet implemented adequate disaster recovery solutions for all critical business making them vulnerable to incidents.
• Businesses depend on interconnected critical infrastructures and disruptive events can have an important economic and political impact.
• It is no longer enough for an organisation to only focus on its own business capability management capabilities.
• Technology trends (cloud, mobility and social media) need to be considered as part of the business continuity management strategy.

Immediate check points

• Have you identified “single points of failure” and developed alternative back-up strategies to strengthen your ability to recover when incidents occur?
• Do you understand your environment, anticipate incidents and implement controls to prevent significant disruptions?
• Does your current business continuity management strategy address long-term resiliency, as well as short-term survival?
• Have you identified alternative outsourcing providers if your primary provider’s contingency planning is less mature?
• Are your leadership and board members readiness to recover from business interruption risk events publicly disclosed to your investors?

“By failing to prepare, you are preparing to fail.”

Benjamin Franklin
(Scientist, Statesman, and Founding Father of the United States)
Making third party risks

“We’re talking to every third-party supplier every day of the week, and our traders are talking to them and buying products from them. When we’re doing that, we see opportunities which no one else sees.”

Ivan Glasenberg
(Chief Executive Officer of Glencore)

Essential truths

• Your brand is reliant upon the behaviour of your extended business relationships.
• A contract cannot guarantee the success of a relationship.
• Shifting tasks to a counter-party does not decrease your responsibility.
• Organisational focus on third party risk is reactive and risks are considered in isolation.
• The role of contracts are changing. The way they are managed must be transformed too.
• Contract management can be used as a strategic tool to improve supplier performance and increase revenue.

Immediate check points

• Are you pro-actively driving efficiency through your third party suppliers and eliminating wasteful costs?
• Are you managing your extended business relationships to protect margin erosion from commercial negotiation to contract implementation and monitoring?
• Could your market competitiveness and customer satisfaction be harmed by non-compliant business relationships?
• How do you identify, measure and monitor your key relationships, extended ventures, and business relationships?
• Are you receiving all the revenue entitled to you? Are you paying fairly for contracted services or raw materials?
Contextualising business model/product adaptation

“The greatest challenge of doing business across cultures and markets is the ability to localise products, services and ways of communication.”

Alexander V Shashkin
(CEO of OMI Russia)

Essential truths
- African markets offer opportunities to those prepared to adapt their business models to the region.
- Markets in Africa do not come “ready to do business”.
- Scale and diversity make Africa an inherently complex environment in which to do business.
- The greatest operational challenge for most consumer products companies in most African markets is to gain control of the route to market and point of sale.

Immediate check points
- Have you developed a “go-to-market” model that is adjusted to the local needs, but leverages global capabilities?
- Have you adapted your product or services to meet the needs of the local customer?
- Have you determined what product and packaging innovation is required?
- Have you adopted a passive wholesale-type model, effectively outsourcing product distribution to a third party?
Managing enterprise information management (EIM)

Essential truths

- Digitisation has led to the free flow of information, and the ability to store vast amounts of it for almost indefinite periods is creating increasing risks for organisations.
- While some are still debating the value attached to information assets, criminal syndicates are targeting vulnerable and unsuspecting organisations, stealing data and selling it for handsome amounts of money.
- Information is an organisational asset and should be managed as such to generate value for the shareholders.
- Information should be managed and maintained to ensure longevity, just like one would manage expensive physical or financial assets.
- To extract value from the information asset, it is critical to ensure that the benefit extracted from the use of information exceeds the cost associated with the management thereof.

Immediate check points

- How does EIM support the financial and non-financial business objectives?
- How does EIM support growth?
- What type of qualitative principles define the business’ approach to EIM?
- How will EIM support customer segmentation?
- How will EIM inform market prioritisation?
- How can EIM support competitor analysis?
- Help differentiate the business?
- How can EIM enhance product and service offerings?
- How can EIM support product positioning?
- How should the EIM capability be structured to win in priority markets?
- How should EIM fit into the current operating model and contribute to enabling the customer value propositions?
- What kind of people, systems and assets are required to create the EIM capability?
- How should assets, people, systems and activities be configured to create the required EIM capability?

“You can have data without information, but you cannot have information without data.”

Daniel Keys Moran
(American computer programmer and science fiction writer)
Deloitte is one of Africa’s leading professional services firms, providing services of the highest standard through over 6,000 professionals. As more companies and institutions do business in Africa, Deloitte endeavours to provide clients with a consistent service through our OneDeloitte approach.

We have a physical presence in 34 African countries and service 51 out of the 54 countries in Africa. Our vast footprint of the integrated Deloitte Africa spans 15 countries, including Botswana, Burundi, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe, across 27 offices and cities.

With 54 countries on the continent, the sheer size and diversity of its markets present unique challenges for local, national and international businesses as they seek to establish or expand their influence in Africa’s rapidly expanding business sectors. Deloitte member firms provide trusted assistance to such clients by bringing their insight, experience and professional skills to bear in a region that is currently a focus for international businesses seeking growth opportunities outside of developed markets such as Europe and the USA.
## Contacts

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