

Interview with Nico de Wet from South Africa working at the Global Business Division of SoftBank Corp's Enterprise Unit

Bridging Africa & Japan – Entrepreneurial Engagement for a Young African

By Japan SPOTLIGHT

Nico de Wet, a young South African, talks about his experience of the ABE Initiative, the “African Business Education Initiative for Youth”, one of the most important outcomes of the TICAD process so far. He also talks about the NGO initiative “Kakehashi Africa” (Bridge of Africa), an important offspring of the ABE Initiative. He works for SoftBank, a major Japanese telecommunications company that started as a venture, and is learning entrepreneurship from them.

(Interviewed on July 12, 2019)

Introduction

JS: How did you become interested in Japan, and why did you decide to stay working in Japan for SoftBank?

Nico: I am from South Africa, and before I came to Japan I studied philosophy and law at Stellenbosch University, which is located close to Cape Town, and worked for nearly five years for a group of companies specialized in space engineering, GIS applications and other technologies. I worked in a team that was specifically involved in using technology to help NGOs be more effective. Then I came to Japan under the ABE Initiative, spending two years at Ritsumeikan University in Kyoto, where I studied international relations, followed by a six-month internship at SoftBank Corp. The reason for joining the ABE Initiative was because I felt that Africa and Asia would become very important continents in the future, due to population and economic growth. At the same time there are not many people that can be a bridge between the two markets, so I thought it would be a good opportunity for me to specialize in that space. Two and a half years of the ABE Initiative sounds like a long time but it was not enough to build a deep understanding of how Japan works, so that's why I decided to stay longer in Japan. I was very fortunate to join a Japanese company that has a large appetite to change the world and has a lot of resources that can be used to satisfy that appetite. It also gives me a good opportunity to deepen my knowledge of Japan and to continue building my networks in Asia.



Nico de Wet

The ABE Initiative & “Kakehashi Africa”

JS: What do you think about the ABE Initiative? Is your assessment mainly positive?

Nico: From my perspective, it was a very good return on my own investment because I ended up working for a very good company. The mission of the ABE Initiative is to enable the creation of partnerships between Japanese and Africans, and in terms of that mission, in my personal case, I have accomplished that by being employed by SoftBank, who have given me the mandate to penetrate the African market. So for me, the outcome was very good. In addition to employment by SoftBank, during the ABE

Initiative and all the events created by the Japan International Cooperation Agency (JICA), I managed to meet a lot of Japanese companies and build a very good network. This helped me create a very good foundation for my future mission of building bridges between Africa and Japan.

JS: Kakehashi Africa is one of the NGOs acting in making bridges between Africa and Japan, and it consists of alumni of the ABE Initiative. Could you briefly explain about Kakehashi Africa?

Nico: Obviously, during the two to three years of the ABE Initiative program, each ABE participant has a great opportunity to build a great network and gain lots of knowledge, but if this is not followed up by a platform to make sure that the relationships that were built actually reach some kind of concrete result, then the return on

investment will never happen for the ABE Initiative. So the mission of Kakehashi Africa is to kind of continue the mission of the ABE Initiative even after it finishes by creating a platform that allows ABE participants and Japanese to continue their engagement. This is the reason why we created Kakehashi Africa: to continue the momentum of the ABE Initiative towards and beyond the point of making a meaningful impact for all stakeholders. We also felt that Japan has already done so much – the Japanese taxpayer has paid so much by bringing us here and giving us this education, internship and networking opportunities. So Kakehashi Africa is an initiative by us Africans, as it is our turn to take co-ownership and contribute proactively to this mission of the ABE Initiative.

In terms of what we do practically, currently Kakehashi Africa is focusing on building a formal member network where ABE participants and alumni, Japanese companies, NGOs, governments or anyone can become a member of the network and then they can have access to two platforms: a virtual online platform for knowledge exchange, sharing opportunities, requesting employment, funding, teams or skills – so a kind of a business intelligence and matching platform – and also a physical platform in the form of branch activities. We are creating branches across African markets, but also in Japan, where people can attend networking events, workshops or have business tours. So basically we want to develop Kakehashi Africa into an enabling platform to continue the idea of bringing Japanese and Africans together to do real business.

