



Top 5 Tips for Doing Business in Africa

Recently the senior associates at Security Management International decided to see how many countries in Africa they had collectively traveled to. The answer, we're proud to say, was all of them – 55 countries in total. That is a highly diverse array of nations. This number includes North Africa (the Middle Eastern or Arab portion of the continent), the Sub-Sahara, as well as the island nations off both the northwestern and southeastern coasts. It also accounts for the world's newest nation – South Sudan (in which I write this today). Our goal in creating that list among ourselves wasn't to see who had been to the most countries, but rather to highlight just how large and diverse Africa really is. Such a composite, we noticed, makes offering a list of generalized travel tips for the continent at large very difficult. Yet the average business traveler doesn't have time to investigate every country and city, especially on business trips that can take you from Morocco to South Africa in less than a week! Luckily, with this wealth of travel experience under our belts, the team successfully devised a list of five tips – relevant in all 55 countries – to better help you do business in Africa. Here is what we came up with:

- 1. Safety First** – Whether it be civil wars, the Arab Spring, terrorist attacks, coup attempts or general street violence, the security situation in Africa is abhorrent. That reality is only emboldened and compounded due to immense poverty and rampant infectious diseases such as malaria and HIV. Physical security and emergency response planning, as well as all possible medical precautions, should always be priority number one, regardless of your reason for travel. Check the World Health Organization or Center for Disease Control websites for suggested vaccines in all the countries you intend on traveling to, always make sure a relative or colleague knows where you are, and be sure to register with (and sign up for email alerts from) your respective local embassy.
- 2. Get Paid Upfront** – Should a person find him or herself conducting business in Africa – whether it is on the ground or at a distance – the general rule of thumb is to get paid upfront...100% if possible, and never less than 50%. Africa may be the breadbasket of civilization, but it is also the breadbasket of corruption. In most instances, over 80% (and that is a conservative number by our estimates) of all business deals involve some type of bribe, kickback, or all-out scam in most African countries. That is not to say there is not a lot of business to be done and money to be made, but in order to protect yourself and your company, always get paid upfront. Even if you are traveling purely for meetings (or just for pleasure) and no contracts have been signed, at the very least ensure that all your expenses are covered before boarding your airplane.

- 3. Know With Whom You are Doing Business** – Most businesspeople do their homework before they enter into a venture. In Africa, this has never been more important. Due-diligence is vital. Although public records may be limited, never “take a chance” on someone whom you cannot thoroughly investigate. If the person you are doing business with in Africa does you wrong, it is nearly impossible to bring about effective legal recourse to recoup your losses. Whether you do this research on your own or hire a company like SMI who specializes in due-diligence, it is important to approach every deal with a healthy level of skepticism. If you cannot find enough information on the person or company in question, it is wisest to simply walk away.
- 4. Money Talks** – Although credit card transactions and bank transfers are common in many areas of Africa, cash is still king (particularly the all mighty dollar). Always remember that you get what you pay for. If you desire safety, security, cleanliness, or anything else, you have to be prepared to pay for it. In Africa, everything (and sadly, often everyone) has a price. Nothing is impossible if you have enough cash. Be prepared to pay out of pocket for comforts typically considered standard in other parts of the world. Even average processes like obtaining a visa at a border crossing or filing a document with the government likely include additional funds to “grease the wheels.” Be smart with your money, keep it well hidden, and don’t be unprepared for solicitation.
- 5. The Only Rule is That There are None** – This is the golden rule of Africa. Intense corruption has not ceded since the fall of colonialism. Although independent and self-governing, the overwhelming majority of countries in Africa are decades – if not centuries – away from being organized and self-sufficient on the scale of other emerging economies. Despite the commendable international contributions in medical, educational, and infrastructure assistance, the diverse African continent continues to be a difficult place for foreigners to do business. In short, plan for the worst. That does not mean the worst will find you, but doing business in Africa is about tapping expanding markets while exposing you and your business to the least possible risk.

Now that we have painted Africa as a place of doom and gloom, we should as well point out that it also provides some of the most spectacular experiences in the world. Why else would we have traveled to every country on the continent! Between the rich history, exotic safaris, various tribal customs, and diversity of cultures, the African experience – although admittedly not for everyone - is unparalleled for those seeking something new.

In short, if you do become fortunate enough to soak in the wonders of Africa, just remember not to expect the same business environment that you would in other parts of the globe. Who knows, you may even be lucky enough to experience a 56th country while you’re there!