

Think BUSINESS

Knowledge for a Competitive Edge

Weekly

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The digital c-suite: is this the future of executive leadership

Two thirds of the present day workforce is comprised of the tech savvy millennials. The generational shift in the labor market mean that the managers, organization leaders and corporate executives will have to understand the realm within which this demographic operates and thrives in order to harness optimum productivity out of them.

That is reason number one. The other is that companies need to locate information on a competitor, business partner, customer trend or a news development hence the internet of things becomes a necessary immersion cauldron. Forbes Insight in association with Google surveyed 350 top executives at large U.S companies (those with annual sales of greater than US\$ 1 billion) and the meetings confirmed that the internet has been a chief source of business information but how the internet is frequently used depends on the age and work experience of the executive.

The internet is becoming the C-suite's most valuable instrument for transformation attributed to a growing influence of

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Key highlights in the NSE

The market edged up marginally (0.1%) to close the week at 131.58 (Friday 07.02.2017) characterized by a sharp decline in trading activity compared to the previous week. The can be attributed to the gain in the index partly to price gains on EABL, Scangroup, Britam and Kengen. TPS also posted price gains supported by strong trading volumes. Foreign investors have been keen on the counter following continued recovery in the tourism sector. Most banking stocks experienced some volatility with the exception of CFC, NBK, I&M and CO-OP that posted a w-o-w gain. CO-OP was supported by strong trading activity. We expect minimal price movements on majority of the counters in the coming week.

The summary of the market statistics is as shown below:

	07.02.2017	06.02.2017	Change
Equity Turnover (KES)	349,947,264	479,339,290	26.99%
Total Volume	17,979,970	21,785,806	17.47%
Traded Market Cap	1,913	1,906	-0.38%
Bond Turnover	0.953	1.479	35.56%
NSE 20 Share Index	3,170	3,192	0.69%
NSE All Share Index	132.85	132.34	-0.39%
FTSE NSE KENYA 15 Index	158	157.78	-0.14%
FTSE NSE Kenya 25 Index	163.51	162.9	-0.37%
FTSE NSE KENYA Gov't bond index	-	88.45	
Foreign buys	281,857,080	389,200,943	27.58%
Foreign Sales	210,457,793	317,269,125	33.67%

Source: NSE

The key market indicators for this week is shown below.

4 Day Key Market indicators (September)				
Indicator	7 th	6 th	5 th	4 th
NSE 20	3170.22	3192.31	3218.88	3206.12
NASI	132.85	132.34	132.24	131.58
Market Cap (KES bn)	1912.99	1905.73	1904.31	1894.69
Equity +I Reit turnover (KES bn)	0.35	0.479	0.284	0.353
Bond Turnover (KES bn)	0.953	1.479	1.611	0.852

Source: NSE

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global digital business. It is proving to be a valuable tool for locating business-related information of particular interest to the specific organization. Its convenience is further enhanced by the fact that it's a superior platform of gathering information and ranks higher than seeking the same info from Friends, colleagues, business networks and the media with trust playing a key role in the decision.

Contrary to the general perception, when it comes to matters research, the tasks may be delegated to the relevant personnel but it has been identified that execs prefer to personally authenticate and put the stamp of approval on the conclusions. In the survey by Forbes Insight more than half of the C-level respondents preferred to locate the information themselves establishing levels of self sufficiency.

Executives in IT will be more likely to ascend to executive positions in future and it will be a automatic ascend since their proficiency in technology will come in handy as digitalization will be a key component of strategic plans. Executives under 40 are most willing to engage with emerging internet technologies in mobile computing and other online social networks. Having come of age professionally in the internet proliferation era, this generation defines fluency in web activity and the level of innovation and initiative will be elevated to new heights.

Generation PC redefining the c-suite

Generation Personal Computer as they are referred are those whose career starts coincided with the rise of the PC in the early mid-1980s. This generation came of business age by acclimatizing with word processor, spreadsheets and desktop software and hence this is a realm they are fully familiarized. This was the first group to sent emails, design search engines and web pages and oversaw the

Figure 7: Which types of information gathering/research are most critical to your role in your company?

