10 The New Age Entrepreneurs of Africa: The Men Who Founded Lions

10.1 Introduction

Following the success of a growing number of African Founded Firms there is a growing interest in entrepreneurship in Africa. The view on entrepreneurship in Africa has been dismal to say the least. Over the years, studies have mostly dismissed the entrepreneurial effort of Africans finding it falling short when benchmarked against efforts in other regions especially developing countries of South America and Asia.

The preponderant view had been that Africa's entrepreneurs lack the technical and managerial ability to build large firms that grow into viable corporate entities noting that were the most successful African businesses have remained sole proprietorships; few have grown into joint stock companies or even partnerships. No doubt a reason has been a distrust of outsiders, which has often restricted expansion to what could be handled by the proprietor's extended family.

There is no shortage of entrepreneurs in Africa; in fact, over the centuries, there have always been entrepreneurs in Africa. And increasingly, the contributions of entrepreneurs to Africa's development has been recorded by scholars who took a different view to entrepreneurship in Africa. Tom Forest (1994) did an extensive study on entrepreneurship in Nigeria. Walter Elkan (1988) noted the vibrant entrepreneurial spirit of Africans and Keith Marsden (1990) insightfully declared their role in the development of Africa. Ficks (2002) in study across Africa praised the vibrancy of entrepreneurship on the continent and stated that given the opportunity, entrepreneurs in Africa and from around the world will drive Africa's economic trains forward. McDade and Spring (2005) revealed the success of efforts to create network of entrepreneurs in Africa and Ramachandran et al. (2009) categorized African entrepreneurship into three distinct groups who had different levels of access to factors that enhance growth and as a consequence have differing levels of performance and Verhoef (2017) exhaustively chronicled the history of Africa's entrepreneurs and their business enterprises.

E. Amungo, *The Rise of the African Multinational Enterprise (AMNE)*,
Management for Professionals, https://doi.org/10.1007/978-3-030-33096-5_10

Entrepreneurs are the engineers that get the economic trains moving. Entrepreneurs organize and direct business undertakings. They assume the risk for the sake of the profit. Success often depends upon how skilled, innovative, and passionate entrepreneurs are about their ideas and dreams. An entrepreneur has exceptional vision, creativity, and determination and frequently creates entirely new industries.

Most of the recent studies on entrepreneurship in Africa bring into focus the challenging context in which they conduct their affairs in Africa. Scholars have shown a deep appreciation of the socioeconomic and political constraints faced by Africans entrepreneurs and noted how entrepreneurs were able to grow their businesses despite these constraints.

Economic transformation in Africa in the past three decades has been due largely to the efforts of a generation of entrepreneurs who have shown commitment to the continent. Driven by entrepreneurial insight, these men and women saw opportunities where others saw challenges, they showed resolve overcoming Africa's myriad challenges, they innovated to overcome operational obstacle, pitched to raise finance and found clever ways to push their products and services to the consumer. Africa's new age entrepreneurs showed resolve to grind through uncertainties and ultimately, they found a way, to not only grow their businesses in their domestic markets, but eventually sought new markets in Africa and the world.

Due to their success, there is increased desire to know more about their success, the names behind the growing horde of African Lions. There have been attempts to understand the men and women whose entrepreneurship have helped them establish huge business empires, amass much wealth, employ multitudes and brought so much progress to Africa. Among the many achievements of the founders of African Lions is that they were able to move beyond the dominance of small and medium sized companies to found companies that grew into large firms. In doing so, they were able to overcome the primary challenges of technological and managerial capacity that had dogged the entrepreneurial efforts of several African firms.

The process of growing small and medium enterprises into large firms is daunting all over the world but in other climates there are structures that enable growth of firms. In Africa the process is more onerous. African countries occupy the lower rungs of the Ease of Doing Business Index of the World Bank and the Country Competitiveness Index of the WEF. Africa also rank poorly on the Corruption Perception Index. The Heritage Foundation captures Africa's poor ranking in the Economic Freedom access. These indexes lay bare the herculean task entrepreneurs have to overcome to become successful in Africa.

African governments differ in their attitudes toward entrepreneurship. Some have deliberately discouraged the emergence of private African capitalism (Marsden 1990). So the road to entrepreneurial success has involved building a complex web of relationships in an environment with high corruption, poor infrastructure, poor little access to finance and tribal and ethnic tensions. Managing these relationships into a mutually reinforcing dependency is the unique gift of African entrepreneurs. These relationships were built not only with suppliers but also with Africa's notoriously corrupt and ethno-phobic bureaucrats. Some bureaucrats and politicians have used the instrument of government to promote or stymie the growth of the private businesses of specific tribes, ethnicity and political class.

