

These five trends will change business in Africa in 2020

With the World Bank forecasting economic growth in sub Saharan Africa at 3.6% for 2019-20, some of the world's fastest-growing economies are in Africa. Rapid urbanisation, business friendly market reforms, and an expanding middle-class are creating exciting opportunities for small and medium business in the region.

By [Pieter Bensch](#) 12 Dec 2019



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Let's look at some of the trends and how your business can benefit from them:

1. Ease of doing business to improve

Governments across Africa have woken up to the potential of the small and medium business sector as an engine for economic growth and job creation. Major countries are taking action to make it easier for entrepreneurs to register and run a company – Nigeria and Togo, for example both recorded impressive improvements, according to the World Bank Group's Doing Business [study](#).

And, South Africa just recently launched a [pilot portal](#), with the aim of enabling business owners to register company online in just one day.

Most African countries have some distance to travel in reducing red tape and improving infrastructure – but the signs of change are encouraging.

Take action: Familiarise yourself with the digital tools available in the markets where you operate to streamline processes such as filing tax submissions, registering a new business or opening a business bank account.

2. Automated software picks up the admin burden

Tools that were once too expensive and complex for smaller businesses are becoming increasingly accessible. For example, nearly any business in Africa can afford to automate accounting and payroll with cloud subscription software solution. And now, tools such as artificial intelligence (AI) are becoming a viable

option for small businesses in business processes such as:

- Email marketing
- Customer service
- Data entry
- Accounting

Take action: Evaluate where you are still using paper or Excel to run calculations and keep records, then look for automated software tools that can do the tasks for you. You can redirect the hours you used to spend on your paperwork towards sales or billable work instead.

3. A connected customer is hungry for information

Customers today use their mobile phones as their gateway to knowledge and information. From researching a big-ticket purchase to asking questions and making complaints on social media, to writing user reviews on tools like Google Maps, consumers are using digital channels to get what they want and need from companies big and small. With more than 525 million African Internet users, or around 40% of the population, this is a trend no small business can afford to ignore.

Take action: Look at how you can use digital technologies for marketing and customer service. For example, tools like Piktochart and Canva let you create wonderful content for your website like reports and infographics. Live chatbots can be a great way to answer customer queries in real-time and quickly. And you can use a Google My Business Account to create a free online listing for your company, so that you come up in the search results when people are looking for a local business like yours.

4. Doors to trade swing wide open

There isn't yet as much intra-Africa trade as there should be, but that is changing with the Continental Free Trade Area (CFTA) set to make importing and exporting much easier across the continent. More than 40 countries are part of the agreement and most of the few that haven't signed up yet are likely to join. This could help spur economic growth continent-wide and reduce costs as we start to begin to use more products from our neighbouring countries rather than those shipped from the other side of the world.

Take action: Now is the time to start thinking about the opportunities of cross-border trade for your supply chain – find out about the customers and suppliers you can build relationships with in other countries. Contact chambers of business and international trade departments to find out about the opportunities.

5. Fourth Industrial Revolution – hope and hype

As a business owner, you may have seen a lot of hype about the “Fourth Industrial Revolution” and “Indus 4.0” or 4IR. This fourth industrial revolution is driven by connected devices and sensors (the so-called ‘Internet of Things’), cloud computing, advanced robotics, intelligent software, AI, 3D printing, virtual and augmented reality, fast mobile data (5G) and a range of other technologies.

“How does this affect me when I can't get reliable electricity or fibre in my city?”, you might ask. But these technologies are increasingly accessible and affordable, allowing smaller businesses to compete more effectively and efficiently with larger companies. The trick is to come on board at just the right time – not too soon for your customers and not too late to catch the wave.

Take action: Investigate what's in the market as well as how small business in Africa and the rest of the world are using the technology. Could robots and 3D printing enable new manufacturing models for your company? And what opportunities could cloud-based business solutions or AI unlock for you? And importantly, what could this all mean for your customers and employees?

Leading Africa's growth

Small and medium businesses in sub Saharan Africa are nimble and resilient – so this time of changing consumer behaviour, rapidly shifting economic and social trends, and evolving technology is ripe with opportunity for your small business. It's an exciting time to be an entrepreneur in Africa – a continent that is will rise with the help of its hardworking and dynamic business owners.

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