Management in Sub-Saharan Africa
Management in Sub-Saharan Africa
Module Introduction and Overview

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Module Objectives

Welcome to the module, Management in Sub-Saharan Africa. For many entrepreneurs, doing business in Africa is seen as both an exciting opportunity and a daunting challenge. While perceptions about Africa have improved in recent years, the situation on the ground remains demanding, as individuals and companies navigate the various cultures, languages, expectations, infrastructures, politics and markets that exist across the different countries. In fact, it is even challenging to get a clear understanding of how many countries there are in Africa.

This module aims to help you to navigate these risks so that you can better explore the many opportunities that exist across the continent. By examining real-life case studies and examples, as well as studying models and frameworks, you will gain a clearer picture of how to go about flourishing in this exciting market.

Module Authors

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Felix Martin holds a degree in Jurisprudence from Oxford University and a MBA and PhD from Manchester Business School. He is a lecturer and supervisor under the Distance MBA Programme at Manchester Business School in the areas of Strategy and Marketing. He has also taught as associate or visiting lecturer at SOAS, Manchester Metropolitan University, Chester University, EMD École de Management (Marseilles, France) and Strathmore University (Nairobi, Kenya). He has published in the Journal of Business Ethics and is a co-author of Corporate Social Responsibility The Corporate Governance of the 21st Century (Kluwer, 2010), and Developing Leadership Research (Leeds University Publishing, 2007). He is the author of Unit 4 of this module.

Norman Flynn is the Director of the Centre for Financial and Management Studies, SOAS. He has also been Chair Professor of Public Sector Management at City University of Hong Kong and has held academic posts at London School of Economics, London Business School and the University of Birmingham. He is also a visiting Professor at Strathmore Business School in Kenya. He is the commissioning editor for this module.
3 What this Module is About

This module will give you insights into the practicalities of doing business in Africa, and will guide you in overcoming some of the challenges inherent to doing business on the continent. Case studies will be used throughout to provide you with examples of companies that have gone before you, which will enable you to learn from their experiences when devising your own entry strategy.

This module is not only for individuals or companies wanting to enter Africa from outside her borders, but also for those Africans who wish to enter into another African country. Each nation on the continent is unique, which is why having an understanding of the various complex dynamics inherent to each country is key to business success.

This module is an elective in the MSc International Business Administration, paired with ‘Economy of Sub-Saharan Africa’, which you should have studied prior to this. The other preparation for this module is ‘International Business Strategy’, whose themes are pursued here in an African context.

There are debates about what is special about doing business in Africa, compared with other locations. Recent decades have seen some of the highest economic growth rates in the world in Africa, while income distribution remains such that even in the largest countries there is a relative small middle class of consumers. Infrastructure connecting African countries remains in many cases slow and expensive, even compared with sea and air connections with countries outside Africa. One impact of these two features is that MNCs based in Africa sometimes find it easier to expand outside the continent than to expand within it. Nevertheless, as you will see from the cases in this module, business are crossing boundaries within Africa in various sectors, including banking, telecoms, retail, manufacturing and distribution.

4 An Overview of the Module

This module consists of eight units, each with its own core text, set readings, questions and exercises. There are also two assignments and you will have the opportunity to do some further thinking around the issues being discussed through various optional activities. In addition, you will be able to engage with your fellow students through the Virtual Learning Environment (VLE).

The Structure of the Module

Unit 1 The Special Characteristics of International Business in Africa
   1.1 African geography, demographics and history
   1.2 Economic development in Africa
   1.3 Moving in
   1.4 Entrepreneurship
   1.5 Conclusion
5 Learning Outcomes

When you have completed this module you will be able to:

- make a judgment about the special characteristics of doing business in Africa, and the variety of contexts in the different regions
• discuss and apply one model for doing business in Africa
• apply the principles of the choice of entry strategy for MNCs with reference to Africa
• analyse the experience of entry strategy in the case examples
• outline the special problems and issues involve in supply chain management in Africa
• reach conclusions and lessons about managing the supply chain
• analyse the issues involved in marketing in territories other than the home base of the company
• explain the importance of local culture for market entry
• apply the principles of the organisational form options for MNCs to the African context
• outline the special issues involved in multi-currency operations with high volatility in exchange rates
• make judgments about hedging and other strategies
• explain financing and taxation strategies
• discuss some aspects of HR practice in Africa, including management of expatriates
• define the special characteristics of HR practice in Africa
• explain the relationship between project and country risk
• choose risk mitigation strategies in the African contexts.

6 Study Materials

In addition to the module text, you will have two textbooks and a Reader, which contains scholarly articles on doing business in Africa and several case studies of business that have either prospered or failed there.

The textbooks are:

Christopher Gekonge (2014) Emerging Business Opportunities in Africa: Market Entry, Competitive Strategy, and the Promotion of Foreign Direct Investments, Hershey, Penn: IGI Global

and


Gekonge is a scholar of African enterprise who writes from the standpoint of one who has considerable experience of actually doing business there, and his textbook covers the continent’s social and political background as well as ways of taking advantage of business opportunities in Africa. Dianna Games’s text is a compilation of the opinions and experiences of senior executives involved in African
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business, and provides a wide range of successful and faltering enterprises.