Currently, since we are still in the early development stages of the platform and need to get a few more things in place, we have limited the membership to ABE participants. We have about 500 ABE participants who have indicated their interest to be involved; more than 250 of them have formally registered and this number is increasing week by week. We have a board of directors, elected by our members, who have appointed me to lead the executive management. We have a lot of challenges, because all of us are doing this during our spare time as we have day jobs; nevertheless slowly but steadily we are getting things in place.

JS: How about your budget?

Nico: We don't have a budget at the moment. Recently, we legally registered the organization in Kenya and the expenses of registering the entity were covered out of our personal pockets. The Japan International Cooperation Center (JICE) – which has been contracted by JICA to help manage the ABE Initiative – has often supported our transportation and accommodation costs whenever we had major events or meetings. So, our first mission is to create a basic revenue stream. We want to do this by creating a way for people to pay a fee when they become a member of our network.

JS: Your members have mostly been working for Japanese companies. Are they successful in building up links between Japan and Africa?

Nico: The majority of ABE participants go back to Africa so only a few remain in Japan working for Japanese companies. I think there is some concern among those who return about what to do next. To

address that concern, I think that Kakehashi Africa can really help to continue creating opportunities for those who have returned to do some real business or projects with Japanese entities. It's a big challenge but we are committed to addressing it.

View of TICAD

JS: Moving to TICAD, the ABE Initiative must be one of the important products of the TICAD process. How do you assess what TICAD has achieved so far?

Nico: My only exposure to TICAD is the ABE Initiative so I can't talk more broadly about what has come from TICAD. I think that the ABE Initiative is a great program for contributing to the development of Africa while at the same time creating opportunities for Japanese companies to expand their business. However, since the focus of the ABE Initiative is human capacity development and relationship development, the results of the program will not happen overnight, so I think we will need to give it some more time to see the fruits of the ABE Initiative. There have been some small successes, such as people like me who joined Japanese companies to help them expand into Africa or people who have created new enterprises in partnership with Japanese, but to have the scale of success necessary to tell the Japanese taxpayer that this program was a good investment we will need to give it more time and seriously follow up the ABE Initiative with something like Kakehashi Africa. The real success will be determined and achieved by what we do next after the program.

JS: How about TICAD VII in Yokohama this year? Do you have any particular expectations?

Nico: It is now our turn as Africans to contribute to the success of the ABE Initiative, but it would be very helpful if the Japanese government and private sector could continue to commit their support and particularly help us to follow up the program and actively participate in the projects that we may organize for that purpose. The ABE Initiative has created all these relationship networks and ideas for business partnerships, but now we need other resources, such as venture capital, to invest in these ideas and make them happen. So if there could be some kind of investment fund that could help lower the risk for Japanese companies to enter into partnerships with ABE Initiative alumni, this could be very helpful. Furthermore, another type of ABE Initiative program could also be good, perhaps one that is focused on technical skills development – practical skills that could make an immediate impact.

JS: How do you think Japanese businesses could contribute to African economic development? The bottom-up pyramid approach would be an effective way to achieve economic development, but there may be other ways.

Nico: The answer to this question depends on the industry. Generally speaking, the challenge for Japanese companies is that there is a lot

of competition with emerging economies and specifically other Asian players who are offering a cheaper price on products and who these days are even increasingly providing high-quality products. So Japanese companies will have to be very creative and strategic in their thinking. One benefit they have is that because they are from a large and highly developed economy they are very cash rich; they could become very good investment partners. Secondly, Japanese companies still have a very good reputation in the world. They are respected and trusted. Other foreign players in Africa do not have that brand of trust, so if Japanese firms can leverage these things to their advantage, it could help. A company like SoftBank, for example, is very good at making investments and building partnerships, and helping develop ecosystems around a certain industry. Instead of competing, if Japanese companies could invest in the enterprises of other players or facilitate the building of partnerships based on common values, it could be an interesting approach. Generally speaking, Japanese companies are not geared towards the “bottom of the pyramid” as their products are very high quality and somewhat pricey, and most African countries do not have enough people in the higher ends of the market who could appreciate and afford those products yet. So Japanese companies are going to have to think differently, perhaps acting as a facilitator or partner in order to target the majority of Africans.

