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The Strategy
Boutique

— Honest Consulting. Reimagined —

INVESTMENT OPPORTUNITIES IN AFRICA: AN INVESTOR LED PERSPECTIVE



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SECTION 01



EXECUTIVE SUMMARY

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Africa is a continent of immense diversity, comprising 54 countries and a population exceeding 1 billion. Despite challenges such as economic instability, corruption, and underdevelopment, the continent has shown remarkable potential for growth and innovation. Between 2000 and 2012, Africa experienced unprecedented economic transformation, spurred by technology adoption, the rise of a middle class, and increased foreign direct investment (FDI). Key sectors such as fintech, telecommunications, healthcare, tourism, and agribusiness present unique opportunities for market-creating innovations. However, the investment landscape requires careful navigation of challenges such as governance issues, infrastructure deficits, and timing

mismatches. This report highlights opportunities, challenges, and strategies to unlock Africa's economic potential.

Africa's growth story is underscored by its resilience and entrepreneurial spirit. With over 700 million mobile users, the continent leads in mobile commerce innovation. Sectors such as fintech, healthcare, and telecommunications have experienced exponential growth.

However, challenges persist, including infrastructure deficits, healthcare burdens, and political instability. Africa's young population, vibrant entrepreneurial ecosystem, and abundant natural resources present untapped potential for investors seeking long-term growth.





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SECTION 02



OVERVIEW

OVERVIEW

Africa.

A continent that comprises 54 different and diverse countries comprising over 1 billion people.

The mere mention of that name elicits images of pot-bellied children with houseflies swirling around their mouths.

Wars. Poverty. Corruption. Hopelessness. Rooted at the bottom of every possible statistic.

Even though it boasts around 25% of the world's population, it only accounts for between 3-5% of direct Foreign Direct Investment (FDI) and carries 24% of its disease burden.

On 13th May 2000, The Economist, one of the world's premier newsmagazines, had a telling headline:

Africa: The Hopeless Continent.

There were a lot of outcries on that headline, but few could doubt that that article rang true.

But no one could have predicted what happened just 10 years later.

Between 2000 and 2012, what happened in Africa was revolutionary. More wealth was created in that decade than ever in the continent's history. For arguably the first time since the '60s, that transformation was both bottoms up – new businesses and even whole new sectors sprung up, spawning new unicorns such as in fintech (Cellulant) and telecommunications (the MTN Group and Econet Global) and engulfed the continent. Governments finally began to get their act together and created the macro-conditions for this growth to take off- low debt, low inflation, and stronger democratic institutions.

GDP growth began to double, exports quadrupled, and public debt plunged to the lowest of any continent.

The change was so profound that it triggered an opposite headline from the same magazine.

On the 3rd of December 2011. ***Africa Rising.***

This growth was also boosted by enthusiasm for technology (over 700 million mobile users – more than in the US or Europe), a boom in commodities – the discovery of new swathes of oil, gas, and rare elements, as well as the arrival of new partners: China, India, Turkey, Indonesia and Brazil, and a fast-growing middle class.

However, post-2018, like almost every other continent in the world, the continent experienced significant economic hardships partly due to the widespread impact of the COVID-19 pandemic, rising debt levels, and soaring inflation. For instance, the inflation rate in Ghana, one of the continent's rising stars, is 34%, triggering Fitch downgrading the country to CCC from B- on 10 August 2022. GDP growth across the continent slowed to 3.3% last quarter.

However, Africa's real story lies in its innovation and entrepreneurial power. Africa is by far the most entrepreneurial continent in the world, and many of its companies have had to use the most ingenious and innovative ways to overcome serious challenges and problems. They have had to do more with less. The key to investing in Africa successfully is to investigate what major problems the continent faces and devise ingenious ways to solve them in partnership with like-minded Africans.

In this article, we will discuss seven sector opportunities, challenges to investments, and practical ways to invest to yield good profits with purpose.

