

# Building a business for the long-term in Africa

From MTN's perspective, several factors and core principles have contributed to the firm's success of building a customer base of more than 200 million subscribers across 22 markets. A number of principles that underpin the success of businesses in Africa include building a strong market position while maintaining a challenger mindset, a strong brand, modern technology and great people.



Rob Shuter, group president and CEO of the MTN Group.

*This article is a summary of a presentation delivered by Rob Shuter, group president and CEO of the MTN Group, at Deloitte's [Africa in 2018 Outlook Conference](#), which was held in January 2018.*



MTN, Ericsson trial 5G technology in Africa

9 Jan 2018



These key factors allowed MTN to become a telecommunications giant in Africa and the Middle East.

**1. The challenger mindset:** A philosophy that has helped MTN stay ahead of the curve in its industry is operating with the mindset of a challenger firm. Evidence shows that in any given industry the largest firms sometimes become complacent to a point where they start to lose market share. On the other hand, firms holding a second position in the market are always striving to become number one and this keeps them innovative and ahead of the curve. “The enemy of great is good”, and this is why adopting the challenger mindset, even as a leading player, is important. This approach has not only helped MTN maintain excellence and avoid complacency but also remain an active contestant in its markets.

**2. A strong brand:** It is of extreme importance to create an iconic and durable brand. This has been especially important for MTN in order to extend its brand across new categories and segments. It is vital to have a trustworthy brand, which corporates, consumers and governments can trust. A strong brand will not only increase the value of a company but it will also contribute to employee motivation and make customer acquisition easier through the company's enhanced identity.

**3. Technological innovation:** Keeping technology updated is critical to building a long-term and competitive business in Africa. Technology does not look after itself and companies need to constantly update and upgrade their systems to ensure they are not just using the best technology but also the most efficient solutions. For example, in January 2018 MTN tested 5G connectivity in Johannesburg, marking the first official 5G trial on the entire continent. While it is still early days – estimated to be another four years – before 5G launches in Africa, MTN is already conducting trials now. MTN's experience shows that keeping abreast with technology not only keeps firms ahead of the curve, but coupled with a technologically innovative mindset can help firms maintain long-term competitiveness by enabling them to react quickly when faced with new customer needs.

**4. Great people:** Great people build great companies and great people deserve great managers. This is the only way to attract and retain promising employees. If a business has great employees but poor managers, there will be low retention and therefore poor succession. The biggest contributor to employee dissatisfaction is a poor relationship with their line managers. It is necessary to encourage managers to be good leaders by teaching them. In some cases, a successful employee is not a natural leader, and therefore it is important to identify the environment where each respective employee will be able to contribute the most value.

MTN believes Africa's population growth in the coming years will present numerous business opportunities, as it will entail a great expansion of Africa's "born-digital" generation. This is a generation with full grasp of the digital world, social networks and the internet; and investors looking at building a long-term business on the continent need to ensure their business model caters for a technologically-savvy population.

“  
***Africa's population growth in the coming years will present numerous business opportunities, as it will entail a great expansion of Africa's 'born-digital' generation.***

”

Digitalisation should also be contemplated in business strategy in order to simplify processes, systems and customer service, among other things.

MTN's fast adoption of technology together with an attitude of boldness, ensuring relevance, resilience and relationship building have been instrumental to the firm's success in Africa. Building a long-term business in developing markets means being bold when others are cautious.

Companies need to be relevant and responsive to stakeholders in their given market and resilience ensures dealing with obstacles and recovering from setbacks.

Finally, as rules and regulations are often not clear or consistent in emerging markets, to minimise regulatory risks, it is vital to build strong relationships with distributors, customers, business partners, government and other key local stakeholders rather than rely on personal interpretations of how business should work.

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