



Market Entry Challenges to African SMMEs

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E-Tools Profile

- E-Tools www.e-tools.com was founded in California's Silicon Valley in 1987 as a consulting company. It became a software company in 1994 and relocated to Sonoma, California. E-Tools moved its operations to East Africa in May 2003. It maintains offices in Kigali (Rwanda), Nairobi (Kenya) and Sonoma (California, USA). Will open soon offices in Burundi and Tanzania.
- E-Tools Consulting Group specializes in Business Software and Hardware Solutions, Hardware and Software Support, and E-Government Solutions.
- E-Tools solutions include custom software, anti-corruption software, productivity software, e-commerce, outsourcing and localization of existing software products, training and solutions deployment: ERP, Communication and Networking, Change Management, BPR, MIS, Web Publishing, ICT Hardware Repair and Servicing, Security, Wireless networking solutions, low-energy computer solutions.



E-Tools Profile

E-Government Solutions (SmartGov™)

- Designed and implemented by East African Engineers including Kenyans, Burundians and Rwandans.
- GateKeeper™ BorderControl a Migration and Border Control Solution, now installed at all borders of Rwanda.
- GateKeeper™ Visa being deployed at Rwandan Immigration HQ and all Rwandan Embassies. It is used for issuing and managing Visas.
- BudgetMaster™ a tool for Ministries of Finance. It makes budget preparation and execution an easy task for African Governments. It uses the familiar MTEF standard, takes into accounts donors, grants and loans, etc. MTEF: **Medium Term Expenditure Framework (MTEF)** is a tool available for governments to manage public expenditures.
- TaxMaster™ a tool for managing National Taxes.
- PublicBooks™ a tool for managing Public Accounting. It integrates data from Revenue Collection and Budget Expenditures.
- DMVMaster™ a tool for managing vehicle registration and licensing.
- IDMaster™ a tool customizable into a National Population Register.
- SmartCBS™, an ERP for Central Banks/National Reserve Banks.



E-Tools Profile

Business Software solutions Documents™, Librarian™, Payroll and HR solutions

- Documents™ functionality includes workflow management, archiving, efficient search, fast tracking of documents, cases, physical mail and e-mail for large organizations.
 - Documents™ can track documents throughout a large organization while measuring productivity of employees working on cases/documents.
 - At its core, there is an engine that eliminates petty bureaucratic corruption in private and public organizations.
 - Librarian™ is a product that manages archived documents, books, magazines, etc.
 - It designed to be optionally connected to Documents™ via a web service and allows archived documents to be transferred to the management of a librarian.
 - Payroll and HR Solutions still under development. They will be easily customizable to the realities in the East African region and they will be affordable by public and private organizations in the region.
- Expected Release date: August 15, 2007.



E-Tools Profile

Software Localization

- Completed first revision of Linux/Kinyarwanda localization.
- Kinyarwanda language pack will be available in all Linux distributions: RedHat, SuSe, Debian, etc.
- Teamed up with Microsoft to translate Windows Vista to Kinyarwanda.
- Can localize software to Swahili, Kinyarwanda and Kirundi.
- E-Tools has won the top award at Rwanda Expo 2006 for its localization of Linux to Kinyarwanda.



Market Entry Challenges to African SMMEs How do you get to the African Market

- Know your target customers' problems and bring real solutions to their problems: example Documents™ can eliminate 100% petty corruption which is a real problem in all countries of East Africa; cell phones require less infrastructures and therefore more appropriate to our infrastructure-challenged countries.
- Use your competitive advantages: example cell phones in Swahili vs. cell phones in English, software applications that have a switch for local languages: Swahili, Luo, Kinyarwanda, Kirundi, etc.



Market Entry Challenges to African SMMEs How do you get to the African Market

- Offer solutions that have lower cost of ownership: design, implement, deploy and support using local talent as much as possible; it is usually inexpensive by international standards.
- Marketing and branding using images that are meaningful to your customer, showing your customer enjoying your product.
- Make sure your marketing slogans match your customer services.



Market Entry Challenges to African SMMEs What are the difficulties?

- Access to Capital is very challenging for Africans: Even when credit facilities are available in banks and other financial institutions, there are enormous corruption challenges: political affiliation, ethnicity, patronage, etc. Europeans and Asians have an unfair advantage in Africa as they have also access to European and Asian Banks and Financial institutions.
- Onerous terms and conditions placed on bidders by Governments under donors' requirements and very often based on donors home country requirements advantaging their large companies: in some cases tenders require a performance bond as large as 50% percent of the project cost. Which SMME can afford to lock in place that kind of money?



Market Entry Challenges to African SMMEs What are the difficulties?

- Lack of **trained and experienced** professionals in sufficient quantity: this create inflation in salary for IT staff for example and may prevent the creation of an IT industry capable of competing with India and China. This challenge forces an SMME to spend lots of money on training recruits.
- High cost of energy
- High cost of connectivity: phone, internet.



Market Entry Challenges to African SMMEs What are the comparative advantages?

- Should understand better the national and regional markets
- A product designed from scratch for an African market should provide a better solution than a product designed for a foreign market and being customized to African requirements.
- Lower cost of making and supporting the product.



Market Entry Challenges to African SMMEs What kind of assistance is expected from Government?

- Lower-cost of energy
- Protection of Intellectual Property
- Lower Interest on Business Loans
- Incentives for Wealthy people to create Venture Capital Funds available to SMMEs (\$50K to \$600K).
- Invest some of their Foreign Aid into Capital Funds that are easily accessible to the average SMME.



Market Entry Challenges to African SMMEs What kind of assistance is expected from Government?

- Eliminate corruption at all levels of Government bureaucracies that interface with SMMEs.
- Step up Spending on Academic Education and Continuing Education and create an environment that produces a bigger supply of trained professionals.
- Competition Laws that truly creates a level-playing field.



Market Entry Challenges to African SMMEs

What kind of assistance expected from Regulatory organizations such ITU?

- Work with Governments Regulators in order to create a level-playing field for the whole private sector, not just for the big players but also for the SMMEs.
- In cooperation with African Governments, create regional standards and regional regulators to enforce those standards.



Thank you.