Ethnicity, tribalism and racial divisions have defined African societies for several centuries and these divisions have led to businesses being conducted within regional and tribal enclaves. Ethnicity and racism African politics for decades triggering several coups, civil wars, and political upheaval in Africa on the continent. Ethnicity and tribalism also limited the world view of the older generations of African entrepreneurs forcing them to conduct businesses just within the confines of their ethnic or geographic boundaries. Yet discrimination and curbs against tribes have not stopped African firms from growing,

Africa's new generation of entrepreneurs have been able to find ways round the physical and institutional challenges. By forming networks, they were able to conduct business within a closed system of trusted partners and therefore mitigate against the risk of opportunism in an environment with poor property rights. They found solutions to problems related to the shortage of infrastructure and thought out means of improving access to their market (McDade and Spring 2005). These realities have required the African entrepreneur to be dogged, resilient and gritty.

Access to capital is vital to businesses and Africa's new generation entrepreneurs have found means to raise the capital that they ultimately used to fund their growth, at a time when capital flows into Africa was low and domestically mobilized capital was puny.

Governments in Africa have, however, changed their attitude toward private sector involvement in their economy and have in the process facilitated the emergence of some of Africa's better-known entrepreneurs. So, putting the real achievement of founders in context, they formed large companies on a continent that has a plethora of physical and institutional challenges. They looked beyond the narrow confines of tribalism, ethnicity and racism to find markets outside their natural domain they built relationships that sustain the continuous growth of their organizations.

In order to build these AMNEs founders have had to wear many hats. They were visionary, seeing opportunities in places others saw risks entering segments and sectors that has yielded vast profits and growth. They were activist who prodded governments to open up sectors that were the dominated by inefficient public organizations. They were innovators who built networks of trusted partner to govern the behavior of network members. This governance benefited every member of the network as their companies grew and expanded together. They were advocates for better regulations and policies to support private sector investments.

African entrepreneurs also prompted their companies to innovate to overcome operational challenges. They invested in developing supply chains and were quick to build their own infrastructure where critical utilities like power, water and security are not available. As leaders of expanding companies, African entrepreneurs searched for new sources for funding for their businesses. They convinced new investors to invest in Africa. They were also marketers, who pitched their message to financiers and investors at regional, continental and global forums, inviting them to partake in the economic growth of Africa.

African entrepreneurs are advocates of diversification. They seek to take their governments away from dependency on commodities by building conglomerates that operate in several sectors of the economy. They sometimes become politicians and venture into government to push for policies that would enable private sector growth.

The founders of Africa's Lions are resilient and dogged, sometimes losing their assets and property to expropriation by the state, yet they fight on and return to build even bigger businesses. Many are philanthropists readily investing in social enterprises and funding in education, health care and social projects to uplift the people around them.

10.2 Founders of African Lions Are Visionaries

The transformation of small trading companies or family businesses to large companies with strong regional or nationalist root to multinationals serving large regions is usually driven by the strong vision of founders and leaders. These leaders have a view of business that transcend the obvious risk and challenges inherent in the business domain. They sense opportunities and make bets that ultimate lead them to spectacular success. It is this vision that has led to the extraordinary growth of some of Africa's AMNEs. Among the most notable was the extraordinary vision that has driven the growth of Naspers. The Naspers Group is the largest media company in terms of market size outside of the US and China. Before its transformation and growth. Naspers was a media company that was founded in 1915 to represent the viewpoints of the Afrikaans in South Africa. After publishing newspapers for several years, the Naspers made investments that transformed it into a force in the media and entertainment sector. Today **Koos Bekker** is revered for transforming the newspaper publisher into an ecommerce investor & cable TV powerhouse. An innovative entrepreneur, he grabbed the opportunity of the global slump in the printed media and the dire domestic situation of Naspers, to effect a fundamental overhaul in the local media house. During his tenure as CEO, which began in 1997, Bekker oversaw a rise in the market capitalization of **Naspers** from about USD600 million to USD75 billion. He is also the largest individual shareholder. Naspers controls twenty-three magazines, seven newspapers, Brazilian publisher Abril and Pay-tv giant DSTV. **Koos Bekker** believed the future of the media is online, and spent hundreds of millions buying large stakes in some of the highest-valued internet companies in the world, including a 30% stake in Russian internet giant Mail.ru. Naspers has also bought stakes in Mxit Lifestyle[1] and QQ (Venture Africa 2012). Bekker started the digital revolution in media in South Africa. Bekker transformed the newspaper and book print company into a multimedia company (Verhoef 2017).