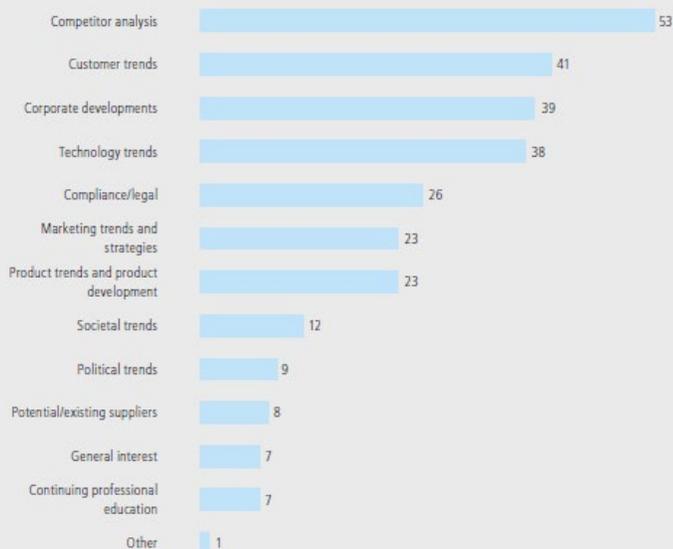


Figure 8: Information priorities by function

Finance

1. Competitor analysis (63%)
2. Corporate developments (44%)
3. Compliance/legal (33%)

IT

1. Technology trends (59%)
2. Competitor analysis (58%)
3. Corporate developments (46%)

Sales/Marketing

1. Customer trends (76%)
2. Competitor analysis (60%)
3. Marketing trends and strategies (40%)

Source Forbes Insight.

transition of business to the internet. Now that its members are in their 40s and 50s they can be termed as eligible successors to the C-suite positions, radically redefining the way business will be done henceforth.

The digital influence is already taking place all over and the top leaders and business s trends influencers have no option but to embrace digital thinking. The type that strongly upholds characteristics like efficiency, convenience, speed, and economies of scale. Top executives and company chiefs are always in search of critical information and can effortlessly click from page to page in search of the relevant info.

Text remains the predominant means of receiving and filtering information among executives but streaming video , webcasts and similar formats are increasing in prevalence, particularly in the C-suite and among the PC generation.

The customer will play a crucial role in determining the strategy that companies embark on. Walkers

Report 2020 indicates that customer expectation in the future are the outcomes of movements that have been underway for decades. The changes such as the digital disruption, enhanced customer awareness, and accelerated innovation will have a profound impact on customer expectations. By 2020, the customer will be more informed and in charge of the experience they receive. This power is already being utilized since the customer today can build or kill a brand with just a mere tweet or a post on social media and therefore the 21st Century C-suite has to understand the brittle business environment as the new reality.

The 2020 customer will expect the businesses to anticipate their individual needs and offer personalized service. As customer expectations anticipates a shift on priority, companies will have to adapt. Enlightened by what the future has in store, many companies are already laying the foundation for 2020 but others are stuck in a historical view of customer management and will fall behind if they don't react soon.

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To avoid being swept away by the tide, companies will have to leverage on big data analytics on the customer and must prioritize on personalized and proactive customer support to effectively grow and retain customers.



World Bank : low capital investment major cause of poverty and sluggish economic growth.

Amid rapid population growth, economic growth in Sub-Saharan Africa has failed to keep up and a major reason for this is significantly low capital investment. According to a World Bank Report dubbed *African Cities: Opening Doors to the world*. This has been cited as the reason for Africa's abject poverty state since other regions have reached similar stages of urbanization at higher per Capita GDP.

Africa will need to open up to the world. When compared to other developing cities around the world, those in Africa produce few goods and services that be competitively traded in the global markets. Radical change in the prioritization of goods being produces is much needed. For instance concerted efforts towards identifying manufacturing opportunities of specialized goods could be a good place to start. To attract global investment in tradable proportions cities must develop scale economies associated with successful urban economic developments in other regions.

Country leaders need to brainstorm, and draw up blueprints that will make the urban regions not



Africa is trailing miserably, even to other developing regions across the world.

institutions that have proven incapable of promoting efficiency, accountability and transparency. This is evident in the major problems we face, from regulatory and institutional constraints that have been misallocating land and labor, fragment physical development and limit development.

The report states that as long as African cities continue lacking functional land markets, regulation that inspires regional growth, and coordinated infrastructure investments they will remain local cities, shut out from the possibility of leveraging opportunities in the expansive regional and global market. Producing goods and services that can only be traded locally will only lead to stagnated growth.

Limiting production of tradable goods and services to cities and towns is inhibitive. The scale in a town cannot compare to the exposure that could be garnered from the regional market. The consumer base of one city no matter how large would never compare to a region. Continuous production of non-tradable goods for local consumption, leads to diminishing returns because when the prices are set locally they are subject to unfavorable fluctuation supply changes. Exports markets are key to a dynamic industrial center. Since the 80s economic expansion in the developing world has always been dependent on burgeoning of the export market. Unlike non-tradable goods, tradable goods and services face elastic global demand. They may also allow for agglomerated economies, which increase returns to employment.

just a demographic destination for the rural folk but industrial hubs where competitive production of goods and services for global consumption is happening. Scale of production and commercialization simply put are key factors for consideration. For African cities, the ground beneath has shifted, since in an era of globalization we have failed to leverage on the existing global interconnectivity to catapult SSA to the top.

Africa is trailing miserably, even to other developing regions across the world. The governing establishment is failing Africa and has been for decades. The ripple effect of this is inefficient non-targeted policy formulation and dilapidated

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