

The role of digital transformation in kick-starting African economies

By [Tau Mashigo](#)

7 Dec 2020

The digital revolution has officially engaged a higher gear, raising a great deal of curiosity and speculation on technological innovation, adoption, AI and the future of the digital economy.



Photo by Mcheile Henderson on Unsplash

As the business landscape transforms to leverage exponential developments in technology, the expansion and adoption of new business models have rendered the big giants potentially vulnerable due to complexity, scale and entrenched business models.

The customer has moved to centre stage as convenience has transitioned from privilege to right, and choice has become ubiquitous. The rapid compounding of complexity has forced organisations to adopt agility as part of the fabric of business operations.

There is a movement that is sweeping across many organisations globally that infuses sustainability into business practices. These can be seen in the adoption of integrated annual reporting, circular business models, regional unions, shared economies and the inclusion of human behavioural skills in the boardroom. An empathetic predisposition has become imperative for business success.

Africa has a unique advantage of harnessing its broad range of digital skills, understanding the dynamics of its unique and

complex markets and social structures with the ability to leverage exponential technologies and start delivering solutions at a rapid pace.

Digital transformation in business starts with thinking about the customer differently. It is about balancing exponential cognitive competencies with empathetic leadership capabilities.

Digitalisation for Africa, fuelled by a collective continental resolve, would serve to deliver on the promise of much-needed growth and serve as a springboard to addressing the depth of talent and resources on the continent.

Recent discoveries, propelled by the need to deal with the Covid-19 pandemic, have demonstrated that physical presence as a delivery construct had been grossly overstated.

A few digitally inspired opportunities stand out:

- Data democratisation can be used as a lever for SMME support. With data being the new gold, knowledge about sector activity should no longer be the privilege of a connected few.

Portals for business support, providing basic administrative and financial management capabilities can be utilised to propel growth and professionalise operations in the informal sector. Actionable intelligence should anchor business roadmaps.

- Fiscal devices can be embedded in the fiscal value chain to start tracking due collections from both local and foreign operations. An efficient revenue administration, that affords easy access and simplified interaction increases the compliance posture of the country, generating much-needed revenues.
- The delivery of health services across the continent, even in the remotest parts, has become a reality. Medical diagnostics using machine learning and artificial intelligence means that certain medical interventions can be achieved with less intense human intervention, using drones and 5G technology as an example.
- Administrative challenges present in many government services processes can be substituted with automated electronic solutions that will render the continent attractive to do business with. Blockchain technology as a decentralised capability can minimise red tape and enhance trust through non-repudiation.
- The benefits that come with integrated government administration can provide officials with enhanced decision-making capabilities. The integration of data sources from health, labour and education presented visually can assist in the generation of actionable insights when certain relations, patterns and trends are identified through quantum analytical capabilities delivered through technology.
- Online education has become the global norm. Learning platforms can be created and have the content curated from global sources for the benefit of those without the necessary access to qualified educators.

This could take the form of recorded content and live interaction. Education-led growth has proven to be more sustainable as it keeps pace with rapid innovation taking place globally. Ramped up growth in digital skills means that the continent will take a big step towards occupying her deserved seat on the digital table.

- A significant part of the continent still relies on agriculture as the primary driver for the economy. Developments in technology now provide insight around the expected yield, the quality and management thereof, and the respective available markets. Developments in soil science and weather analytics have made it easier for certain agrarian economies to be catapulted into breadbasket status, transcending farming from subsistence into commercial farming, disrupting traditional ways of farming in the process.
- Financial services have seen shifts from physical operations into the digital space. Funding and transactional capabilities are now available at the fingertips with rapid delivery from financial services providers. This will spur the productive use of limited resources. Digital inclusion will result in financial inclusion.

These opportunities that come with the digital world are not without risk. Balancing global participation in the factors of growth - like foreign direct investment, export-led growth, imports and portfolio flows - with the development of indigenous

industries and entities could prove a delicate feat.

The dexterity in balancing the application of sovereignty and the promotion of the culture of collaboration will also prove to be a challenge.

What would constitute levers for success in this endeavour? I propose a few critical set of actions:

- The continent must elevate its focus on the conclusion of regional trade instruments governing trade and people flows.
- Public-Private partnerships in the development of technology infrastructure must be enabled.
- The continent needs to come together to leverage her buying power and enter into agreements that will be steeped in best pricing.
- The continent must promote the development of open source solutions, using open standards for targeted application segments in order to further regional integration prospects.
- Natural sources of energy must leapfrog the outlay of traditional infrastructure. Developments leveraging solar, wind, hydro and other renewable energy sources which are in abundance on the continent, could switch much of the continent on.
- The platform business is becoming the new business model. The creation of regional platform businesses to connect stakeholders with developmental interests, operable from anywhere on the continent, will avail markets which would have otherwise been out of reach.

Digital transformation holds a long term transformative benefit and is not a short term option. Exponential technologies democratise local, regional and global economic participation.

A connected Africa has an equal stake and seat at the table. It is within our grasp to harness and exploit our natural talent and our resources for the benefit of all on this continent we all call home.

ABOUT THE AUTHOR

Tau Mashigo is CTO, group IT at Standard Bank.

For more, visit: <https://www.bizcommunity.com>