WHAT MULTINATIONALS GET WRONG

ABOUT DOING TECH BUSINESS IN AFRICA

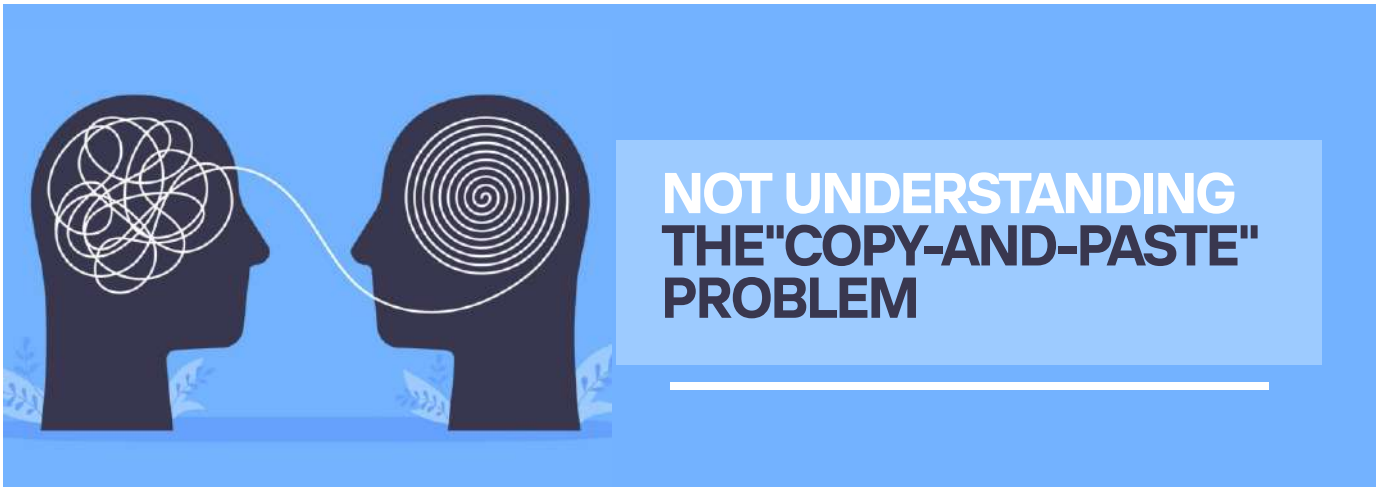
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MISTAKES MULTINATIONALS MAKE WHEN DOING TECH BUSINESS IN AFRICA

When multinational companies first enter the tech market in Africa, they tend to follow a pattern in their approach. At first, there is a great deal of excitement about the possibilities; the business plans look good, and everyone has high expectations for success. However, after an initial investment has been made, there tends to be a lot of disappointment as things do not develop as anticipated.

The problem is not a lack of opportunities in Africa or insufficient funds to invest in African companies. There are vast amounts of opportunity in Africa; the primary issue is due to making incorrect assumptions while investing in these new markets.



One of the most common mistakes multinationals make is to assume that what worked in a particular region will work in another region. A large, comprehensive, multi-use platform that was developed in North America or Europe may not work when deployed in African markets due to cultural or contextual differences, not necessarily because of a design flaw.

One example of this is the ways in which payment systems operate in Africa can be totally different than the ways that they operate in North America or Europe. For example, in Kenya, the mobile cash market has leapfrogged traditional banking systems, which has completely changed how consumers view and expect to access their cash.



OVEREMPHASIZING INFRASTRUCTURE GAPS

Infrastructure gaps in Africa exist; however, many organisations place far too much emphasis on these gaps.

CONNECTIVITY

POWER RELIABILITY

LOGISTICS

Are all real challenges for businesses operating in African markets and are obstacles to success. Overemphasising infrastructure can also mask other challenges businesses may encounter, such as regulatory context, the large presence of the informal economy, and cultural context.

For instance, in Nigeria, the type of products that are routinely purchased can shift significantly when changes are made to the regulatory environment. Businesses that do not remain closely aligned with such dynamics tend to experience significant misalignments.



THE VALUE OF LOCAL PARTNERSHIP

Many of the multinational strategies to access African tech markets fail to utilise the full potential of local partners due to their use of a transactional versus a strategic partnership approach.

Local partners not only provide access to specific markets; they provide contextual understanding of how decisions are actually made in their respective markets, both formally and informally. Failure to understand and use local partnership information to inform one's strategy will be very expensive.



There is a perception that there is no skilled talent in Africa; however, that is no longer the case. There is a pool of skilled technologists in Africa. The issue is not whether or not skilled technologists are available; instead, the challenge is to keep skilled technologists in Africa and to give them access to opportunity.

International companies that focus on local talent and invest in developing the local workforce will have much better long-term success than international companies that continue to use an expatriate model.



Doing tech business in Africa requires a fundamental shift in mindset; you need to have less certainty and more curiosity. You need to do more listening than prescribing, and you need to be more adaptable than imposed.

More than anything else, you need to appreciate that success in Africa may not always look like success in other locations and that the metrics used to measure success and the time frame in which success is achieved will vary.
Nevertheless, if you approach the opportunities available in Africa thoughtfully, the level of opportunity available will be difficult to overlook

About the Author

Dr. Fumbi Chima is a global technology executive who has led digital and operational transformation initiatives at industry-leading brands including adidas, Burberry, Walmart, Boeing Credit Union, and Fox Networks. Her experience spans P&L ownership, M&A, operations, and enterprise technology leadership across retail, CPG, digital, and financial services.

She is widely recognized as an AI thought leader with a strong reputation for aligning innovation with business goals to deliver sustainable value and competitive advantage. At adidas AG, she spearheaded large-scaleinfrastructure and process transformations, achieving cost savings, accelerating speed to market, and enabling cross-market scalability.

Known for bridging the gap between technology and business, she fosters high-performance cultures rooted in innovation, accountability, and transparency. Her leadership has consistently increased employee engagement and organizational impact.

Throughout her career, she has championed innovative solutions in data strategy, digital marketing, and cybersecurity, always with a relentless focus on driving growth and enhancing customer experience.



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