



Why you urgently need a Diaspora Strategy for your business

(...and our ideas on how to target this Very Important Group)

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Article summary

There is a second revolution coming to Uganda. It is the Diaspora revolution.

Who are they? What do they want? But more importantly, how can a Ugandan business reposition itself to take advantage of this group of people who now contribute about \$1bn or 6% of Uganda's GDP.

These contributions are so key, they are significantly higher than the earnings from coffee, of which Uganda is Africa's leading exporter.

First the basics, who or what are the Diaspora?

In summary Diaspora is a term used to refer to persons with a similar heritage or homeland, but who are no longer living there. In Uganda, these persons are commonly referred to as "Ugandans abroad", "Nkuba Kyeyo" or "Summers".

Why are they important?

The primary reason is their economic power. [A monitor article](#), based on a 2012 UN report and Bank of Uganda figures estimates that Ugandans living abroad have been transferring over \$700m annually. A figure that has been increasing by 10% each year and expected to reach \$1bn in 2014!

This contribution is about 25% of Uganda's Annual Budget, 6% of Gross Domestic Product (GDP) and its now higher than Foreign Direct Investment (FDI) i.e money from foreign investors. It has also surpassed the earnings from traditional cash crops like coffee, cotton and tea.

Can we still call them Kyeyo people?

The profile of Diasporas has changed over the years. So you can understand why many find continued use of the term to be derogatory or offensive.

These persons are no longer predominantly doing menial jobs (hence the original "Kyeyo" phrase). Infact, about 2/3 of all remittances are actually from highly skilled persons.

What's more, in 2012, the bulk of the remittances actually came from next door Kenya, not US or UK as was the case traditionally.

[One Nkuba Kyeyo](#) is pretty “pissed off” with this attitude of Ugandans “biting the hand that feeds them” and forgetting that in addition to their [Kyeyo] money supporting many families, health, education, real estate and keeping inflation down, there are also some fundamental values living abroad (even as a typical Kyeyo) teaches:

- Integrity and honesty from learning a work ethic;
- Customer service;
- The savings culture (hence no dependency); and
- Values of living in a free and democratic society.

There are other reasons for their success as highlighted in a *Harvard Business Review* [blog article with a similar title](#). Some of their key attributes, and hence importance as being:

- They achieve above average success in migrant communities which allows them to transfer their expertise and capital home;
- They have an Inherent motivation to develop their countries of origin; and
- They already understand risks [in their countries] and how to navigate them.

Even government values them?

Such is the power of the Diaspora community that at the recent Uganda North America Association (UNAA), in August 2013, the Ambassador O. Wonekha noted that the Ministry of Foreign Affairs has now created a Diaspora Services Department (DSD) as well as the government now working on a draft National Diaspora Policy.

At the recent Uganda – UK convention, held in September 2013, in London, the guest of honour, leading a high profile delegation was the Vice President, Hon. Sekandi. My old school friend Roland Sebuwufu was even there, representing Buganda Land Board (as CEO)!

Parliament also recognizes this group’s importance and the Hon. Speaker of Parliament, Rebecca Kadaga has now appointed a [Diaspora desk officer](#).

The Government is planning to introduce a Diaspora Bond. In essence, it will start borrowing from the Diaspora. A move that would follow other African countries such as Ethiopia, Ghana, Nigeria and Kenya.

Some writers of course argue that the value the government places on the Diaspora is because of the donor aid cuts as a result of the various corruption scandals.

What do Diaspora want?

To understand the modern Diaspora and how to meet their needs in business, you probably need to think of how times have changed.

The first Ugandan Diaspora were most likely soldiers returning from World War II. Having seen the conditions of prosperity in Europe, as well what many history writers say the “shattering of the white superiority illusion” (as they fought besides them), they wanted independence for their countries.

Has this changed?

Probably yes and no, some of the Diaspora communities are primarily politically focused but that is not the focus of this analysis.

An attempt to describe what a Diaspora person looks like.

The modern day Ugandan Diaspora person (for business purposes) might be described as below:

- ***Education.*** Highly educated and/or skilled to a global standard. Many have studied in top Universities;
- ***Income.*** Has a fair amount of disposable income to invest or spend on luxuries;
- ***Access to information.*** Uses the internet about 81% of the time (based on US usage where many Ugandan Diaspora reside). They expect to find everything at the click of a button;
- ***Customer service.*** Expects excellent customer service, quick , efficient and with a smile (and they will tip if they get it);
- ***Job creator or high flyer.*** Looking to set up their own business or join large multinational corporations (at the top), if they return; and
- ***Business opportunities.*** Looking for remote investment opportunities, if they do not return.

