



You must start utilizing these gold mines if your Uganda business is to grow

Estimated reading time: 3 minutes

25 June 2016

By D E Wasake, FCCA

If you are in business or considering doing business in Uganda, there are 3 areas you can no longer afford to ignore (or which you must pay more attention to if you have not done so already);

- Facebook
- Google analytics and;
- Stocks/bonds on the Uganda Securities Exchange

Gold mine #1: Facebook

Statistics from a few years ago by Alexa, a web information company show that 50% of everyone who uses the internet spends an average of 25 minutes each day on facebook. This is worth repeating so I will repeat it:

50% of everyone who uses the internet spends an average of 25 minutes each day on facebook.

This means 50% of your potential customers are sitting there on facebook waiting for you to reach them.

Gold mine #1 that you should exploit therefore is to: immediately set up facebook advertising.

I have been doing it for about 5 years to advertise everything and anything.

Once it was for a poetry group I set up, next it was for a business I wanted to sell and now I use it to advertise [Inachee's data bank](#) and the [page for my business success book](#).

What makes it so effective? It is precision targeting, at your own budget.

If you wanted to say reach Ugandans, who love cooking. When you set up your facebook advert, it will even tell you the estimated people you can reach. And now here is the clincher: You choose how much you want to pay. The higher your budget, the more times your advert is displayed.

Why is it even more important now? About 8.5m Ugandans are on the internet. This represents 23% of the population and most of these are accessing the internet on their mobile phones. This trend won't abate, expect even more to be on the internet.

Of these 8.5m, about 1m are on Facebook. More people are on Facebook than are reading the New Vision (about 35,000 readers daily) and the Monitor (about 25,000 readers daily), the two leading English dailies in Uganda.

This means that you can expect that somewhere between 300,000 and 800,000 Ugandans are accessing Facebook daily!

Businesses in Uganda will increasingly have no option but to go mobile and appear on the internet.

What are you waiting for? Send me [an email](#) if you need some more help on this.

Disclaimer/Risk warning: Your Facebook advertising needs to for example be in line with your other strategies to reach clients. It will not magically transform into new business if you do not align it to your overall strategy including your marketing strategy for which you might need professional assistance.

Gold mine #2: Google Analytics

Google analytics gives you the ability to know in detail how visitors to your website interact with it. Whether it is for business or personal.

Gone are the days of just a hit counter to tell you your visitors and where they are from.

Google analytics allows you to tell, information like;

- How long the visitors are staying on your website,
- How they came to it (for example from facebook, another website, even from email links)
- Where they are losing interest.

What makes it so effective? It can even tell you which documents and links people click on. This means say you have an important document you want users to see, how can you tell they are reading it? Google analytics!

I have been using analytics for quite some time and some of the constant changes to the website (in case you noticed) are a result of this.

Why is it even more important now? As mentioned above, about 8.5m Ugandans are on the internet. This represents 23% of the population and most of these are accessing the internet on their mobile phones.

As a business, the internet is increasingly the primary way that customers reach you and so you must have a great website – and install google analytics to help you track how your website is performing.

What are you waiting for? If you need to know more about it, see this link:

<http://mashable.com/2011/05/24/how-to-use-google-analytics/>

Disclaimer/Risk warning: You need to have some interest in technology to try Google analytics or delegate its set up to a tech savvy person. You will also need to monitor your website's performance for a reasonable period (say 6 months) to get the full benefit of this analysis and for it to help you in your strategy.

Gold mine #3: Stocks on the Uganda Securities Exchange (USE)

When I first my article on investing in stocks and bonds, I noticed an interesting thing: Uganda clays stocks in that year (2013) were the second most traded stocks (buying and selling). In other words, people are buying these stocks and selling them every day despite the fact that Uganda clays made a huge loss in the previous year and had not paid dividends to shareholders for 3 years before that!.

This is compared to other companies like Bank of Baroda which had paid dividends for at least the last two years prior to that.

Why is this a gold mine? If you set up an account with a broker to trade for you, i.e. buy and sell stocks rather than holding them for dividends then you are bound to make a profit, particularly as this is a passive investment (you are not involved in daily management).

Isn't this common elsewhere? i.e making a profit? Not necessarily. USE is generally a bull market (prices are generally rising) particularly as we are still a new exchange. The New York Stock Exchange for example has about 2,800 companies trading about 1.4 billion shares every day. USE by comparison has only about 18 companies and some days might have just a few trades.

If you are interested in assessing how stocks compare to some other high performing sectors, the table below could help you:

Comparative performance of returns for selected items

Comparative returns	%	Source
Uganda forests	9-16%	SPGS
Uganda bonds and treasury bills (USD equivalent)	6.40%	http://us.spindices.com/indices/fixed-income/sp-uganda-sovereign-bond-index-usd
UK forests (21 year average)	8.50%	http://www.economist.com/news/britain/21652355-wealthy-investors-are-branching-out-evergreen-new-asset-class-where-money-grows-trees
UK stocks (FTSE 100)	7.10%	As above (21-year average)

UK commercial property (IPD index)	8.90%	As above (21-year average)
UK government bonds	7.10%	As above (21-year average)
US forests (S&P forestry)	1.37%	http://us.spindices.com/indices/equity/sp-global-timber-and-forestry-index
Largest US stocks (S&P 500)	6.82%	As above (10-year average)

Source: Inachee research (May 2016)

What are you waiting for? See my article and take it from there:

<http://www.inachee.com/the-sector-analysis/is-investing-in-stocks-and-bonds-on-the-uganda-securities-exchange-use-any-good->

Disclaimer/risk warning: Prices of stocks and bonds can go up and go down. There is no guarantee of profit and past performance does not equal to future performance.

Otherwise, many thanks for your continued support, if you know anyone else who can benefit from the newsletter, please ask them to subscribe, Inachee after all represents Home Grown Energy in Motion. The subscribe link is at the bottom.

END

About the Writer

D E Wasake (FCCA) is a principal at Inachee an ethical thought leadership firm that provides advisory for businesses in Sub Saharan Africa, including Uganda. It has offices in London and Kampala. Find out more: www.inachee.com

Share the article! Did you like this article and know someone else who might benefit from it? Please share it, simply click the link of the article in your web browser, copy and paste it to an email and send!

Join advanced thinking. Would you like more regular support or information? The easiest means of keeping up to date with new articles on this page and the website is via email. In addition we regularly provide tips on marketing, corporate governance; accounting, entrepreneurship and best practice to help you successfully start, run and grow your investment/business. [Please click here to join the email subscription list.](#)