I have selected these sectors because I believe the best way to invest in Africa is in what Clayton M Christensen, Efosa Ojomo, and Karen Dillon call 'market-creating innovations' in their best-selling book '*The Prosperity Paradox*':

Market-creating innovations do exactly what the name implies- they create new markets. But not just any markets, new markets that serve people for whom either no markets existed, or existing markets were neither affordable nor accessible for a variety of reasons. These innovations transform complicated and expensive products into ones that are so much more affordable and accessible that more people can buy and use them.... In a sense, market-creating innovations democratise previously exclusive products and services. This type of innovation not only creates markets but jobs too. This is because as new markets with new consumers are born, companies must hire more people to market, distribute, sell and service the product. Market-creating innovations have the potential to create what we call local and global jobs.

The opportunities literally are endless.



OPPORTUNITIES

OPPORTUNITIES

1. Fintech:

The rise and growth of Fintech in Africa has been nothing short of extraordinary. It is currently the fastest-growing start-up industry in Africa. According to a 2022 report by McKinsey, African fintech companies have already made significant inroads into the market, with around 2,500 companies, an average penetration of between 3-5% (excluding South Africa), and an estimated revenue of between \$4-\$6 billion in 2020. Even though many analysts say the market in Africa is becoming saturated, over 90% of African transactions still involve cash - suggesting that the scope for expansion, scalability, and profits is only just beginning. There are also significant areas for more investment into more advanced sub-sectors such as insurance, retail lending, transport, full banking services, and credit scoring. Notwithstanding, the fintech sector has opened massive opportunities for the financial sector and delivered significant value to its customers. COVID-19 has only accelerated this trend. For instance, **Sendwave**, a popular money-remittance company originating in Dakar, Senegal, does not charge for remittances to Africa while offering very competitive forex rates. The unicorns **Flutterwave** (Nigeria and Kenya), one of the continent's first unicorns, and **Cellulant** (Kenya) have enabled online selling, processing payments, and account management to be possible at up to 80% less cost than traditional banking across the continent.

2. Telecommunications and E-payments:

Closely related to fintech in the investment space is a more traditional investment base: The mobile/smartphone. Over 800 million Africans now own a mobile phone, and companies such as **MTN, Glo, Safaricom, and Airtel** have dominated the African smartphone market. However, real innovation in Africa is not with the traditional smartphone but in human commerce and the shift in e-payments using mobile phones. More recent pioneering 2024 innovations such as SomaFour (www.somafour.com) have started innovative courier services, tapping into the the estimated 350 million Africans living in the diaspora.

Here, Africa leads the world.

Even though cash still represents up to 90% of transactions on the continent, electronic payments are increasingly displacing cash, generating around \$24 billion in 2020. East Africa has led the continent in this regard, with the famed **M-PESA** from Telecom giant Safaricom enabling money to be sent digitally across Eastern Africa at

no charge. Countries such as Ghana, Nigeria, and Tanzania are also accelerating digital payments: mobile money transactions in Nigeria totalled 800 million in 2020, doubling from just a year ago. This has led to many possibilities – Uber, Bolt, and Yacmo for fast, affordable transport in Ghana and Nigeria, Glovo for mobile food deliveries in Ghana and many others. However, despite all this activity, only around 7-10% of all payments in Africa were electronic in 2021, signifying a major growth opportunity, especially when digital infrastructure by companies such as Ecomet Global is being built at a record pace across the continent. This growth is being driven by Africa's young population, which has a voracious appetite for adopting new technology, new payment infrastructure being built at an astonishing pace, and disruptive innovations such as Bitcoin making inroads. Nigeria, Kenya, and South Africa are already in the top ten of Bitcoin trading globally, according to a Statista report in January 2021.

3. **Healthcare:**

Africa carries a significant health burden. It only has 3% of the world's qualified healthcare professionals but has 25% of its disease burden. Furthermore, rising income levels and Western-style diets have meant that on top of infectious diseases such as malaria, tuberculosis, and AIDS, the continent is beginning to witness an alarming rise in non-communicable diseases such as diabetes, cancers, high blood pressure, and respiratory illnesses. This has placed significant stress on Africa's already strained health systems. Bad roads, lack of access to quality medicines, infrastructure, and treatment options as well as a lack of qualified personnel have also significantly added to the strain.