How can a Ugandan business serve their needs/interests?

Understanding their mind set is critical to meeting their needs or understanding how they think when they are re-engaging with Uganda.

We believe that the overlying principle to serve them well is through an excellent customer service approach and to harness the power of the internet to serve their quick information needs.

But what specifically do they look for?

Most Diaspora as per an excellent [article from Johnson Mujungu](#) are inherently very enthusiastic to contribute to the development of their country (Uganda) and are looking for a number of things.

I have summarized some of their needs (including per his article) and presented our view on how you can use this in your firm’s strategy for Diaspora.

Table 1: Diaspora needs and possible business ideas/strategies

Diaspora needs	Possible business ideas/strategies
<p>Highly skilled jobs</p> <p>Information on job opportunities for highly skilled professionals for Diaspora who might be looking to return.</p>	<p>head hunting or specialist recruitment firm</p> <p><i>The idea in summary.</i></p> <p>They need a recruitment firm or a head hunting firm, one with online website capabilities. This role specialist recruitment is currently being done outside Uganda by specialists like:</p> <p>http://www.careersinafrica.com/</p> <p>http://www.globalcareercompany.com/</p> <p><i>What do you need?</i></p> <ol style="list-style-type: none"> 1) Partner with some of the large recruiting companies like multinationals to find out who they use and why they do so. You have the advantage of being in Uganda and can speak to the various HR officers of larger firms to represent their needs. 2) You need a robust, professional website.
<p>Remote mentoring/outsourced arrangements</p> <p>Many Ugandans abroad are happy to volunteer or give their time <u>via online collaboration</u> to Ugandan companies that seek or need their skills.</p> <p>In other words, virtual collaborations, whether it is in public or private sector.</p> <p>This can help bridge the skills gap many companies in Uganda face.</p>	<p>A virtual project Collaboration/mentoring/Freelancers site <u>or</u> provider of infrastructure.</p> <p><i>The idea in summary</i></p> <p>Ugandan companies (or indeed NGOs/Government) often have a shortage of skilled labour. Diaspora are often looking to give their skills to develop Uganda.</p> <p>An organization that sets up secure “cloud based” databases (or even using google docs or drop box –online document sharing tools) can start being able to partner with the diaspora.</p> <p>The next step would be simply to advertise the project. Modern marketing like google adwords or</p>

	<p>facebook advertising can do this, and they are much cheaper (with results measured with more precision) compared to international publications like <i>the Economist</i> which have traditionally been used to advertise for skilled persons.</p> <p>Worldwide freelancing sites like https://www.odesk.com/ make the idea work brilliantly.</p> <p><i>What do you need?</i></p> <p>To do this you need to harness the need for virtual data rooms as well as video conferencing, VOIP and teleconferencing abilities.</p> <p>Setting up or partnering with international infrastructure providers is one easy option to serve this purpose. Alternatively, if you are a provider of such infrastructure, you can specifically market it for the Diaspora community who often want to chat remotely.</p> <p>This can also work for NGO type projects which cannot afford skilled workers (e.g accountants) who are willing to give their skills for free or to be “Trainers of Trainers” (TOT).</p>
<p>Business/where to invest?</p> <p>Many Ugandans abroad are consistently looking for opportunities to invest in Ugandan businesses.</p> <p>A source of information on already established or newly formed companies seeking funds, particularly from Diaspora investors is an innovation.</p> <p>Management of their wealth/assets is also another area to consider.</p>	<p>1) Crowd funding portals</p> <p><i>The ideas in summary</i></p> <p>Businesses are always looking for finance. Diasporas are always looking for where to invest in Uganda. Businesses have traditionally looked for grants (e.g from Embassies), banks loans or turned to venture capital/private equity firms.</p> <p>Setting up a “crowd funding portal” – a website that lists Ugandan businesses looking for funds, and targeting Ugandan diaspora could solve the problem.</p>

