

Africa going the extra mile

Luyton Driman, author of "Going the EXTRA mile" – a guide to trading in Africa, recently spoke at the Johannesburg Chapter of the Exporters Club.

The function, sponsored by Credit Guarantee and First National Bank (FNB) international banking division, was well attended by exporters and service providers to the industry.

Driman, who has travelled extensively throughout the continent, touched on some of the points on doing business in Africa covered in his book.

His passion for the continent was apparent from the time he started talking. And it is his opinion that doing business should be more than just a job, but "a personal situation".

Why Africa

So, why Africa? Driman explained that geographically it makes sense for us to be trading. With so many airlines travelling the continent, especially north to south and vice versa, access is the easiest it will ever be. Many people also send their children to school in South Africa or travel here to make use of the medical facilities.

Building relationships

Driman is a big proponent of building a relationship with your client and being able, or willing, to manoeuvre for them. It is this, he says, that will "go a long way towards building



Katherine Madley – head of marketing FNB International Banking, Luyton Driman – author of "Going the EXTRA mile" and Andre Wissler – chairperson of the Johannesburg Chapter Exporters Club



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the longevity of your relationship". Logistically: road and sea freight: you can help your customer

He used the example of disposable nappies, which apparently are big business in Africa. However, what if your client is a small trader and a small consignment? Instead of just saying you are unable to assist, see how you can help.

Timing

The timing of importing and then exporting was emphasised as well as pre-payment, which he said, "is the name of the game as far as export is concerned." However, he was at pains, again, to emphasise, helping your client. "If your client cannot afford to pay in full, split the consignment and as he says you release the goods. The pace of delivery does not influence the duties."

As for the rand-dollar exchange, Driman said, "It is something we just have to live with."

Pricing

Pricing is very important when exporting. However, in terms of Africa, Driman said don't think you can just go

and dump product out there. People know what goes for what. Rather go into Africa with the objective to build relationships – “it works for me”.

The markets he mentioned that are growing and offering many opportunities included Angola, Libya, Tanzania, Nigeria and Ghana.

Angola

In terms of Angola and South Africa, the two countries have a good relationship and there are many South African companies operating there, including retailers and construction companies. “Angola is springing back to life, and this is extending to the provinces. As a result there is a lot of infrastructural development and this is proving a massive

business for companies. Its oil is proving a major factor in this.”

Libya

Libya, Drimen called the “cat among the pigeons. This country has started to recover from the sanctions imposed against it and it has also abolished import duties. Tanzania is another country with good relations with South Africa and it is a good stable market where the development of the mines is creating lots of work. Nigeria is a huge market, but the customs in his experience is a nightmare.

Ghana

Ghana is very different from Nigeria, although both are in West Africa. Since the Ivory Coast went “pear-shaped” Ghana has become the hub of West Africa. It is easy to operate in, easy to get paid and there is lots of trade. It is also easy to trade with Nigeria from there. Ghana also has a free trade zone, which allows for even greater penetration of the Western Africa market.

His advice is to do your homework on any of these or other markets in Africa you would like to tap into. And here he says the South African embassies can really prove to be an invaluable resource.

Approach and attitude

At the end of the day his most important words were: approach and attitude. “You have to create a working relationship. Stop thinking of just a straight buyer – seller relationship. And here communication is vital.”

Driman says companies must



Steve Whyte – Slavepak and Exporters Club vice-chairperson, Isabet de Macedo – Safimbex, and Brett Fitzgerald – Deloitte



Bongani Zuma and Pat Ngema – Little Rock Trading



Mr Narraidu – Versai Exporters and Cynthia – Trans global Cargo



Tracey Jackson, Shaun Piper and Jacqui McCarthy – FNB

approach exporting as a new business, not merely as an extension of the existing one, or to clear stocks.

“Companies need to re-look and re-work their company ideals to accommodate exports, for example shift policies on pricing. Returns are a norm in business but early export ventures can’t attain the profit levels that may be achieved at a later stage.”

An important aspect he mentioned is to ensure you have someone in your office while you are on the road. “This is part of communicating. You must have someone in the office that can communicate on your behalf. Remember you are dealing with time zones in Africa so you cannot just turn off your phone.”

The above are all part of what Driman terms the “extra mile” and is the way he approaches business. His book refers to this philosophy as well as other factors. ■



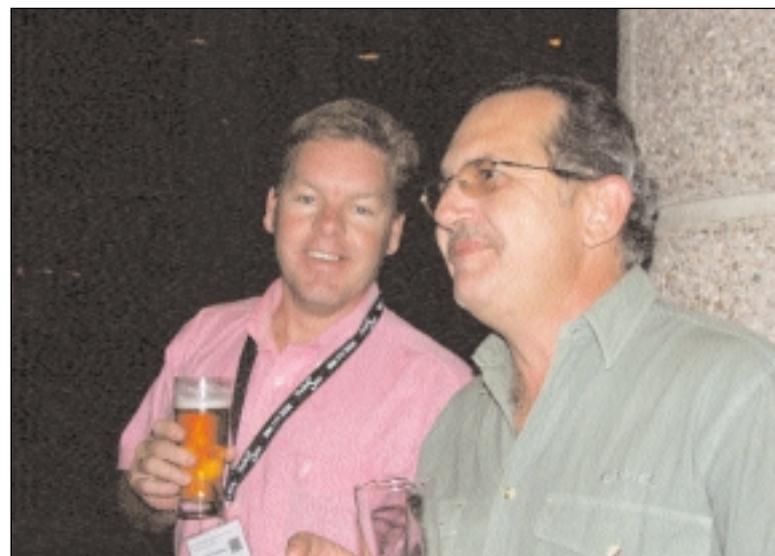
Johann Coetzee, SAFTA and Anthony Grant, FNB



Colleen Kay – Power Drives and Deidre Broli – Duze



Sharana Pillay, Erica Locke and Kedibone Masike – Etradex



Gareth Thomas – Exporters Club Committee and Robin Weber