In the module text, you will be set specific readings from the textbooks and the reader, and asked to write notes and answer questions about them.

7 Recommended Websites

Listed below, and at the end of each unit, you will find a list of websites recommended as further readings to contextualise the topics covered in this module. They are not unit specific and can be referred to at any point during the module. Although reading these websites is not mandatory, you may find them helpful in keeping your knowledge of these topics as recent as possible:

- **How We Made It Into Africa**: [www.howwemadeitinafrica.com](http://www.howwemadeitinafrica.com)
  Aimed at African business people and foreign investors with an interest in the continent.

- **Business Africa**: [www.business-africa.net](http://www.business-africa.net)
  Streams weekly programmes broadcasted on over 50 African and international affiliated channels.

  A wealth of practical information for African business people seeking to invest in the continent.

- **This is Africa**: [www.thisisafricaonline.com/Business](http://www.thisisafricaonline.com/Business)
  A publication from the *Financial Times* which examines business in Africa in a global context.

- **Africa Means Business**: [www.africameansbusiness.org](http://www.africameansbusiness.org)
  Provides coverage of economic and financial issues on mainstream African TV and radio, in newspapers and magazines and online.

- **The Economist: Africa**: [www.economist.com/topics/africa](http://www.economist.com/topics/africa)
  The African pages of *The Economist* cover business news from the continent.

- **Africa Portal**: [www.africaportal.org](http://www.africaportal.org)
  An online resource for policy-related issues on Africa.

  Includes current financial statistics of African countries, including GDPs, and import and export data.

  Includes current business data and statistics of African countries.
8 **Teaching and Learning Strategy**

This module provides frameworks, techniques, case studies and examples to help you to successfully conduct business in Africa. The major objective of our teaching strategy in this module is to expose you to a wide array of experiences of companies that have successfully entered the African market – whether they are African themselves or multi-national corporations. In addition, it is our intention to highlight examples of companies that have not been successful, in order for you to learn about the risks inherent in doing business on the continent.

To facilitate your learning process you will have the opportunity to complete exercises and review questions, as well as to discuss the module and your findings with fellow students online. All of these combined will assist you with successfully completing the three assignments.

9 **Assessment**

Your performance on each module is assessed through two written assignments and one examination. The assignments are written after week four and eight of the module session; the examination is written at a local examination centre in October.

The assignment questions contain fairly detailed guidance about what is required. All assignment answers are limited to 2,500 words and are marked using marking guidelines. When you receive your grade it is accompanied by comments on your paper, including advice about how you might improve, and any clarifications about matters you may not have understood. These comments are designed to help you master the subject and to improve your skills as you progress through your programme.

The written examinations are ‘unseen’ (you will only see the paper in the exam centre) and written by hand, over a three hour period. We advise that you practice writing exams in these conditions as part of your examination preparation, as it is not something you would normally do.

You are not allowed to take in books or notes to the exam room. This means that you need to revise thoroughly in preparation for each exam. This is especially important if you have completed the module in the early part of the year, or in a previous year.

**Preparing for Assignments and Exams**

There is good advice on preparing for assignments and exams and writing them in Sections 8.2 and 8.3 of *Studying at a Distance* by Talbot. We recommend that you follow this advice.

The examinations you will sit are designed to evaluate your knowledge and skills in the subjects you have studied: they are not designed to trick you. If you have studied the module thoroughly, you will pass the exam.

**Understanding assessment questions**

Examination and assignment questions are set to test different knowledge and skills. Sometimes a question will contain more than one part, each part
testing a different aspect of your skills and knowledge. You need to spot the key words to know what is being asked of you. Here we categorise the types of things that are asked for in assignments and exams, and the words used. All the examples are from the Centre for Financial and Management Studies’ examination papers and assignment questions.

**Definitions**
Some questions mainly require you to show that you have learned some concepts, by setting out their precise meaning. Such questions are likely to be preliminary and be supplemented by more analytical questions. Generally 'Pass marks' are awarded if the answer only contains definitions. They will contain words such as:
- Describe
- Define
- Examine
- Distinguish between
- Compare
- Contrast
- Write notes on
- Outline
- What is meant by
- List

**Reasoning**
Other questions are designed to test your reasoning, by explaining cause and effect. Convincing explanations generally carry additional marks to basic definitions. They will include words such as:
- Interpret
- Explain
- What conditions influence
- What are the consequences of
- What are the implications of

**Judgment**
Others ask you to make a judgment, perhaps of a policy or of a course of action. They will include words like:
- Evaluate
- Critically examine
- Assess
- Do you agree that
- To what extent does

**Calculation**
Sometimes, you are asked to make a calculation, using a specified technique, where the question begins:
- Use indifference curve analysis to
- Using any economic model you know
- Calculate the standard deviation
- Test whether

It is most likely that questions that ask you to make a calculation will also ask for an application of the result, or an interpretation.