However, as is always the case in Africa, there is always a silver lining to this dark cloud - a string of innovations, resourcefulness, and creativity from African entrepreneurs sometimes bordering on the insane.

A huge opportunity, therefore, exists to bring these fascinating innovations from the fringes to the centre of African healthcare, which is worth \$66 billion annually and could rise to \$260 billion by 2030. Massive opportunities exist in primary healthcare, such as access to medicines, diagnostic services, pharmacies, etc.

Zipline is an African-based start-up founded in 2018 which bypasses Africa's decrepit transport infrastructure to use unmanned drones to deliver vaccines, medicines, and other critical supplies to healthcare facilities throughout Ghana, Rwanda, and some parts of Nigeria. It recently raised \$ 190 million to expand its activities to Kenya, Nigeria, and more African countries.

Mpharma was formed by award-winning Ghanaian entrepreneur Gregory Rockson in 2013. It is now a network of community pharmacies in over 9 countries on the continent. In 2019, MPharma interviewed across Africa and realised that 55% of patients preferred a community pharmacy as the first point of call to a clinic or hospital. Funders agree – the company has raised over \$65 million, has close to 1000 pharmacies and drug stores across the continent, and has over 2 million patients. In 2015, two Nigerian entrepreneurs with whom our company worked founded an e-health drug procurement company called **DrugStoc** to tackle this problem. They recently secured a \$ 5 million Series A funding to embark on an expansion drive to reach 100 million people within Nigeria. They plan to expand outside Nigeria to West Africa in the next 2-3 years and are dispensing over 6 million prescriptions to Nigeria annually. BlueCloud Health is also working with a Swiss-based investment firm, raising \$30 million to bring to market a revolutionary diagnostic device birthed in Africa that can easily diagnose Tuberculosis.

4. **Tourism:**

Tourism has long been one of the most important sectors in Africa - contributing an estimated 8.5% or \$194.2 billion of the continent's GDP in 2018, according to the World Travel & Tourism Council (WTTC). It was also the second- fastest growing region, with an estimated increase of 5.6% in 2018 compared to 3.9% of global average growth. The growth potential is enormous: Morocco and South Africa, for instance, average between 10-11 million visitors per annum. Boosting tourism investment in Africa requires a combination of ingenuity and an appreciation of its rich and varied culture. For instance, 2019 marked 400 years since the first enslaved Africans set foot in Hampton, Virginia in the US in 1619. The government of Ghana, along with the US-based Adinkra Group, a tourism consultancy specialising in Africa, launched The Year of Return, Ghana 2019, as a program for people of African descent in the diaspora to come to Africa and Ghana to reunite, invest and settle back on the continent. It was a huge success, with 1.9 million tourists heeding the call, airport arrivals increasing by 45%, and \$1.9 billion added to the economy.

On a personal note, my family and I went to Ghana for a tourist holiday, and I was astounded at the quality of the top-end hotels and facilities we visited – local entrepreneur Samuel Afari-Dartey had spent \$50 million to build two of Africa’s best holiday and tourism resorts Aqua Safari (www.aquasafariresort.com) in Ada, Ghana, and West Africa’s biggest resort, Safari Valley (www.safarivalleyresort.com) “African Disneyland” in Akropong, Ghana. The quality was second to none, as was its occupancy – we struggled to get rooms, and both hotels were bustling.

The sector took a huge hit during the COVID pandemic - \$87 billion according to Statista – but with pent-up demand for leisure travelling, this could be the perfect time for investment in this sector.

There is huge potential for expansion - countries such as Rwanda, Angola, Gabon, Zambia, and Senegal have massive potential. Demand will increase in established tourist hotspots such as Kenya, Botswana, Tunisia, Morocco, and Egypt (whose Sharm El Sheikh resort hosted the COP27 climate conference in November 2022).

5. **Agribusiness:**

The agribusiness potential in Africa is well understood but not fully realised. The paradox is that Africa spends about \$25 billion annually importing food, according to the World Bank. Still, nearly half of all economic activity in Sub-Saharan Africa is related to the agribusiness sector. Hunger is still a major problem in many African countries even though the World Bank forecasts that by 2030, agribusiness could grow to become a \$ 1 trillion industry. Conglomerates like the Olam Group operate in 25 African countries and are well established. However, the sector has not had the same disruptive entrepreneurial models as fintech or healthcare. The sector is still dominated by greenfield smallholder farmers, who cannot scale to the point where the proposition becomes attractive to large-scale investment.