He led the founding team of M-Net in 1985, which resulted in Pay TV operations today spanning 48 countries in Africa. In the early 1990s MTN was launched together with partners. Koos served as CEO of the MIH group until 1997, when he took over at **Naspers**. He led **Naspers** to invest in **Tencent,** the Chinese Internet and

[1] 24.com

media firm. **Tencent** is today a sprawling conglomerate that owns the messaging platform WeChat and a host of payment apps and mobile games. Naspers made an investment of USD 32 million in **Tencent** in 2001 which turned out to be extraordinarily successful. Naspers today the largest shareholder of **Tencent**. The value of the stake was USD175 billion in March 2018 when Naspers raised nearly USD10 billion by selling down its stake from 33 to 31%.

Another visionary who saw a path to transformation was **Aliko Dangote** who is founder of one of the largest conglomerates from West Africa and the second largest manufacturer of cement in Africa. Aliko Dangote was born into a wealthy family in 1957, he grew up in Kano Nigeria. His great-grand father was at the time of his death, the richest man in West Africa. His grandfather Sanusi Dantata was at a time the richest man in Kano and his father was a politician and businessman. Before venturing into manufacturing, Dangote Industries was one of the largest commodities traders in Nigeria. His company, **Dangote Industries**, were importers of sugar, flour, salt and cement into Nigeria but a visit to Brazil in 1995 opened led him envision a new path for his company-Manufacturing. A USD500,000 loan from his uncle set up 21-year-old Dangote as a trader of rice, sugar and cement (Brown 2015).

He was well capitalized and a naturally talented trader. He imported sugar from Brazil and rice from Thailand and sold them locally. A 1995 trip to Brazil convinced him to shift from trading to manufacturing. His started manufacturing the same products he was importing or buying from others. In 1997, he built a plant and started manufacturing the things he has been importing: pasta, sugar, salt and flour.

He went back into cement business but this time as a manufacturer. By 2005, he had built a multi-million-dollar cement factory. Of the money spent to build the new factory, USD319 million was his own money while a USD479 million loan from the World Bank completed the financing. Dangote Sugar started in 2000 and quickly expanded the annual production capacity of its sugar refinery at Lagos Apapa Port to 1.44 million tons, enough to satisfy 90% of Nigeria's domestic demand. By the time Dangote Sugar debuted on the Nigerian Stock Exchange in 2007, sales had quadrupled to USD450 million. Dangote also ventured into producing flour. Dangote Flour, which began in 1999 produces pasta and noodles, followed a similar trajectory. It began with a single mill, tripled revenue to USD270 million, increased capacity eightfold to 1.5 million tons—then joined Dangote Sugar on the NSE in 2008, the same year Dangote became the first Nigerian on FORBES' World's Billionaires list, at No. 334. Dangote's rise to the position of the wealthiest black man in Africa resulted from his entrepreneurial insight into the context of business in Nigeria as well as hard work to realize his ambitions as businessman.

Aliko Dangote is today investing 17 billion dollars in one of the largest petrochemical complexes in the world which would have a three million metric ton per annum fertilizer plant and refinery. The plant is expected to produce 650,000 barrels of oil a day. Both projects are projected to vault Dangote Industries' annual revenue from USD4 billion to about USD30 billion, roughly 8% of Nigeria's gross domestic product (Henry 2018; Tom Metcalf and Deven Pendelton 2019).

10.3 They Are Advocates of Diversification

Most African countries are reliant on a single commodity or sector to power their economies. This is either the extractive sector or agriculture. Governments have stepped up efforts to diversify their economies through value added manufacturing and expansion of the services sector. For founders are Africa's lions, diversification is a not only a vision they pursue it's a necessary pathway as they expand their business and invest in backward and vertical integration. As they have large reserves from their profits or funding from investors and financiers, they venture into a vast array of businesses, thus growing into conglomerates.

A prominent advocate of diversification is Issad Rebrab, the founder and Cevital, Algeria's biggest privately-held company. Issad Rebrab has been a longtime advocate for the diversification of the Algerian economy as he has been at the forefront of moves to break the oil-dependence and poverty. With holdings in agribusiness, steel production, and technology, as well as 26 subsidiaries under four principal sectors, Cevital Group still holds its own today as one of the first and largest conglomerates in Algeria (Henry 2018).

The company owns one of the largest sugar refineries in the world; a feat that also sees it dominate over 60% of Algeria's sugar market share. As much as 1.5 million tons of sugar is believed to be produced by the sugar refinery on a yearly basis. Cevital Group is also known to have interests in margarine and vegetable oil processing. Rebrab has plans to build a steel mill in Brazil to produce train tracks and improve transportation logistics for sugar, corn and soy flour exports. The entrepreneur has contributed significantly to the development of renewable energy sources in Algeria and some of these contributions have involved collaborations with such companies MAN Solar Millennium, Siemens, Abengoa Solar, HSH Nordbank, and Munich Re.

