

NEW BUSINESS FOUNDERS FORUM TO SUPPORT AFRICA'S ENTREPRENEURIAL SECTOR

10 June 2019: While it is easy to become despondent as a result of the constant negative news flow that tends to dominate mass media's reporting on Africa, the fundamentals that underpin the wider continent's investment opportunity are still exceptionally strong.

Encompassing 11 million square miles of land – three times that of Europe – Africa's population of 1.2 billion people is expected to double by 2050. In addition, the continent is already home to over 400 businesses with annual turnover in excess of \$1billion, and as a result consumer spending across the continent – which currently totals \$1.4trillion – continues to rise with this growing population and an emergent middle class.

This is according to Herman Marais, CEO and founder of EXEO Capital, who was speaking in Cape Town at the inaugural *Business Founders Forum (BFF)* - a platform initiated by EXEO to provide founders and CEOs of growth businesses from across Africa with an opportunity to share business learnings and leadership experience in a confidential, non-competitive environment.

"It is important to remember that the African continent is vast, and business opportunities and pitfalls are nuanced in terms of regions, countries, cities and sectors. As an investor in businesses in wider Africa, we target specific companies and management teams, rather than geographies and sectors that look attractive."

He notes, however, that the more successful companies do tend to share some common traits. "Firstly, they are all easily scalable and able to diversify in terms of products and services, as well as cross-border operations. Secondly, they customise their business model to really fit their market in terms of price point, routes to market, and convenience, and use technology to leapfrog existing constraints on historic business models.

"Thirdly, we see that successful companies integrate up and down the value chain, often owning or at least controlling their supply chains, while investing in their people to grow their internal talent."

While they may have a lot in common, these successful business owners still stand to learn a great deal from each other, says Marais, who believes that the Forum will fulfil a necessary role in supporting the broader South African and African entrepreneurial sector.

"By creating a confidential, peer-to-peer platform for business founders to exchange learnings and insights around business building and leadership, the BFF aims to build understanding among business leaders in medium size businesses coming from different regions in the continent.

“The idea is that these business leaders will learn from each other and get a better understanding of the conditions in each other’s areas, which can be applied in cross-border expansion – something that is often a major challenge in the regional expansion of medium-sized businesses.”

Also in attendance at the BFF were entrepreneurial heavyweights, Themba Baloyi and Professor Wiseman Nkuhlu. Having founded Discovery Insure Ltd and co-founded Sithego Holdings, Baloyi was recently crowned Entrepreneur of the Year at the 2018 All Africa Business Leadership Awards; while Nkuhlu – the first black African to qualify as a chartered accountant (CA) in South Africa – boasts an inspiring business career that includes both his contribution to well-established corporate players and his entrepreneurial flair in establishing new ventures.

When asked for feedback on the event, Baloyi said that the inaugural forum was a powerful and “sacred space” of shared experiences that was able to provide leadership skills for entrepreneurs who have built and lead small and medium size businesses.

With similar events planned in East and West Africa, Marais adds that BFF participants will also have the opportunity to network with the prominent speakers, as well as members of the EXEO Capital investment team from Cape Town and Nairobi, offering personal insights and knowledge of those markets which they may not have had access to before. “This will allow for the formation of new partnerships between businesses from different sectors and regions,” he concludes.

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About EXEO Capital

EXEO Capital is a pan- African, mid-market private equity investment manager with operations in nine countries in Sub-Saharan Africa. Operating from offices in Cape Town and Nairobi, EXEO Capital manages the Agri-Vie Funds I and II (www.agrivie.com), focused on the food & agri sector of the region since 2008. The firm tracks complementary growth investment opportunities in the region with a view to future investment platforms.

EXEO is a financial service provider authorised by the Financial Services Board, Registration number 46251. For more information visit www.EXEOcapital.com.