These problems are also compounded by a fragmented, inefficient, and broken supply chain – an ‘infrastructure-deficient environment’, as Peter Njogo, CEO of Twiga Foods, says on the podcast Built Tough. It is estimated that 50% of fresh produce never makes it from farm to fork, an estimated wastage of \$4bn annually. Entrepreneurs are cashing in on these problems, such as Reel Fruit, a Nigerian snack food start-up that recently secured a \$ 3 million series A funding, and Ghanaian start-up Melach Coconut, which supplies coconut products worldwide. Maphlix, another Ghana-based start-up supplies fresh produce as far afield as the Netherlands, the UAE, and the UK and companies such as KFC and Shoprite.

6. **Women-owned businesses:**

For every dollar invested in women, \$25 goes to men in the African start-up space – an estimated \$42 billion shortfall. This is a travesty as women entrepreneurs in Africa are by far the highest on the planet, at 26%. Women-owned businesses are estimated to contribute around \$250 billion to African economic growth, reckons Victor Basta, host of the podcast Built Tough.

My company, Our company, The Strategy Boutique, can testify to this, as we have worked with some of the most hardworking women entrepreneurs on the continent from Mrs. Patience Tsegah, CEO of one of Ghana’s leading pharmacy chains, Unicom Chemists, who recently claimed the woman entrepreneur of the decade award in her home country of Ghana, Nigerian Elizabeth Adeshina, CEO of Wazima Health an integrated telehealth platform start-up that links patients in Africa with healthcare professionals across the planet via video-link or Sierra-Leone- born entrepreneur Mariama Kamara whose company, Smiling Through Light focuses on clean energy access – working with women to provide clean, reliable and sustainable energy in Sierra Leone and throughout Africa through the distribution and sale of solar products.

It took Wazima a decade to finally secure funding for its award-winning healthcare innovation from two early-stage genderless investors – shEquity and Rising Tide Africa, who have invested in close to 30 start-ups led by women across the continent.

According to Eloho Oname, co-founder of First Check Africa, there is a persistent gap between the general acknowledgment that there is an excellent layer of female operational management in Africa in general, but unfortunately, that acknowledgment does not translate into trusting women with allocating capital – trust with ambition, scaling, building high growth companies and all the hubris that comes with starting and scaling a multi-million-dollar business.

The other persistent problem is that messages are being reinforced that women are not suited for the high growth, fintech ‘not enough impact’ and hence there are a lot fewer venture-backed, female-owned scalable high growth companies.

7. Financial models and Investment funds:

Possibly, the easiest way to toe-dip into Africa is to invest in funds that are already deploying into the continent.

According to Vijay Mahajan, author of the best-selling book *Africa Rising, How 900 million African Consumers Offer More Than You Think*, he divides the consumer segments in Africa into three areas:

Segment	Percentage of Market	Estimated Population Across Africa
Africa One	5% - 10%	50-150 million
Africa Two	35%- 50%	350-500 million
Africa Three	50%- 60%	500-600 million

Most companies and funds in Africa concentrate on Africa One, which has the most disposable income and behaves like the elite segments in other global markets. This is the lowest-hanging fruit of the African market. However, they constitute only up to 10% of the entire market.

The real potential success is Africa Two or as is popularly termed, the ‘missing middle. This is the future of the market – upwardly mobile, educating their children, have some disposable income, can shop in Africa’s supermarkets, can rent a small high-rise apartment, or two-room apartment within a housing complex, can afford a mobile phone, buy medicines in a pharmacy, afford local produce and now and again, engage in local tourism.

Not many companies and start-ups in Africa can absorb large chunks of capital safely and sustainably. Thankfully, a small, but the increasing number of investment funds are recognising this segment and are backing companies and scaling start-ups which are serving these markets.

