

The cultural differences and doing business in Africa

 By Louise Robinson

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Africa has been earmarked as a big growth market in which to operate, but you need to know what you're doing to achieve any kind of success in this dynamic environment.



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Assuming improvement in the global economic condition, the *Economist* predicts that Africa's economic growth, which stood at 4.2% in 2012, is projected to accelerate to 4.5% in 2014. Sub-Saharan Africans are eager for progress and many investors see the region as a potential gold mine. While poor infrastructure can make logistics a headache, it also provides numerous opportunities.

Take Lagos for example. A significant number of urban householders reportedly work around the unreliable electricity supply by owning up to three generators and using lots of diesel. This is a very real opportunity to suppliers of these commodities.

Mapping out your strategy with a real understanding of the pitfalls and opportunities is the best way to approach business in Africa. First off, bear in mind that dollar-based trading can be exorbitant. Operating in African markets often requires a lot of capex and particularly time and money spent building up relationships with your customer base, but once achieved can deliver above-average returns.

Wording an email

Communication is paramount in business because of its collaborative nature. Robinson emphasises that building up relationships requires a good understanding of cultural differences. This extends to how digital communication platforms are used, especially mobile platforms, which have a high penetration in Africa. It often boils down to an understanding of how cultural standpoints differ between Western rule-based and African relationship-based communication, so how you word an email can make or break a nascent business relationship.

A Western direct approach in writing with minimal greetings and an emphasis on rules and deadlines is not necessarily acceptable in many African cultures. You will get better results with indirect communication with emphasis on polite greeting and perhaps enquiries about the person's health and family. Don't dictate deadlines but rather suggest a desired outcome allowing the recipient time to consult with team members. Foster relationships built on trust. If there is common ground for business, it will develop along with the relationship.

Starting a successful business venture in Africa requires an understanding of the cultures and societies present on the continent. Rich with opportunity, Africa is still largely considered uncharted territory for the business world compared to other regions, so getting to know the challenges and intricacies of working alongside African colleagues and their traditions could provide your company with an edge.

Africa needs infrastructure

From a technology perspective, Africa needs infrastructure in the form of computers, fibre optics and cellphones to launch a communications revolution. Limited resources means that many people use phones as their primary communication platform, and technology needs to adapt to this. In addition, while Africa has a reputation for profiteering and corruption, stability does exist in pockets and there is a move to adopt formal ethical corporate governance principles, especially in countries such as Botswana, Zambia, Ghana and even Nigeria.

There is cooperation in Africa in efforts to create a single market for goods and services, with free movement of business people and investment, paving the way for a continental customs union and improved regional and continental integration.

As Africa becomes an increasingly attractive location for international business ventures, we are seeing an increase in the number of corporate and public sector clients that ask for training in operating in African countries, such as Kenya, Ghana, South Africa and Zambia. These organisations are leading the way in ensuring that their employees have the right level of cultural support and intercultural training they need to successfully adapt to their professional and daily life in Africa.

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