



Short Term Thinking, Long Term Growth & Sustainability for Organisations in Africa

Contents

Introduction	3
Environmental Considerations.....	3
Politics	3
Economics	4
Society.....	5
Technology.....	5
Organisational Strategy Approach	6
About DaySeven Consulting.....	7
Our Contact Details.....	8

Introduction

The African context is constantly evolving and developing, this inherently has external and internal effects on organisations operating in Africa. The effects of this dynamism in most cases means that organisations, local, international and multinational, cannot accurately plan for the long term. It is currently the case that doing business in Africa has a high level of uncertainty.

DaySeven Consulting has put together this brief paper to firstly provide insight into African dynamics, secondly as a thought driver on how short term planning can be used to achieve long term sustainability and success for organisations operating in Africa.

The paper is built on foundational analysis of the African continent at large, and this starts by understanding that in the current state, Africa cannot be viewed as a single economic bloc but as a multitude of small economies (some organised into Regional Economic Communities) with diverse political, economic, social and technological scenarios. These diverse scenarios are what should drive a short term thinking approach that evolves into long term sustainability.

Environmental Considerations

In order to construct the proposed approach, the following aspects are considered as a baseline. These affect both the external and internal environments that organisations operate in.

Politics

The African political landscape is defined by disparities in political status, stability vs. instability.



Figure 1: Political Disparity Scenarios

The situations shown in figure 1 are samples of how political disparity is manifested in across African countries. Stable countries are in a number of cases surrounded by unstable countries e.g. Horn of Africa Region, and Sahel Region. This has an impact on the ability to do business both in the stable and unstable countries. Furthermore, business have to consider political cycles, elections and change of regime as high impact events. These cycles impact on business cycles either positively or negatively.

Economics

The economic stability and/or functioning of a country generally leads on from the political situation in the country and the relationship is a cyclical one of cause and effect. An unstable political environment leads to poor economic growth and the converse holds that poor economic growth leads to an unstable political environment.

A poor economic situation, and system, in a country leads to uncertainty for business this has led to a number of African countries missing out on investment due to the unfavourable view that business hold of them. It is worth considering at this point that the high risk-high reward paradigm do not hold true in all African countries.

Lastly, there is a need for African countries to shift from a resources based (Mineral and Agriculture) economic drive and start embracing other areas of economic growth such as Manufacturing, Services, ICT etc. this will enhance the ability of African countries to attract investment and capitalise on the 4th industrial revolution.

Society

This is the human factor that organisations have to contend with. All African societies and cultures are not the same and by extension their approach to working will not be the same. The societal impact on organisations is especially manifested internally when organisations choose whether, or not, to employ local people into certain organisational positions. In addition to this, given the diverse backgrounds of employees, even those from the same country, management has to consider what the suitable human resource, and management, approaches are.

This societal complexity is further driven in a number of countries by the legacy of colonialism and by effect language spoken. These can prove to be great barriers for organisations planning to conduct business in African countries. Furthermore, the African continent has one common societal aspect, high youth population who are unemployed but with access to information. Access to information such as company profits in a country can lead to societal uncertainty when local people have no participation in a high profit making organisation.

Technology

In recent times, technology has been viewed as the silver bullet that could solve many of Africa's challenges especially with the 4th industrial revolution which has the potential to be greater, and more impactful than previous industrial revolutions. The current situation in Africa is that there is no single solution to all the current challenges.

The 4th industrial revolution, when viewed appropriately, and used correctly could provide a multitude of solutions to African challenges; Agriculture, Water and Sanitation, Healthcare, and Energy etc. The potential impact of the 4th industrial revolution can be shown in figure 2. This is measure in terms of summative growth (an indicative summation of all growth in a country; economic, population etc.). As such, organisations and Africa can indeed benefit if they are ready to adopt technology, and this has drawn many multinationals to invest in technology ready African countries.