These funds are structured and set up in a way that supports the innovation that is needed to unlock the potential of Africa Two. They specialise in identifying entrepreneurs and start-ups that need funding of up to \$100,000 to around \$2-3million and working with them to scale across the continent. A few examples of them are:

Loftyinc Allied Partners call themselves an ‘innovation development company that supports start-up teams, innovation enterprises, and social impact projects in Africa. This involves not just investing in companies but providing the handholding, the tools, the support, and the technology that enables these innovative companies to scale to make a real impact on the continent. They were an early investor in Flutterwave in 2016, which in 6 years, has now become one of Africa’s few unicorns. They recently launched their third fund, a \$ 10 million start-up fund for tech start-ups in Africa. They have made 29 investments up to September 9, 2022.

Injaro Investments recently closed a \$10 million fundraise, which enables it to support and build sustainable African innovative companies that create value. In their own words,

“We work with partners to use business as a force for the good of the planet and its people. For entrepreneurs with a dream, we work alongside you to refine your vision and to grow your business profitably as a good corporate citizen.

For investors who care as much for the planet as for profit, we combine international business acumen with deep-rooted local knowledge and hands-on entrepreneurial business experience to deliver profit with a purpose.”

Through the **Investment Fund for Health in Africa** (\$170 million assets under management including 40 clinics and 3 private hospitals) and the **Medical Credit Fund**, **PharmaAccess** specialises in investing in SMEs in Africa’s health space – but also with the added benefit of **SafeCare**, an in-house system of in-built internationally recognised safety standards to protect the quality and build the capacity of healthcare delivery and sound business practices.

SHequity specialises in addressing the three key challenges facing African female entrepreneurs: access to seed capital, access to structured building venture support and high-value networks, and de-risking their start-ups and companies to increase their attractiveness to potential investors

FirstCheck Africa is an early-stage VC fund specialising in investing in pre-seed and seed tech start-ups with at least one female founder or co-founder. Their success stories include Pivo, a digital bank that creates tailored credit products and banking services for SMEs serving Africa’s major supply chains, and Healthtracka, a home diagnostic testing platform that allows customers to order laboratory tests, get fast results and book personal reviews with healthcare professionals.

The great thing about funds like this is they offer a low risk, but high-return entry into African markets for the early, toe-dipping investor, which may go some way to offset the many challenges in investing in Africa.