	<p>Portals like US based www.kiva.org currently do this - but target foreigners looking to invest small amounts (\$25) in Ugandan groups/individuals.</p> <p>2) Administration and management firm</p> <p>One of the largest challenges for those not living in Uganda is how to monitor their investments.</p> <p>There is often lack of regular/consistent and good information to help them, coupled with misapplication/theft of their monies, including by unscrupulous relatives.</p> <p>Tied to this is good corporate governance practices like regular accounts, board minutes and the like which would help them access borrowing.</p> <p>A company that focuses on providing management and administration services for the Diaspora is an innovation to consider. It should as a minimum have good reporting systems (e.g accounting software), hopefully with online access.</p> <p>Our firm, Inachee for example currently does remote management and administration.</p>
<p>Access to cheap(er) credit?</p> <p>What incentives are given to Ugandan Diaspora investors or borrowers.</p>	<p>1) Debit/Credit card systems</p> <p>(All businesses particularly retail outlets, online businesses and entertainment joints)</p> <p>In more developed countries, credit cards are the predominant means of payment. Setting up your business to accept international credit/debit cards, including considering setting up your system with the innovative <i>Square</i>:</p> <p>https://squareup.com/register#anyone-can-accept</p> <p>2)Accept foreign Credit scores and give “discount” to diasporas</p>

	<p>(banks, lenders, property developers)</p> <p>Many of the diasporas say in the UK and US can access cheap credit abroad, without the need for security because of a credit score system that is in place. This information is linked to the person's home address.</p> <p>This system in essence compiles historical information on a person and is used to advance credit.</p> <p>For a business such as a Ugandan bank, a money lender, a private equity firm, the idea could be that if the borrower (in this case a Diaspora person) has a foreign credit score, then they potentially pose less risk as there is a financial history and score they don't want to taint.</p> <p>You can therefore offer them cheaper loans or use this as a form of "guarantee" for lending.</p> <p>Ugandan property companies in a way give a discount to Ugandans abroad by allowing installment payments and other discounts.</p>
<p>Health and Life Insurance products</p>	<p>Health sector options</p> <p>A common concern for the Diaspora is the deplorable state of the Ugandan health care system.</p> <p>The innovative Gulu Independent hospital has developed a good Diaspora strategy (having been started by one). It even has a plastic surgery clinic!</p> <p>http://guluindependenthospital.com/</p> <p>Developing health services that can enable your clinic or hospital to be known for a certain specialism is a means of setting yourself apart.</p> <p>In addition, being a partner of international health insurance providers, such as AXA/PPP and BUPA in the UK and Unitedhealth Group or Wellpoint inc.</p>

	of the US, of which many Diaspora are members will go a long way to set you apart.
<p>Cultural connection.</p> <p>There are other options to consider beyond selling the latest Ugandan music CDs and DVDs at an convention or having GNL and Chameleon perform.</p> <p>These have been over exploited.</p> <p>Likewise the concept of a Miss Uganda UK or US has been over rehashed.</p> <p>More innovative options need to be considered.</p>	<p>Internal/local population tourism market</p> <p>Uganda’s tourism currently targets foreigners to see our Mountain Gorillas and visit our national parks et al. This might not appeal to the diaspora, who are looking to “culturally re- connect”. A re-branding is needed.</p> <p>An example is “eco-tourism” or “rural tourism”. Many of our diaspora have lived abroad all their lives and do not know what its like to for example pick coffee, grind millet or milk a cow.</p> <p>They would, I believe gladly reconnect with the “mother land” if tourism was re- packaged this way. Many Western backpacking tourists who travel to Asia (e.g Bali, Vietnam and India) do this - they get to live in rural communities like the “locals.”</p> <p>Likewise the “African” batiks and sculptures which are targeted at foreign tourists do not necessarily work for the Diaspora.</p> <p>A local T- shirt company called “def.i.ni.tion Africa” for example has curved a niche for itself with innovative t-shirts which mix “Ugandan speak” and English. For example with the large caption: “Banange* (OMG!) or “Matatu airways, Buli stage, Buli daily”. These are probably more appealing to the diaspora.</p> <p>https://www.facebook.com/definitionafrica/info</p>

Still can't figure the Diaspora out?

Perhaps I suggest you buy *Americanah*, a brilliant book from one of my favourite authors, Chimamanda Ngozi –Adichie.

In it she writes a refreshing book that looks at various matters from a rare perspective: that of the Modern day African woman in Diaspora.

I loved it, particularly the humour when in some of the chapters; she seemed to indicate that sometimes the Diaspora can be exasperating, when they for example want American style foods like pot roast, grits, wraps, [cronuts](#), coleslaw etc.

Her book character seemed to indicate that:

“If they [Diaspora] want the American or Western lifestyle, why don’t they just stay there!”

A Ugandan would say: “*Twakoowa* Summers!” [Tongue in cheek I hope]

About the Writer

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With a combined experience of over 30 years, the Inachee team is passionate about helping Ugandan businesses to succeed.