Issad Rebrab's story started with humble beginnings and modest backgrounds in Taguemount-Azouz in Kabylia, Northern Algeria. He was born into a family that was nowhere near comfortable or well-to-do in May 1944. His family had barely enough, but Cevital owns one of the largest sugar refineries in the world, with the capacity to produce two million tons a year. Cevital has been buying European companies in distress, such as Groupe Brandt, a French maker of home appliances, and an Italian steel mill (Henry 2018).

Entrepreneurs in East Africa are also promoters of diversification with Tanzania harboring a large group of businessmen with diversified holdings including MAC Group, Sumeria Group, MeTL, and Bahkresa Group. Most of these firms are private, family-run affairs with reclusive founders who started out very small. In what was long a closed economy, suspicious of outside investment, they built up diversified companies that supply the nation with everything from soap to soft drinks, ferries to fuel (Financial times n.d.). Among the largest and most diversified is Bakhresa Group Said Salim Bakhresa (SSB), 65, laid the early foundations of the Bakhresa group in 1963 as a teenager when he began selling potato mix after dropping out of school. He subsequently opened up a series of small business operations including a small restaurant and an ice cream manufacturing operation and reinvested his profits in setting up a grain milling operation. Today, Bakhresa Group is Tanzania's dominant food manufacturing company. The company's interests include Manufacturing and distributing dozens of products, from ice-cream and biscuits to fizzy drinks and flour, trading agricultural commodities, ferrying passengers, and fuel distribution. Active throughout the region. Bakhresa's two sons, Mohammed and Abubakar, are both Executive Directors of the company and independently manage arms of the business outside Tanzania.

10.4 They Are Salesmen for Investments in Africa

Severall founders of African Lions are also veritable sales men of the continent, selling the continent to investors at every gathering of global leaders. One passionate advocate of investment in Africa is Nigeria's Tony Elumelu who was managing director of UBA when the company expanded into 20 countries. He is now the chairman of Heir Group.

Tony Elumelu is an exponent of Africapitalism. Africapitalism states that Africa's development cannot be the left to governments, donors and philanthropic organizations alone but rather that Africa's private sector can and must play a leading role in the continent's development (Amaeshi et al. 2018). Tony Elumelu came into the limelight in 1997 when he led a group of investors to take over a small, floundering commercial bank in Lagos and changed the name to Standard Trust Bank. Elumelu and his team managed the bank to profitability within a few years and in 2005 he merged it with United Bank for Africa. Elumelu oversaw the growth of UBA into one of the largest banking groups in Nigeria and he initiated the banks expansion into markets across Africa. UBA now has subsidiaries in 20 African countries and in the US and UK. Elumelu retired from the role of managing director but remained as Chairman of the board.

Sequel to his retirement from UBA in 2010, Elumelu founded and established the Heirs Holdings; a company dedicated to the investment in all sectors including financial services, energy, real estate and hospitality, agribusiness, and healthcare sectors. He established Tony Elumelu Foundation in the same year, an Africa-based and African-funded philanthropic organization bent on promoting excellence in business leadership and entrepreneurship and to enhancing the competitiveness of the private sector across Africa.

In 2011, Heirs Holdings acquired a controlling interest in the Transnational Corporation of Nigeria Plc (Transcorp), a publicly quoted conglomerate that has business interests in the agribusiness, energy, and hospitality sectors. Elumelu was subsequently appointed chairman of the corporation.

Tony Elumelu is always at global gatherings like the annual World Economic Forum meeting in Davos marketing Africa to investors. Tony Elumelu is a believer in the profits on the continent is one of the foremost salesmen of private sector businesses in Africa.

10.5 They Are Activist

When governments are slow to open up sectors to the private sector, they usually get a prodding from development institutions like the World Bank and IMF to liberalize or deregulate such sectors. But sometimes governments have to face the activism of some African entrepreneurs.

Most African governments are of the view that utilities and provision of infrastructure should be the exclusive preserve of SOEs, but most often, these public companies are poorly run and inefficient and the private entrepreneurs feel they can do better. There are then calls for governments to open sectors to private sector investment. This sometimes leads to legal tussles between activist entrepreneurs on one hand and politicians and civil servants in government in another had. One of such struggles was that between Strive Masiyiwa and the government of Zimbabwe.

Strive Masiyiwa is the founder of Econet Wireless (Econet), a privately held global telecommunications company with business operations and investments in more than 20 countries in Africa, Latin America, The United Kingdom, Europe, China, United Arab Emirates, and New Zealand. When he first created Econet in the 1980s, he was unable to obtain an operating license from the government. Masiyiwa appealed to the Constitutional Court of Zimbabwe, on the basis that the refusal constituted a violation of "freedom of expression".

