

CONSIDERED EXPANSION INTO EMERGING AFRICA



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MARC TREVENEN

SHODEN REALISED THAT ITS PREFERRED WAY TO DO BUSINESS IN EMERGING AFRICA WAS TO RUN THE SALES, DISTRIBUTION AND SUPPORT OF ITS PRODUCTS ITSELF. HAVING CONSOLIDATED THIS APPROACH, THE SOLUTIONS PROVIDER IS ROLLING OUT OPERATIONS ON THE CONTINENT AT PACE.

WORDS **GEORGINA GUEDES**

Shoden Data Systems initially investigated expanding its distribution into emerging Africa through resellers. After spending three to four years finding and verifying these resellers, it became apparent that this model was not always going to deliver the sales volumes or service levels that Shoden required in emerging Africa.

“In emerging Africa, most small partners will sell anything to anyone,” explains Marc Trevenen, Shoden’s managing director. “We also encountered problems with ensuring that they could provide the right service to their customers, which is one of our key differentiators. We prefer to be direct to our customers, and are very selective if we do use reseller partners elsewhere.”

REFOCUSING THE STRATEGY

At the beginning of 2009, Shoden refocused its strategy to tackle the markets themselves, and brought Leon Meyer on board as manager of the emerging African operations. He brought with him a great deal of experience, having worked and lived in both East and West emerging Africa, and having dealt with large corporations and banks there.

“The fundamental differentiator in Shoden is the level of service we provide to our clients,” Meyer says. “Our people have a passion for what they do, and some of them have a 28-year relationship with Hitachi.”

In line with this, Shoden expanded its distribution network into emerging Africa. They identified three hubs and built their business around them. The South African office supports the SADC region. Kenya acts as the East African hub, with the support of other satellite offices in Uganda and Tanzania. Ghana is the base of the West African office, and Nigeria, because of its size and complexity, functions as an autonomous region, but will also be supported from Ghana should the need arise.

This extensive network of offices can also act as a failsafe should any area have a sudden demand for support. “The east can support the west and vice versa, and the south can support either,” says Trevenen.

A HOLISTIC AND VARIED APPROACH

Despite the neat packaging of the African continent into regional segments, management at Shoden are very careful not to make the classic blunder of assuming that Africa is a single country. “There are 54 countries with small, medium and large economies on the continent,” says Meyer. “Within each, there is different information about government policies, their economies, business cultures and what the multinationals are doing there. The information exists in the big cities, but in the small towns, it’s really uncharted territory. It’s easy to make mistakes because of differences in culture, policies, regulations, taxes and exchange controls.”

Because of this, Shoden takes great care in establishing its new branches and grappling with local business. “We use a combination of IDC and Gartner data for research,” says Trevenen. “We’ll look at the size of an opportunity, but pass it over if the information isn’t accurate. That’s why we have initially focused on Africa’s large enterprise clientele rather than the lower end of the market, because it costs money to get there.”

The next part of their strategy was to extend the business relationships that they already had with South African customers, and cater for their needs on the continent as well. “We follow our South African-headquartered customers into emerging Africa where they have operations,” says Meyer. “We are then able to offer them the same levels of service that they receive in South Africa.”

Shoden sells product to Hitachi’s multinational global clients like Barclays, Shell and Chevron and provides support services to them.

PEOPLE FIRST

“Of course, some regions in emerging Africa are a no-go area for Shoden as we’re concerned for the safety of the people who work for us,” says Trevenen.

While less sinister, the loss of staff in the form of migration to other continents by individuals who have been up-skilled by Shoden is also of concern. In a business that requires extensive skills to maintain technical standards and quality delivery – with clients like financial and telco institutions that are unable to afford downtime – Shoden offers extensive training through its Academy. This ensures that its people are especially well versed and understand the technology they are selling and working with.

“Once a skills base has been developed, it’s easier to hop across to Europe from East or West Africa and re-deploy those skills,” says Trevenen. One counter measure taken is that staff receive what is termed as ‘Shodenising’, immersion in the Shoden culture, to make them feel an important part of the company.

Trevenen goes to explain that the company has opened a UK office, which now employs people from South Africa, to try and retain locally-developed skills within the company’s wider geographic framework.

STREETS OF GOLD

While nothing can be done to counter the allure of working in Europe and earning in a global economy, Shoden does everything it can to retain its staff, offering competitive salaries in environments where the prevailing attitude is to pay as little as possible.

“Generally, companies in emerging Africa pay the bare minimum salary and the bare minimum benefits – really whatever they can get away with,” says Meyer. “We provide maximum benefits, which is a big differentiator and swings people to move to us and stay with us.”

Shoden maintains a people focus above all else, because, as Trevenen simply puts it, “without our people, we are nothing.”

This cautious and considered approach to business, as well as a determination to treat people respectfully, will stand Shoden in good stead to achieve great success in the broader African market. “We see no reason why the revenues that Shoden realises from emerging Africa should be any different to what we achieve in South Africa,” says Meyer. **B**