Digitalization in Africa

JS: I understand you are working on a digital business. Digitalization is spreading all over the world, and in particular in Africa there is a lot of progress. How do you assess the future of digital business in Africa? Is it limited to startup businesses?

Nico: No industry can escape digital business/technology these days, and this will increasingly become the case. If we as Africans do not create technological or digital solutions or adopt these solutions, we will lose out. The gap between us and the rest of the world will simply become wider. However, Africans have a good appetite for using tech, and mobile penetration is moving very fast, even compared to the rest of the world. Mobile wallets such as M-Pesa in East Africa, for example, show how eager Africans are to use digital solutions. There are many challenges that prevent Africans from using more digital solutions: tech infrastructure, especially telecoms infrastructure, is an issue, as are the political and business environments in terms of regulation and corruption. Some of these things could perhaps be leap-frogged or disrupted with new technology. However, education cannot be so easily leap-frogged. We cannot escape the hard work over a long period necessary to ensure that you have people with the right skills and mindset. Frankly speaking, Africa has the worst education systems in the world and this is preventing digital business from taking off properly. For a company like SoftBank – and I think this should maybe be the case for other Japanese companies as well – the correct approach would be to focus on building local partnerships, investing in local capacity development and making capital available for local people in a

supportive role. This would really help Africans to reap the benefits from the digital economy. It is not going to be easy; there is a lot of potential but a lot of challenges that need to be kept in mind.

JS: In the case of the digital economy, open innovation might be very important. Do you think that SoftBank could contribute to more innovation in your country?

Nico: SoftBank wants to be the player that makes the biggest impact in an industry. If we are talking about agriculture, they want to look at the whole ecosystem and be the platform underpinning that ecosystem. SoftBank can make a huge contribution to help develop the necessary technology infrastructure and make sure that the right players are in the value chain and that the right players are supported to enable value creation. Creating an open innovation platform is definitely good, but Africans need to be equipped with the right skills, knowledge and capital to really leverage this opportunity. African governments will also have to take ownership. Once again, education is an important key – if we don't have education the rest will not fall into place, or foreigners will just come to Africa, capitalize on all the opportunities and reinvest most of the profit in their own or other regions. If we want to enable Africans to become wealthy and be able to contribute to the world with their own solutions, we need to make sure that they have the necessary skills and mindset to do that. For that we need solid education.

The ABE Initiative is only one part of the bigger solution to the problem of education or human resource development, so we need to look beyond it. The ABE Initiative is the right approach however, and I really want to compliment Japan for it.

In terms of other anticipated outcomes of the upcoming TICAD VII, in addition to human resource development programs that bring people to universities, there is perhaps also a need to focus on technical or practical skills development, like giving Africans apprenticeships in factories, that may translate into immediate practical benefits. A follow-up to the ABE Initiative that further supports the skills development of alumni may also be helpful. For example, every year or more frequently, Japanese agencies like JICA could facilitate seminars or workshops in African countries to which ABE Initiative alumni are invited. The Japanese government is actually already supporting African governments through a wide range of activities to make an impact on the systemic challenges of education. However, Japan cannot make the necessary impact alone and needs to collaborate with the whole global community who are interested and involved in solving the challenges of education in Africa.

Prospects for South Africa

JS: South Africa seems to have a lot of growth potential. What is your view of its growth potential? Perhaps in two or three decades its economy will be bigger than Japan's.