The Zimbabwean court, then one of the most respected on the continent, ruled in his favor after a five-year legal battle, which took him to the brink of bankruptcy. The ruling, which led to the removal of the state monopoly in telecommunications, is regarded as one of the key milestones in opening the African telecommunications sector to private capital. The company's first cellphone subscriber was connected to the new network in 1998.

Econet is now the largest mobile phone network in Zimbabwe. He owns just over 50% of the publicly-traded Econet Wireless Zimbabwe, which is one part of his larger Econet Group. Masiyiwa also owns just over half of private company Liquid Telecom, which provides fiber optic and satellite services to telecom firms across Africa. His other assets include stakes in mobile phone networks in Burundi and Lesotho, and investments in fintech and power distribution firms in Africa.

10.6 Some Are Politicians

Business and politics have a close relationship in Africa. Business people find the need to stay on the right side of politics. As politicians enact policies that can affect the strategic wellbeing of firms. Politicians can disrupt business growth and increasingly entrepreneurs are venturing into politics not only to protect their business interest but to be able to influence policies that would improve business climate in their country.

Some of these founders have being elected to parliament, served as cabinet ministers and even become ruling heads of government. The most notable among these are South African President Cyril Ramaphosa and King Mohammed of Morocco.

King Mohammed VI of Morocco is Africa's wealthiest monarch with a fortune estimated by Forbes to be worth USD 5.6 billion, derived from his stake in investment company **Société Nationale d'Investissement** (SNI), ascended the throne on the 23rd of July, 1999 at the age of 35 after the death of his father, King Hassan II. The young King is a visionary and a smart leader. As head of state, he has not only helped to institute policies to make Morocco attractive as an FDI destination, he has also encouraged the outward expansion of Moroccan firms.

Since ascending the throne, King Mohammed has initiated, accelerated and consolidated a range of social, democratic and economic reforms to strengthen the Kingdom's institutions and improve infrastructure. These initiatives have improved business climate and infrastructure in Morocco, including facilitating the construction of a high-speed railway and one of the largest ports in the Mediterranean in Tangier.

As a staunch supporter of free trade, Morocco has so far signed FTAs with 55 countries. After a 33-year hiatus over the issue of Western Sahara, King Mohammed VI decided to rejoin the African Union (AU) in 2017. Since then, most African countries have shown a great deal of enthusiasm in fostering a strong relationship with Morocco.

King Mohammed is also an astute business man and through his holding company, **Siger**, he holds a 41% stake in **SNI** which is one of Morocco's largest conglomerates and operates in different fields such as banking, telecommunication, renewable energy businesses and food industry among others. **SNI** holds stakes in some of Morocco's largest private companies: Attijariwafa (Banking), Managem (mining), Nareva (energy firm), Lafarge Cements, and Marjane (supermarket chain).

King Mohammed initiated a policy to encourage Moroccan firms to expand into new markets in SSA and this has led to the expansion of Moroccan firms into Franco-phone countries in West and Central Africa. This expansion has been led by companies under the SNI group, including Attijariwafa Bank which made entry into 16 countries in the regions. Another company that has actively sought new markets in Africa is OCP, the phosphate fertilizer company.

South African **President Cyril Ramaphosa** is also a politician with strong roots in activism and entrepreneurship. He was the first Chairman of **Jonnic**, which was the majority equity holder of MTN at the time of its founding. Ramaphosa later founded Shanduka Group, an investment holding company that has interests in the resources, telecoms, food and beverage, property, financial services, energy, and industrial sectors. In several African countries. The company had invested in a diverse portfolio of listed and unlisted companies, with key holdings in the resources, food and beverage industries. Shanduka also invested in the financial services, energy, telecoms, property and industrial sectors. The group had investments in South Africa, Mozambique, Mauritius, Ghana and Nigeria.

Ramaphosa first came to prominence in the 1980s as founder and promoter of the National Union of Mineworkers, created to improve the rights of black African workers. In 1991, at age 39, he was elected secretary general of the African National Congress and was the main negotiator with the National Party during the transition to democracy. After less than 3 years in parliament Ramaphosa resigned in 1997, first joining New Africa Investments and then starting the Shanduka Group.

He was later appointed as deputy president in May 2014 by South African President Jacob Zuma. After his appointment, Cyril Ramaphosa has stepped back from his business pursuits to avoid conflicts of interest. He sold his 30% stake in Shanduka, which is merged with **Pembani Group** to form a "Pan African Industrial Holdings Group" with USD900 million in assets.