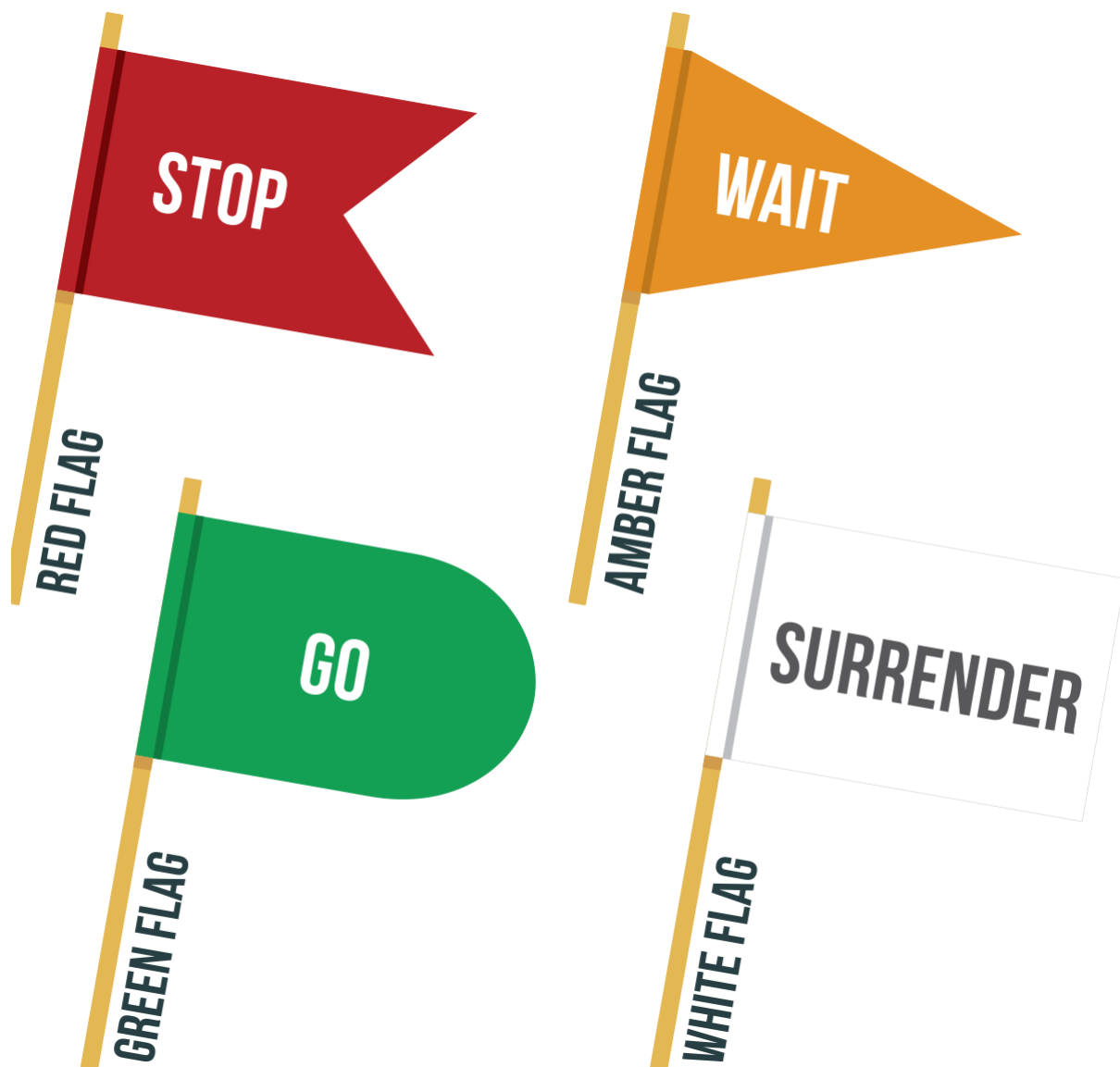
SECTION 04



CHALLENGES

CHALLENGES TO INVESTING IN AFRICA: THE FLAG RESPONSE MODEL

In my best-selling book **Pay The Price**: Creating Entrepreneurial Success Through Purpose, Pain, and Purpose, I talk about the four kinds of pain which can affect an entrepreneur on their journey to success. Incidentally, these four kinds of pain are exactly the problems and challenges when faced when investing in Africa:



The model seeks to explain the model of pain in entrepreneurship, and in reflective ways, exactly explains the challenges and issues facing investors as they try to navigate the complex map of the African landscape.

Pain (and risks) for investors potentially seeking to invest in Africa comes from 4 main sources. I have categorised these forms of pain and the corresponding responses with four colours: Red, Amber, Green, and White. The model is shown in the diagram above.

Red Flag Pain: The Pain of Self-Sabotage

Africa has serious challenges. That is a fact. And a lot of those problems come from self-sabotage. Bribery. Rising extreme poverty. Poor leadership. Corruption. Poor governance. Coup d'états. Rising levels of crime. Bureaucracy. Economic Instability and bad economic policies. According to Transparency International's Corruption Perception Index, Africa scored an average level of 32, making it the worst-performing region in the study. Scores for countries such as South Africa, Malawi, Zambia, and Nigeria experienced declines or stagnation, and countries such as Liberia, Madagascar, and Mozambique have significantly declined. However, there have been improvements in Angola, Senegal, Cote d'Ivoire, Ethiopia, and Tanzania.

It's evident that these practices hamper investment and governments in Africa need to do more to combat this self-sabotaging behaviour (hence the red flag – STOP)

So, what to do? Quoting again from *The Prosperity Paradox*, the solution to corruption may not be trying to fight it with limited resources but investing that energy to create new markets that help citizens solve their everyday problems. This has been evident in the Fintech and e-payments sectors, where the market-creating solutions have almost completely eradicated corruption in these sections.