**Advice**
Other questions ask you to provide advice in a particular situation. This applies to law questions and to policy papers where advice is asked in relation to a policy problem. Your advice should be based on relevant law, principles, evidence of what actions are likely to be effective.
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- Advise
- Provide advice on
- Explain how you would advise

Critique
In many cases the question will include the word ‘critically’. This means that you are expected to look at the question from at least two points of view, offering a critique of each view and your judgment. You are expected to be critical of what you have read.

The questions may begin
- Critically analyse
- Critically consider
- Critically assess
- Critically discuss the argument that

Examine by argument
Questions that begin with ‘discuss’ are similar – they ask you to examine by argument, to debate and give reasons for and against a variety of options, for example
- Discuss the advantages and disadvantages of
- Discuss this statement
- Discuss the view that
- Discuss the arguments and debates concerning

The grading scheme
Details of the general definitions of what is expected in order to obtain a particular grade are shown below. Remember: examiners will take account of the fact that examination conditions are less conducive to polished work than the conditions in which you write your assignments. These criteria are used in grading all assignments and examinations. Note that as the criteria of each grade rises, it accumulates the elements of the grade below. Assignments awarded better marks will therefore have become comprehensive in both their depth of core skills and advanced skills.

70% and above: Distinction As for the (60-69%) below plus:
- shows clear evidence of wide and relevant reading and an engagement with the conceptual issues
- develops a sophisticated and intelligent argument
- shows a rigorous use and a sophisticated understanding of relevant source materials, balancing appropriately between factual detail and key theoretical issues. Materials are evaluated directly and their assumptions and arguments challenged and/or appraised
- shows original thinking and a willingness to take risks

60-69%: Merit As for the (50-59%) below plus:
- shows strong evidence of critical insight and critical thinking
- shows a detailed understanding of the major factual and/or theoretical issues and directly engages with the relevant literature on the topic
- develops a focussed and clear argument and articulates clearly and convincingly a sustained train of logical thought
- shows clear evidence of planning and appropriate choice of sources and methodology
50-59%: Pass below Merit (50% = pass mark)

- shows a reasonable understanding of the major factual and/or theoretical issues involved
- shows evidence of planning and selection from appropriate sources,
- demonstrates some knowledge of the literature
- the text shows, in places, examples of a clear train of thought or argument
- the text is introduced and concludes appropriately

45-49%: Marginal Failure

- shows some awareness and understanding of the factual or theoretical issues, but with little development
- misunderstandings are evident
- shows some evidence of planning, although irrelevant/unrelated material or arguments are included

0-44%: Clear Failure

- fails to answer the question or to develop an argument that relates to the question set
- does not engage with the relevant literature or demonstrate a knowledge of the key issues
- contains clear conceptual or factual errors or misunderstandings

[approved by Faculty Learning and Teaching Committee November 2006]

Specimen exam papers

Your final examination will be very similar to the Specimen Exam Paper that you received in your module materials. It will have the same structure and style and the range of question will be comparable.

The Centre for Financial and Management Studies does not provide past papers or model answers to papers. Our modules are continuously updated and past papers will not be a reliable guide to current and future examinations. The specimen exam paper is designed to be relevant to reflect the exam that will be set on the current edition of the module.

A current version of the Specimen Exam Paper can be downloaded from the VLE.

Further information

The VLE will have documentation and information on each year’s examination registration and administration process. If you still have questions, both academics and administrators are available to answer queries.

The Regulations are also available at www.cefims.ac.uk/regulations.shtml, setting out the rules by which exams are governed.
INTERNATIONAL BUSINESS ADMINISTRATION

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Specimen Examination

This is a specimen examination paper designed to show you the type of examination you will have at the end of this module. The number of questions and the structure of the examination will be the same, but the wording and requirements of each question will be different.

You must answer THREE questions in total.

The examiners give equal weight to each question; therefore, you are advised to distribute your time approximately equally between three questions.

You should, where possible, illustrate your answers with references and/or practical examples from the module and from your own experience.

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Answer at least ONE question from Section A and at least ONE question from Section B. You must answer THREE questions in total.

Section A

(Answer at least ONE question from this section)

1. What risks do companies face because they operate in a variety of currencies? What can they do to mitigate those risks?

2. What are the major options for organisational arrangements for companies operating in several countries in Africa? What factors influence the choice of organisational form?

3. Are there special challenges involved in supply chain management in Africa? Illustrate your answer with examples.

4. Are there specific risks of doing business in African countries? How can companies mitigate those risks?

Section B

(Answer at least ONE question from this section)

5. What were the circumstances and strategies that made MTN a success in Africa?

6. Using an example or examples, explain the challenges facing a financial services company wishing to sell its services in African countries other than its home base.

7. Compare the experiences of Nando’s and Woolworth’s expansion from South Africa into other African countries. What were the main factors that explain the differences?

8. What was Bharti Airtel’s strategy for entering the African market? Was it successful?

[END OF EXAMINATION]