In 2017 was elected president of South Africa and assumed office 15 February 2018.

Other prominent founders who have either been voted into parliament or held cabinet position are.

Mohammed Dewji is the CEO of METL, a Tanzanian conglomerate founded by his father in the 1970s. METL is active in textile manufacturing, flour milling, beverages and edible oils in eastern, southern and central Africa. METL operates in at least six African countries and has ambitions to expand to several more.

In 2000, Tanzania hosted its second multiparty elections where Dewji, at the age of 25 competed to become the Member of Parliament (MP) for Singida Urban. Despite winning the preliminary votes for the ruling party, Chama Cha Mapinduzi (CCM) with an overwhelming majority, Dewji was deemed too young to hold the parliamentary seat. Tanzania held its third multi-party elections in October 2005 and Dewji stood for the parliamentary seat again and was chosen by CCM to stand as a candidate for Singida Urban (Mumbi 2019). In the general election he won with 90% of the votes and was sworn in as an MP for Singida Urban constituency on 29 December 2005. Dewji served for 10 years before resigning from politics in October 2015.

Aziz Akhannouch is the majority owner of Akwa Group, a multibillion-dollar conglomerate founded by his father. It has interests in petroleum, gas and chemicals through publicly-traded Afriquia Gaz and Maghreb Oxygene. Aziz Akhannouch is the majority shareholder of Akwa Group, a multibillion-dollar Moroccan conglomerate with interests in petroleum, gas and chemicals through its publicly traded subsidiaries.

Akhannouch is Morocco's Minister of Agriculture and Fisheries.

Moulay Hafid Elalamy is a Moroccan businessman and politician. He is the founder and owner of the **Saham Group**. In 2018 he sold his stake in **Saham Group**, which had subsidiaries in 26 countries, to South Africa Salam Insurance group for USD 1billion. He serves as the Minister of Industry, Trade, & New Technologies.

10.7 They Are Adept at Attracting Capital

Capital is a critical part of growing an enterprise and one of the great skills of the modern-day African entrepreneur is that he has been able to source for funds from a large pool of investors to finance their growth and expansion.

African founders were particularly adept at raising capital from a wide variety of sources. The quickest way of raising funds is by floatation on the stock. Yet not all of AMNEs raise capital from the stock exchange, many have remained private businesses so several founders had to find means of raising capital from development finance institutions, banks, private equity firms and by issuing corporate bonds.

This collaboration between founders and financiers has helped fund the expansion of AMNEs. A particular company that is adept at raising capital is IHS Towers, a Nigerian phone tower company founded by Lebanese-Nigerian businessman Issam Darwish. IHS is the largest towers company in Africa with close to 20,000 sites spread across Nigeria, Ivory Coast, Cameroon, Rwanda and Zambia.

Issam Darwish began his professional career in 1992, in Lebanon and in 1998, was appointed Deputy Managing Director of Motophone, Nigeria's first GSM operator. Following the Nigerian government's 2001 plan to privatize its telecommunications industry, he cofounded mobile infrastructure company, IHS Towers stated out building base stations for mobile operators but the company eventually took over management of the base station for MTN and Airtel.

With the business growing fast, IHS needed capital, so it listed on the stock exchange in 2008, raising USD65m. Demand of for towers grew as Nigeria experienced rapid growth of mobile subscribers and IHS needed to expand further. Unfortunately, the crash at the NSE in 2008 had left investors wary, so the company looked to the global markets, for funding by selling equity to the International Finance Corporation, Investec, the Dutch Development Bank FMO, ECP Private Equity, European investment firm Wendel and Nigeria's Skye Bank. By December 2012, IHS has raised USD269m in equity, and USD480m in debt to fund its expansion (Proshare 2011).

High operating cost and thin margins finally convinced operators to sell off their base stations and IHS acquired assets from MTN and Airtel that was paid for with USD2.6bn in equity and debt in one of the biggest private funding packages for an African business. The company raised USD2bn in equity from a consortium of Asian, European and African investors alongside a loan facility of USD600m. Money has also been raised from existing shareholders, which include funds managed by Goldman Sacks. The company's investors include Wendel Group, a French investment company and Pan-African private equity firm Emerging Capital Partners. Since 2012, the company has raised USD4.5 billion to fund it growth.

James Mwangi was not the founder of **Equity Bank** but he was responsible for its transformation from a small savings and loans bank that was set to be liquidated, to one of Kenya's leading banks on the back of his ability to raise capital and attract investors. **Equity Bank** was founded in October 1984 as **Equity Building Society**, originally as a provider of mortgage financing to customers in the low-income population. By 1993, the bank was technically insolvent so in his capacity as Finance Director, **James Mwangi** was tasked with winding up the organization.