Another way to fight corruption is to integrate and internalise operations to reduce opportunities for corruption and increase the use of technology. In my recent acquisition of a national identification card, everything was done online, which reduced the potential for corruption. Regarding the integration of operations, one of our clients. Another of the companies we have worked with, Fedco, a Ghanaian cocoa buying agency, has also incorporated a transport freight agency to ensure its cocoa gets to the ports.

It also reinforces the need to select countries and sectors carefully – some sectors and countries are more prone to corruption, and a risk/benefit analysis is crucial to investment success. This will be discussed further under strategies for investment in Africa. Therefore, it is imperative to consider countries in Africa individually, as indicated earlier.

Amber Flag Pain: The Pain of Timing

Amber Flag Pain in investing refers to a mismatch between the market and the said opportunity. Much like an amber at a traffic light, the only solution is that of timing and pivoting.

Sometimes, the failure to invest in Africa is due to bad timing. BlueCloud lost a lot of money in some countries in Southern Africa mainly due to a lack of appreciation in market timing. When we started working with Africa Two in 2010, we were too early for the middle market, as were many of the funds mentioned above. For example, LoftyInc closed its very first fund in 2016, even though much research (including ours) had shown that the real proliferation of opportunity was in Africa Two.

Another Amber Flag Pain is also due to the developing nature of institutions in Africa; it takes longer and is more difficult to start businesses and investments, even though Africa is now the world's top region for reforming business – an entrepreneur can now register a business in 20 days or less in 12 of sub-Saharan Africa's 48 economies, this was only possible in three countries a decade ago.

There are wide variations in the countries, though; Rwanda, Botswana, Togo, Kenya, Namibia, Ghana, and South Africa boast easier processes – only two countries rank in the top 50, whilst many from the bottom 20 are African according to the World Bank doing business 2020 report.

Investing in Africa, therefore, demands a strategic approach – which we will discuss in detail in the next session.

White Flag Pain: The Pain of Unfair Disadvantage

White flag pain refers to the kind of pain which results from the unfairness of the world system in which we live.

Africa has had more than its fair share of unfairness, resulting in historically low levels of investment and productivity.

The slave trade, which lasted for over 400 years, left (and still leaves) an indelible black mark on Africa, the effects which are still felt today. From 1500 to 1860, around 12 million enslaved Africans were traded to the Americans in British ships -which, according to some studies, has cost 72% of the average income gap between Africa and the rest of the world. (Nunn, 2008)

Colonialism also dealt Africa a further blow by creating economic dependence and exploitation, as well as the problem of disunity, and it has also catalysed the brain drain of valuable human resources from Africa to the West.

Racism is also partly responsible for why Africans tend to get exploited, overlooked, and discriminated against when it comes to issues of investment, and African companies start from a position of disadvantage purely because of their origins.

In 2020, over \$300 billion was invested globally in healthcare, technology, and other sectors, but less than 2% went to Africa. Nearly 10 times as that flows to San Francisco each year. *‘African’s young people are not being given a fair crack at investment’*, quotes African entrepreneur and billionaire Strive Masiyiwa.

Green Flag Pain: - The pain of wrong assumptions and stories.

The last major hurdle to investments in Africa is due to wrong and negative assumptions – wrong optics. These are due to stories – stories that Africans tell themselves, stories in the media, and stories of people who have had bad experiences on the continent. They all feed into one narrative – that Africa is a bad place to do business.

In entrepreneurship and investment, there is always a difference between scary and dangerous. Yes, starting a new venture in a new continent under new rules is scary, but it certainly is not dangerous.

Not if you follow the right procedures and do the right research. As I mentioned before, Africa has the highest rates of entrepreneurship of any continent in the world, with the majority being women, and the working population in Africa is set to double by 2050. So, as Strive says, the solution to Africa’s investment landscape is an investment in mass entrepreneurship.

And the solution to green flag pain is simple. It's an open-minded *authentic curiosity* -which many people will begin by reading this article.

