

Get into Africa to seize opportunity

The US, Europe or Asia are all enticing markets for many SMEs and corporates looking to expand, but the barriers-to-entry in competition, never mind cost, are in many cases insurmountable.

By [James Hedley](#) 2 Jul 2019



James Hedley is co-founder and co-director of Quicket.

Dig a little deeper and what's evident is the smart money is actively prospecting and breaking ground on the content of Africa. As to why there is a growing appetite to invest where many have failed before all comes down to a combination of timing, technology and broad-based innovation.

With its rapidly growing population, coupled with the fact that it's getting younger, in 10 to 15-years-time, opportunities to break into this market will equal those of today's most competitive markets.

The pace of investment is ramping up fast already: five out of 10 of the world's fastest-growing economies will be well-entrenched in Africa before 2024; and by 2034, Africa will have a bigger working-age population than India or China.

The impending arrival of the [African Continental Free Trade Area \(AfCFTA\) agreement](#) is also another compelling reason to ready a business for continental growth. Add to that the fact that labour costs are one third of those in the lowest-cost European countries, and all signs point to the continent as an attractive destination for businesses looking to scale, reduce overheads, and grow bottom-line returns.

Savvy South Africa-based SMEs are reading the signs and many have begun their journey north.

[Africa's Business Revolution](#), published by McKinsey, has been a further inspiration for Quicket's commitment to embracing all things African in the months and years ahead. I think what you have to be most excited about is the exponentially growing, young up-and-coming population.

Historically, African expansion has been hindered by logistical realities. Today, due to technological advances, the bigger challenge is more operational than it is competitive.

This creates a massive opportunity for people who can innovate to come up with uniquely African solutions. The best example here is Mpesa, which flourished in Kenya because there was no proper banking infrastructure. There are however countless other examples in every sector, from electricity to agriculture.

As with any new market, what's enticing is its potential to scale. It's essential that we can be super-efficient and innovative in rolling out our solution. This is all about creating systems, building partnerships and solving payments in a way that simultaneously works across all of the most important markets.

The challenge is to set up a viable operation that works for a lot less money. Key to this is using existing hardware (Android phone, web applications, etc.) and making things easy to use and self-managed, so you don't need to invest vast amounts in training and support.

Rapid expansion is possible with digital solutions, compared with the traditional bricks and mortar requirements of old. With even the most basic of smartphones getting into the hands of more and more Africans, the opportunity for engagement and conversion is ripe.

The caution, before entering any new market, however, is not to assume that one size fits all. A classic example of success, sighted in Mpesa's case earlier, is not a guarantee that it will necessarily travel well. In the case of Mpesa, Vodafone looked to capitalise on its north African success in South Africa, and the market simply didn't embrace it. Not even after two failed attempts, supported with strong marketing support.

Innovation is absolutely key, but on the ground knowledge and respect for the audience you intend to appeal to is equally critical. Companies that can adjust to these challenges, and innovate around them, should have enormous potential to tap into the world's most significant growth market.

ABOUT THE AUTHOR

James Hedley is co-founder and co-director of Quicket and is at the forefront of the company's brand strategy and vision. He has been deeply involved in growing the company into a major player in the African online ticketing space. Since founding the company, his key responsibilities have included business development, strategic planning and managing expansion into Africa.

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