However, Mwangi, aged about 31 at the time, began to motivate the 27 staff members to give better customer care to the 27,000 customers. He also encouraged them to use 25% of their salaries to buy EBS shares. When things began to brighten up at EBS, the society began to sell shares to customers and to pay annual dividends in 1997.

On 31 August 2004, Equity Building Society became **Equity Bank Kenya**. In 2006, the bank listed on the Nairobi Stock Exchange (NSE). Under James Mwangi's leadership the bank was able to attract more investors and capital. In 2007 **Helios Investment Partners** acquired a 24.99% stake in the bank for USD 180 million. In 2008, Equity Bank began its regional expansion, establishing subsidiaries in both Uganda and Southern Sudan.

Equity Bank grew at a compound rate 30% annually between 2007 and 2014. **Helios Investment Partners** eventually sold its 24.99% stake in 2015 for USD500 million, a 436% return on investment. New investors now include Norfund and NorFinance, NSSF Kenya, NSSF Uganda and Genesis Investment LLP, Investec, African Alliance and Renaissance Capital.

By September 2015, Equity Bank had more than 9.2 million customers and USD 5 billion in assets. The Banker Magazine listed Equity Bank among the Top 1000 Banks in the World with the highest return on assets in the African continent. Equity Bank group has subsidiaries in Kenya, Uganda, Tanzania, Rwanda and South Sudan and it is making an entry into Congo by the acquisition of a local bank.

James Mwangi has a 4.88% of the banks listed shares making him the single largest individual investor in the bank.

10.8 They Are Intermediaries into a Risky Continent

The business environment in Africa is a challenging but that challenge has become a source of opportunity for founders of some AMNEs. Leveraging on their knowledge of Africa, founders have become guides and strategic partners to MNCs seeking to enter the African market. Increasingly, as founders meet with leaders of the world's leading companies in forums such as WEF meeting in Davos, they form friendships and associations that sometimes translate into tangible relationships.

Most often, founders of AMNEs act as guides and proxies for leading MNCS, helping them navigates Africa's challenging terrain and forming beneficial relationships with them. Sometimes, this relationship is strengthened not only by the knowledge of the business climate, but also by the strategic distribution infrastructure and knowhow that the AMNEs possesses.

And this knowledge of the business terrain in Africa and added advantage of extensive distribution assets, was cited as reason is given the main reason for an increasing number of strategic partnerships between AMNES and MNEs. Danish dairy products producer **Arla** recently announced a partnership with Egyptian consumer and dairy group **Juhayna** and American dairy company, **Land O'Lake** announced a partnership with Kenya's **Bidco Africa.** But one of the most the most successful partnerships between MNCs and AMNEs is that between General Motors and Egypt's **Mansour Group** under the leadership of **Mohamed Mansour**.

Mansour Group was founded in 1952 by **Loutfy Mansour** as a cotton trading company. It was nationalized in 1970 under Gamal Abdel Nasser's rule, but the

Mansour family was able to continue its activities when Egypt returned to a market economy.

When Loutfy passed away in 1976, **Mohamed Mansour** took over leadership of the company and the next few years started the process of transforming Mansour Group from a parochial commodity trader into a bona-fide global powerhouse. **Mohamed Mansour** a deal was struck with the US carmaker General Motors, handing the group control of thousands of dealerships and distribution centers across Africa. GM set up a factory in in Egypt in 1985. The **Mansour Group** and has since become the largest General Motors dealer in the world. **Mantrac**, a heavy equipment division, was formed, securing the right to sell and distribute Caterpillar digging equipment: first across Egypt and the Maghreb; later, across Sub-Saharan Africa, Russia and Iraq (Wilson 2016).

Mansour Group also has dealerships with many other international brands including Philip Morris International, and McDonald's. In 2000, the company launched Metro Markets, the first Egyptian-owned supermarket chain, and launched first discount store in 2006.mIn 2016, the company reported revenues of USD6 billion, with 60,000 employees and operations in 120 countries.

10.9 They Undertake Huge Capatal Projects

The quest for increased capacity drove Mike Adenuga, founder of GlobaCom to invest in one the largest capital projects undertaken by a single telecoms company in Africa. GlobaCom was founded in 2003. The company now has 45.2 million subscribers across Nigeria, Republic of Benin, Ghana and Côte d'Ivoire. It was Adenuga who in 2010 envisioned that the future of mobile telecoms in Africa is data.