So, how do we start the process? Here at The Strategy Boutique, after mountains of research into successful African investments, we distilled five factors that will ensure success in African investment:

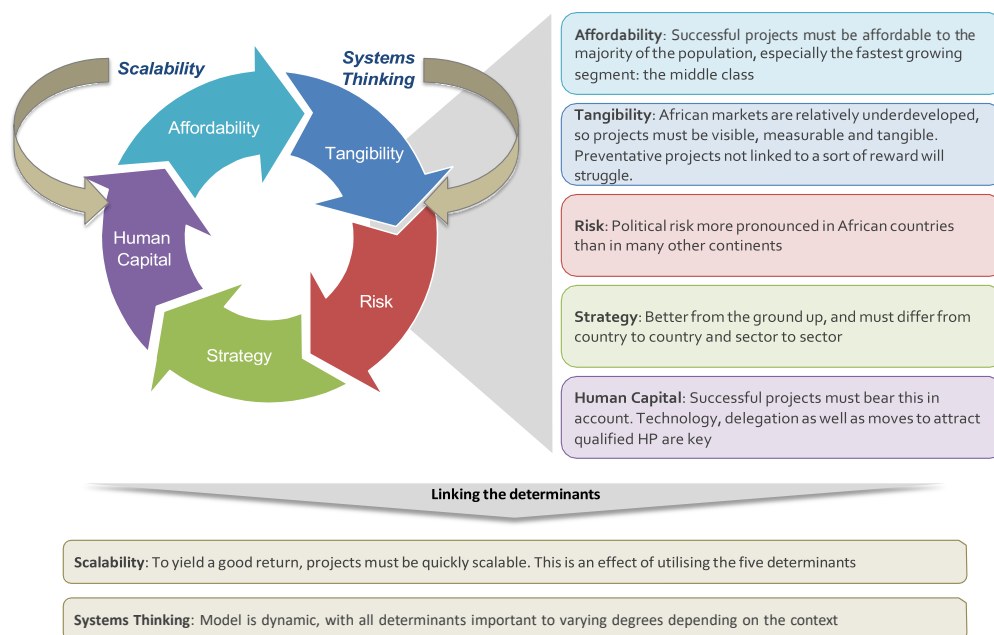


HOW TO INVEST IN AFRICA

HOW TO INVEST IN AFRICA – THE FIVE DETERMINANTS MODEL

The BlueCloud Five Determinants Model

Why is there low foreign direct investment in Africa? The five determinants model:



*Source: BlueCloud 2013/4

Research in 2013/14; 100 papers studied, 30+ professionals interviewed, published in reputable periodicals

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At the Emerald Group and its former subsidiary BlueCloud Health, we developed the five determinants model in-house, which took a year of research, studied over 100 papers, did year-long on-the-ground work in the continent, and interviewed over 30 top CEO thought leaders and investors.

This model governs the best way to invest in Africa – for the best impact and financial return. A summary:

- **Affordability:** As the book Africa Rising quotes, the best demographic to try to reach is the middle class, Africa TWO. For this demographic, affordability is crucial, and a study of all the African unicorns demonstrates that they have found them. This

means choosing portfolio companies that can target the middle class, have a scalable model, and diversify into related fields as the market becomes saturated.

- **Tangibility:** Because African markets are relatively underdeveloped, projects need to be measurable, visible, and should be data-driven. This is especially relevant for intangible benefits, such as healthcare. For instance, the market for private and public healthcare insurance failed to kick start in many countries in Africa initially failed because healthy people could not understand why they had to pay a premium monthly when they weren't going to the hospital.
- **Risk:** Different countries offer different risk-to-benefit ratios, depending on the sector, population, political stability, and institutions. Prior studies on individual countries are crucial.
- **Human Capital:** Due to the massive brain drain away from Africa and the relative lack of skilled human capital, particularly in the healthcare and other training-heavy sectors, the use of technology, downscaling, and measures to attract, recruit, train, and retain qualified staff is key to success.
- **Competitive strategy:** As this article has emphasised, a comprehensive investment strategy must be mapped out for each country and sector due to the considerable differences between countries in Africa. The easiest way to do this is by partnering with local companies with a proven track record.
- Scalability and **systems thinking** (taking each determinant individually and dynamically before integrating them into the whole to form a comprehensive strategy) are key. Scalability will create economies of scale, driving down costs and increasing profitability in the long run.

Please do not hesitate to contact us if you need any further information or are interested in investing in this exciting continent.

Africa's time is now!

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