



## Non-Executive Director (NED) Services

### Why is this service critical for your business?

Despite Uganda being ranked as one of the most entrepreneurial nations in the world, 1 in every 2 Ugandan businesses (50%) fail – usually within 3 years. Some of reasons include poor accounting, operational mediocrity and management without a vision – ALL critical aspects for success. Read more on causes of business failure in *Appendix 1*.

### How we will our Non-Executive directors help?

Using our more than 30 years' combined experience as well as our team having been involved with clients in more than 30 sectors (see: <http://inachee.com/sector-analysis/>), we will help you put in place the foundations of good management and corporate governance – which will help your team ensure success. We can assist in the following critical areas of success:

- Strategy and corporate governance;
- Financial management and internal controls;
- Marketing and business development;
- Operations and Human Resources; and
- Quality control and compliance with regulations (including health and safety).

### How will the process work?

- **Step 1:** Meet/discuss with you the key challenges you face and the areas of support you need. As part of this “due diligence” process, we will seek to ensure we are a good fit for you.
- **Step 2:** Match you with the director(s) who best meet your needs (See **profiles on next page**)
- **Step 3:** Enter into an engagement to agree the scope of service and fees. Legal aspects of the appointment including indemnity and insurance are considered as part of this step.
- **Step 4:** Agree with you in advance a meeting schedule (e.g monthly, quarterly)
- **Step 5:** At each meeting also provide you with a minute taker (at no extra cost). This person will also handle the technology aspects for you (e.g Skype video call, Group conference calls) should one of our directors (or your team) be unable to attend in person.
- **Step 6:** Review your current corporate governance practices as well as management information as one of our first steps once engaged. Part of this will include:
  - Develop or improve the board charter (a guiding document for how the board should operate); and
  - Provide guidance for a diagnostic to be undertaken of the company (if not done before).

## Summary profile of proposed non-executive directors and areas of interest/specialism

**Dickson E Wasake, FCCA**



A Chartered Accountant with more than 12 years' experience in audit, accounts, tax and business advisory with clients in Uganda, The Bahamas and The United Kingdom. Dickson's client sectors have included multinationals, NGOs as well as small enterprises in various sectors including: Financial services, manufacturing, agriculture, and public sector.

### Core expertise:

- Financial management
- Internet marketing strategy

### Sectors of specialism/interest

- Financial services (Banks, Private Equity, Investment Management)
- Emerging Technology
- Agriculture
- Public projects

For his background, see his [CV here](#)

[dwasake@inachee.com](mailto:dwasake@inachee.com)

**Doreen Mwesigye, BA (Educ), Dipl (Mgt), MA (HR)**



Doreen is an enterprise development expert with over 20 years' experience. She is a successful entrepreneur who won "Woman Entrepreneur of the Year" in the Top 100 awards of 2012. Her Organisation, Job Connect Limited a human resource and contractual management firm has in 10 years established a presence in Uganda, Southern Sudan, Tanzania and Rwanda. She oversees over 2,000 employees and contractors.

### Core expertise:

- Human Resources
- Entrepreneur and SME mentorship, planning and counselling.

### Sectors of specialism/interest

- Transport/Logistics
- Radio & Communication
- Tourism & hotels
- Food and entertainment
- Real estate and property

For her background, see [her CV here](#):

[dmwesigye@inachee.com](mailto:dmwesigye@inachee.com)

**Dr. Joseph Walusimbi, BBA (MUK), DBA**



Joseph is a multi-skilled marketing and communications professional with over 20 years' experience in management roles of both Fast Moving Consumer Goods and Services Industry.

He has handled marketing and communications for multinationals including in telecoms, tobacco, banking.

He is also passionate about skills development training.

### Core expertise:

- Marketing and brand communication
- Life skills development/training

### Sectors of specialism/interest

- Manufacturing
- ICT/Telecoms
- Agro processing
- Social enterprises and Bottom of Pyramid (BOP)
- Renewable energy

For his background, see his [CV here](#):

[walusimbij@inachee.com](mailto:walusimbij@inachee.com)

### What is the benefit of having Non-Executive Directors (NEDs)?

Successful companies both private (including family businesses) and those listed on stock exchanges typically choose to have an independent Non-executive director on their board for the various benefits NEDs bring including:

- **Experience** - to fill in the gap of your team's experience and support busy owners/managers
- **An Independent and Fresh perspective** – As they are not involved with the business day to day, this independent fresh perspective to see the “bigger picture” with questions such as “What is the direction of the business?” “Are targets being met?” “What environmental changes might affect the business?” “Which competitors should the business watch out for and what are the plans to keep ahead of the competition?” They will have the ability to advise with confidence and make unbiased decisions in the interests of the business.
- **Business connections/contacts** – Access or information on relevant contacts you may need.
- **Keeping the management team in check** – through requiring regular information to be provided and follow up of action points agreed upon. This also minimizes conflict and ensures compliance with rules and regulations.