He led GlobaCom to invest in a submarine cable which the company single handedly financed. Glo-1 is the first successful submarine cable from the United Kingdom to Nigeria, and GLO is the first individual African company to embark on such a project. The 9800 km long cable originates from Bude in the UK and is laid from this origin to Alpha Beach in Lagos, Today, that asset has become GlobaCom's most significant competitive tool in the challenging, but lucrative Nigerian telecoms market especially as the consumers migrate to using smart phones for internet connectivity.

Mike Adenuga obtained an MBA from New York's Pace University. He has interest in oil exploration as his Con Oil was the first indigenously private oil company to find success in Nigeria's oil and gas sector. Conoil also has downstream operations that distributes petroleum products in service stations in West Africa.

Another founder who has made an impact with the huge projects he has envisioned is Dr. Ahmed Heikal. Dr. Heikal is the founder of **Qalaa Holdings**. Dr. Heikal holds a Master's degree and a PhD in Industrial Engineering and Engineering Management from Stanford University. Under Dr. Heikal's leadership, Qalaa Holdings transformed from a general partnership private equity manager with EGP two million in capital to a leading investment holdings firm investing in Egypt and

East Africa with EGP 9.1 billion in capital. The firm is a leading investor in a number of platform companies in the energy, cement, transportation & logistics, mining, consumer finance and retail sectors.

Through the **Egyptian Refinery Company**, Qalaa Holdings was responsible for coordinating the construction of the largest oil refinery in Africa. The greenfield refinery has a 4.3 million tons capacity and will produce up to three million tons of Euro V diesel and jet fuel, enabling Egypt to reduce its current level of diesel imports by 50%. The project value is USD 4.5 billion and it is one of Africa's largest project finance deals. Prior to founding Qalaa Holdings, Dr. Heikal had joined EFG Hermes in 1992. At the time, EFG Hermes had a capital of EGP 250,000. Dr. Heikal was instrumental in transforming EFG Hermes from a small financial consultancy into the leading investment bank in the Arab world and emerging markets.

He spearheaded some highly successful private equity investments, including the creation of Egypt's leading IT company (Raya Holding) and Egypt's largest natural gas distribution company (Genco). He also raised three rounds of financing for regional mobile telecommunications operator Orascom Telecom and led the IPOs of Orascom Construction Industries and Orascom Hotels, among other landmark transactions.

Dr. Heikal is also the Chairman of Citadel Capital.

10.10 They Are Philanthropists

The success enjoyed by some African entrepreneurs has led them to establish Philanthropic and humanitarian initiatives. These initiatives are conducted under their corporate banner or through their personal foundations. Of particular interest to most African founders is education. Several of Africa's most successful entrepreneurs have instituted programs to support African students with their education. One of the most notable philanthropists on the continent is Manu Chandaria, Chandaria is one of East Africa's most venerable business leader as chairman of the Comcraft Group, a USD2 billion industrial behemoth which produces steel, plastics, and aluminum products from manufacturing facilities in 45 countries 16 of which are in Africa. He is renowned as Kenya's biggest philanthropist. His Chandaria Foundation is active in over seven countries, and has given away millions to causes in education, health and the arts. Chandaria, 83, holds the title of the Elder of the Burning Spear, one of Kenya's highest civilian honors.

Econet Founder, Strive Masiyiwa is generally recognized as one of the most prolific philanthropists to ever come out of Africa. He has used his own family fortune to build one of the largest support programs for educating orphans in Africa. At any given time, his family foundations support and educate more than 40,000 children. Masiyiwa is also a member of the Bill Gates and Warren Buffett initiative known as the Giving Pledge.

Patrice Motsepe, founder of African Rainbow Mining and Mohammed Dewji, of MeTL have also signed the Giving Pledge. Another Tanzanian entrepreneur who was generous with his fortune was Reginal Mengi, the founder of the IPP Group. In recognition of his philanthropic achievements and his unwavering commitment in the fight against social injustice, Dr. Reginald Mengi received several international and national awards over the years before his death in 2019.

10.11 Conclusion

There has been a new age of entrepreneurship in Africa, one that has spawned entrepreneurs who have been able to grow their small private businesses into corporate behemoths. In doing so, they have had to find means of getting around Africa's traditional institutional and physical challenges while looking beyond the limitations brought about by a history of tribalism, ethnicity and racism.

These new age entrepreneurs have had to wear several hats. Acting as activists who prod governments to improve the business climate and open up sectors to private investments. They are marketers who pitch the exceptional growth rates and profits in their business to investors as they seek more funds to finance expansion. They are also advocates for the diversification of the economy and some believe that Africa's development lies in indigenous private sector growth.

Many successful entrepreneurs are now giving back, through the corporate social responsibility initiatives of their companies or through their personal foundations. They are philanthropist supporting Africans with several social interventions.

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