Nico: I like that idea! I don't know if it will happen though. South Africa's current economic growth is nearly zero, and we had some quarters recently when we were technically in a recession. However, South Africa does indeed have tremendous potential because we have the best infrastructure on the continent. There are huge inequalities in South Africa, but the people who have skills have very good skills. Our large companies, like those listed on the stock exchange, are of global standard. South Africa has so much potential and we are geographically positioned in a region of emerging markets full of potential, so we really have the opportunity not to only leverage our own resources but those of the whole continent and really be a leader for Africa. We can be a regional leader that does things differently from the heavyweights in other regions in the world by truly creating shared value for the whole region rather than exploiting our neighbors primarily to our own benefit.

The problem is that we are our own worst enemy. We have a lot of internal issues that are a result of our past. We have gone through a stage over the past decade under the previous administration where we have not made progress and in fact have gone backwards. This is very unfortunate, but with the new current government and leadership I think there is a lot of new hope. I have a lot of faith in the new government and we are making slow but steady progress heading in the right direction. All we need to do is to maintain this momentum. There are still a lot of risks and challenges and it will be very difficult, but we are moving in the right direction. In a few decades, maybe we can be an important player even if we are not as big as Japan!

JS: When Africa hosted the World Cup in 2010 there were serious concerns about security. Has the security situation improved?

Nico: I believe there have been some small improvements to security, but the overall picture is still not that good. However, one needs to maintain perspective on this. I lived for a very long time in South Africa and have never experienced any serious incidents – nothing more serious than what you may typically encounter in the United States or Europe. It really depends on where inside cities you go, and as long as you follow common sense, you should be fine. So I don't think it presents a serious obstacle to doing business and should not stop us from moving forward.

JS: So mitigating the security risk might lead to more foreign investment?

Nico: If there is more direct investment and economic opportunities, our security situation will be alleviated, so it goes both ways. But we do need to take the issue of security very seriously and I think South Africans are doing their best to alleviate the security challenges.

Views on Japanese Culture & Business Life

JS: How do you find working in a Japanese company? The culture must be very different.

Nico: In terms of the long working hours, I often also worked long hours in South Africa before coming to Japan. So, I think the work hours may not be that different to many South African companies. However, Japanese do certain things very differently. For example, the way decisions are made and the way people act are very different from what I am used to in South Africa. I have learned a lot about humility, to really consider others, and about consensus in decision-making. Also to do things systematically by focusing on small details. I have respect for this working culture and have developed an admiration for it. There are challenges: for example, you don't always move as fast as may be necessary, but if you are open-minded about the challenges then it does not present a problem. I am always discovering new aspects to Japanese culture. The culture is very deep and sophisticated. It is a very interesting experience for a foreigner like me to be part of a journey to understanding it better.

JS: In particular, corporate culture is hierarchical and requires a lot of consideration of others.

Nico: Maybe I am not a good example because SoftBank is not such a traditional company, and moreover I am in the global business division which perhaps has a different business culture from the rest of the company. There is a lot of space there for you to take the initiative and not follow the hierarchy. My bosses are very open-minded people so I am not really experiencing hierarchy. I think we have a very healthy culture at my company. However, because you always have to accommodate people instead of going it alone, you have to slow down sometimes; but this teaches you humanity and to really consider others, which I see as a good quality. Of course, I benefit from this practically as well, when others in the company have to slow down to accommodate me.

Future Plans

JS: What are your future plans for continuing to be a bridge between Africa and Japan?

Nico: I would like to establish an office for SoftBank in Africa, and as its mission I would like it to become the best facilitator of partnerships between Japanese, other foreign companies and local African companies – partnerships that create real solutions that will address the real needs of Africans. But also to enable partnerships between African and Japanese companies or other companies that can be taken to the rest of the world. We need to create opportunities for Africans to generate their own wealth, and a part of doing that is opening up markets around the world for Africans – through partnerships, this can be achieved. I hope to facilitate such good partnerships between Africans and the global community. **JS**

Written with the cooperation of Joel Challender, who is a translator, interpreter, researcher and writer specializing in Japanese disaster preparedness.