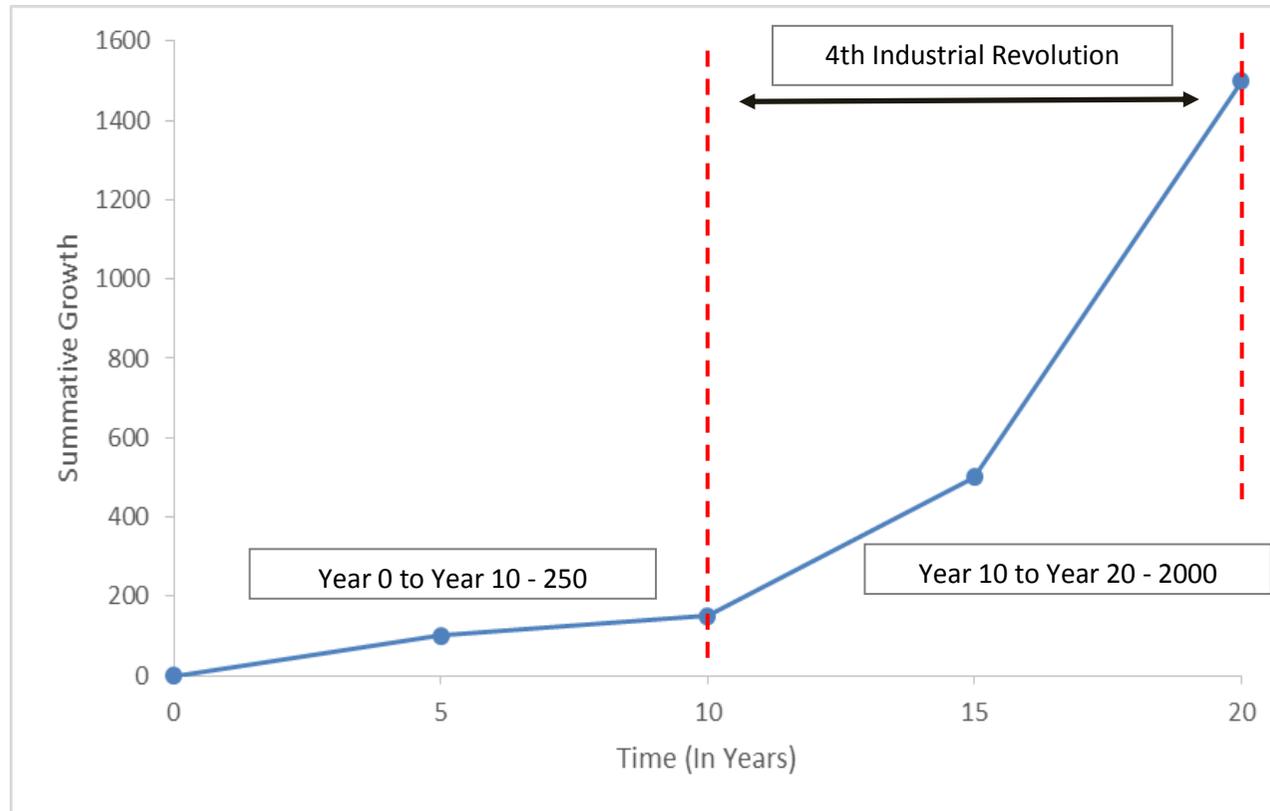
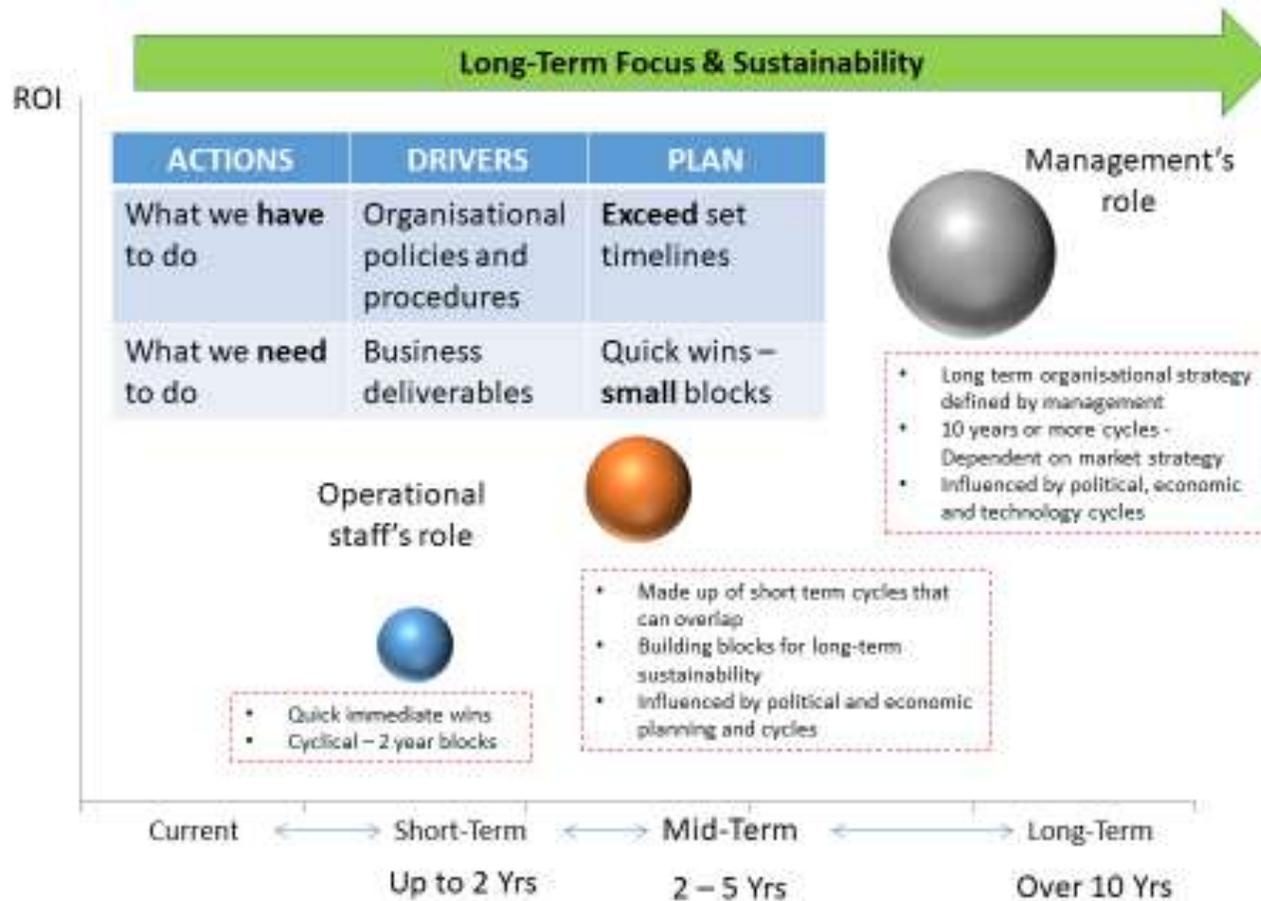


Figure 2: Potential Impact of the 4th Industrial Revolution on Summative Growth

Organisational Strategy Approach

Based on the aforementioned overview of the environment that businesses operate in across Africa, DaySeven Consulting has put together an organisational strategy approach that builds upon more focus on short term cyclical gains (1 -2 year blocks) with a clear view of contribution to long term sustainability and business success in Africa.



About DaySeven Consulting

DaySeven Consulting, founded in 2008, is a South African based company providing; Management Consulting, Advisory Services, and Research Services. Our services focus mostly on the Sub-Saharan African market covering aspects such as: Strategic Planning & Strategy Implementation, Business Development, Strategic Leadership Development, Sustainable Development & Investment, and cross-sector/county research.

This publication, alongside other publications, presentations and various papers can be accessed through our Research Portal:

<https://dayseven.co.za/2018/research-portal/>

Our Contact Details

DaySeven Consulting
Tel: +27 (0) 81 247 5246
Fax: + 27 (0) 86 416 8358

consulting@dayseven.co.za

www.dayseven.co.za