### How about for Non Profit and Other forms of entities (such as NGOS, investment clubs, Cooperatives) OR Non Ugandan businesses?

The principles of good corporate governance and success for these entities are similar to profit focused businesses irrespective of location in the world. Core concepts remain such as:

- Financial management (including proper budgeting and monitoring)
- Regular meetings (including for trustees or board of advisors)
- Monitoring performance of project goals against original objectives and beneficiaries' needs

### Do you provide other NEDs other than your 3?

Yes. By special arrangement we can provide you with a list of suitable NEDs for you to choose from.

### What are your charge out rates/fees?

These depend on a number of factors including:

- the frequency of meetings;
- the size and complexity of the company/organisation and its sector of operation; and
- Whether you require our team to physically attend or attend via teleconference, video conference.

### About us

Inachee (In-a-chee-) is an ethical thought leadership firm that provides financial services and advisory to clients in Uganda and the Sub Saharan Africa region. Inachee is based on the concept that if we apply best practice learnt from the best companies in the world to support Ugandan businesses they shall be able to advance in their thinking. Find out more about us and start by subscribing to our newsletter

(sent regularly). Visit: [www.inachee.com](http://www.inachee.com)

## Appendix 1: Why businesses (in Uganda fail)

Extract from: “Achieving Business Success (In Uganda)”, Dickson Wasake, 2013

Businesses in Uganda and in particular small businesses, just like many start-ups elsewhere fail for similar reasons. A respected *New York Times* Article<sup>1</sup> on the subject gives the top 10 reasons for business failure as (summarised below):

### Top 10 reasons for business failure

1. *The math just doesn't work. There is not enough demand for the product or service at a price that will produce a profit for the company.*
2. *Owners who cannot get out of their own way. They may be stubborn, risk averse, conflict averse.*
3. *Out-of-control growth.*
4. *Poor accounting. You cannot be in control of a business if you don't know what is going on.*
5. *Lack of a cash cushion.*
6. *Operational mediocrity. Repeat and referral business is critical for most businesses*
7. *Operational inefficiencies. Paying too much for rent, labour, and materials*
8. *Dysfunctional management. Lack of focus, vision, planning, standards and everything else that goes into good management*
9. *The lack of a succession plan*
10. *A declining market.*

By comparison for Uganda, a study by Charles Tushabomwe- Kazooba “*Causes of Small Business Failure in Uganda*”<sup>2</sup> highlights some of the top 10 reasons as separated between external and internal factors to include :

Table 1: Why Businesses in Uganda fail

<b>Rank</b>	<b>Internal</b>	<b>External</b>
1		Taxation
2		Load Shedding(electricity)
3		Lack of Capital
4		Poor Market
5		High rent charges

<sup>1</sup> [http://boss.blogs.nytimes.com/2011/01/05/top-10-reasons-small-businesses-fail/?\\_r=0](http://boss.blogs.nytimes.com/2011/01/05/top-10-reasons-small-businesses-fail/?_r=0)

<sup>2</sup> <http://www.africa.ufl.edu/asq/v8/v8i4a3.htm>

6	Wrong pricing	
7	Negative cash flow	
8	Poor record keeping	
9	Domestic and family	
10		Delays in applications

**IT IS INTERESTING TO NOTE THAT WHILST IN THE *NEW YORK TIMES* ARTICLE, ALL REASONS FOR FAILURE (EXCEPT No. 10) ARE INTERNAL AND BLAMED ON THE SMALL BUSINESSES THEMSELVES, IN UGANDA, ALL THE TOP 5 REASONS ARE BLAMED ON EXTERNAL FACTORS.**

Which is correct? The author of the *New York Times* article rightly points out:

*“One of the least understood aspects of entrepreneurship is why small businesses fail, and there’s a simple reason for the confusion: Most of the evidence comes from the entrepreneurs themselves.*

*I have had a close-up view of numerous business failures —including a few start-ups of my own. And from my observation, the reasons for failure cited by the owners are frequently off point, which kind of makes sense when you think about it. If the owners really knew what they were doing wrong, they might have been able to fix the problem. Often, it’s simply a matter of denial or of not knowing what you don’t know.”*

I am therefore inclined to agree with the *New York Times* Article. Whilst it is true that Uganda has structural challenges that are not common in other developed economies where for example, electricity is a constant, roads are good etc, I can challenge you that in whatever circumstances, true entrepreneurs rise above the challenge, and find success.

*P.S: To find out more about the author and the work for business in Uganda, go to [www.inachee.com](http://www.inachee.com)*