

The Importance of Mentors, Networks and Partnerships in Enterprise Development - Tales from Jinja, Uganda

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This paper will describe the origins of a leisure industry enterprise, Kayak the Nile (KTN). KTN is based in Jinja, Uganda and has an international reputation as a world class kayak facility and location that has grown and developed over the last five years, within the context of a 'spatial cluster' of enterprises that are managed and staffed by international and Ugandan personnel. The paper will explore the importance and nature of mentors, networks and partnerships in developing this kind of robust and sustainable enterprise. All this is set in the context of imminent major changes, as the new Bujagali Dam is built that will result in the loss of world famous white water rapids, the surrounding countryside and a key resource for KTN. This means that KTN is in the process of 'repositioning itself for business in the 21 century' and the paper will conclude by drawing on significant lessons learnt to date, address opportunities and issues to be faced over the coming years and outline key elements of emerging strategic plans.

INTRODUCTION

This paper will not presume to address the conference theme in its entirety. However, what we will aim to do is to describe and illuminate an enterprise development in the Jinja region of Uganda through a 'living' case study. The paper will describe the origins of Kayak the Nile (KTN) and how it has grown and developed over the last five years from an owner/manager enterprise to a 'spatial cluster' of spin out and small enterprises that are managed and staffed by both international and Ugandan personnel. Beyond the water based activities, this 'spatial cluster' includes enterprises in catering, education and training, healthcare, the environment and 'not for profit' voluntary organisations - all with an emphasis on developing and embedding local skills and knowledge.

The paper will go on to explore the importance and nature of mentors, networks and partnerships in developing this kind of robust and sustainable enterprise. It will illuminate the key challenges that have been faced as the enterprise has grown and describe the ways that they were overcome, emphasising the centrality of employee development. In addition, the paper will go on to highlight what KTN staff think will be the priorities and key elements of building workforce capability and capacity to survive and thrive in the future.

All this is set in the context of imminent major changes for the business environment of KTN as the new Bujagali Dam is built that will result in the loss of world famous white water rapids, the surrounding countryside and a key resource for KTN. This means that KTN is in the process of 'repositioning itself for business in the 21 century' and the paper will conclude by drawing on significant lessons learnt to date, address key opportunities and issues to be faced over the coming years and outline elements of emerging strategic plans.

The paper is based upon research work undertaken by Professor Bob Gibbs, RWG and University of Nottingham UK, from November 2008 to January 2009. The methodology has been qualitative and based upon a ‘theory-in-action’ approach where the key informants and actors have been interviewed on several occasions, invited to tell their stories and then been asked to probe deeper into the underlying reasons and rationale for actions. Philosophically, this approach is best illustrated by the works of Argyris and Schon who introduced concepts of ‘*theories of action*’ and ‘*double loop learning*’ and Marvin Weisbord who developed the model of ‘*whole system change*’.

Clearly, a paper of this size cannot capture the full scope of these enterprises and the authors have aimed to provide significant highlights that illustrate critical learning points and events that may have significance and resonance for others on the enterprise adventure.

ORIGINS AND DESCRIPTION OF KTN

KTN is an adventure and tourism business that operates out of Jinja, Uganda close to the source of the White Nile. KTN is the only company offering specialist kayaking and canoe activities in Uganda and has built a world class reputation for offering the widest variety of river activities, the best value for money and Africa’s most qualified, experienced and safest river team. Over the last five years, this kind of leisure tourism has been one of the fastest growing business areas in Uganda.

KTN was established in 2003 by Jamie Simpson, a Scot, who had already lived and worked in Uganda for several years. He had worked for other companies providing adventure experiences using the wonderful natural resources that Uganda has to offer. It was whilst working for Nile River Explorers (NRE) as a raft guide that he spotted the gap in the market and decided to establish Kayak the Nile – the big idea came as a flash of entrepreneurial inspiration when Jamie was riding on the back of a *boda boda* on his way to register the name on the internet as a web based information service. Effectively, KTN became a ‘spin out’ from NRE and this launch pad was seen as critical and the positive working relationship continues to this date. Like most entrepreneurs, in the early days Jamie often worked 18 hour days and did everything – running airport shuttles, coaching kayaking on the river, sign-posting tourists to other adventure based companies and giving advice and information to anyone who asked.

With the encouragement and support of John Dahl, the owner of NRE, personal funding and some ‘soft loans’ from his family, Jamie began to build up his new company and, over time, developed partnerships and networks that have helped his business grow and prosper. KTN is a local company with international reach and is well known and respected in world kayaking circles. To date, the total personal investment in KTN has been in excess of US\$150k and the Ugandan Investment Authority (UIA) provided the necessary licensing support. Turnover for the year 2008-2009 is estimated at US\$ 180k. With future developments, it is estimated within the next 2 years that the total investment in KTN will be in excess of US\$1 million.

Today, KTN directly employs 7 people and targets the 500,000+ tourists travelling through Uganda each year, half of whom travel through Jinja where KTN is based. Of that total number, it is estimated that approximately half will participate in some kind of adventure activity, including rafting, horse riding, safaris, trekking, mountain biking and quad biking. KTN runs kayak courses for 200-300 clients per month, depending on the season, giving an estimated total number of 3,000 per year. This varies from gentle kayak cruises on Lake Victoria to corporate team building to sun-downer cruises to extreme white water trips on the White Nile. All these variants are delivered through Kayak School; KTN customised packages ranging from 3 to 10 days; Kayak Cruises; and ‘business to business’ (B2B) transactions with other adventure companies on a commission basis, particularly Pearl of Africa Tours based in Kampala and Kutunza Safari Tours who specialise in Murchison Falls, Gorilla Tours and East African Safaris.

MENTORS, PARTNERS AND NETWORKS

Mentors - external and internal

KTN would not exist today were it not for John Dahl, the owner of NRE. He is recognised in the Jinja region as the ‘mover and shaker’ who has nurtured, encouraged and supported many business and community based ventures. Effectively, NRE provided an ‘incubator’ for KTN, particularly in the first year of trading and there continues to be a dynamic business and personal relationship between John and Jamie. The critical importance of this kind of relationship in the birth and nurturing of enterprises cannot be overestimated. Mentoring provides not only business start up support but, more importantly, it provides the ‘critical business friend’ who empathises, guides and offers moral support.

Mentoring is a key part of KTN employee development. Just as Jamie Simpson was mentored by John Dahl, so Jamie and the current management team have developed similar skills and mentored his employees, alongside the more training specific activity. In a sense, mentoring is part of the culture of kayak coaching across the world, where novice or apprentice kayakers are ‘mentored’ by experienced and more knowledgeable kayakers – but it does not just happen! Mentoring requires finely developed interpersonal skills; the ability to listen and empathise; and the wisdom to know when to intervene or not.

Business Networks and Beyond

The adventure based companies in Jinja came together in early 2008 and decided to form the Jinja Adventure Safety Association (JASA), the purpose of which is to provide a platform for pursuing business development goals that are of mutual advantage. For example, JASA markets all the companies together and this has meant that each business invests in joint marketing on the basis that there is strength in numbers – simply, they could not do it as separate businesses. This presents a coherent and dynamic image for the regional adventure businesses and, although it is early days, it is anticipated that this will have a very positive impact on bookings and sales.

But JASA is much more than this. It is a ‘knowledge rich network’ and provides this collection of small businesses with a forum to share and exchange a wide range of business related issues including legislation, business intelligence, regulatory requirements, recruitment and political issues. This form of co-operative business support network is another critical factor in helping businesses develop and grow over time – this kind of network becomes both a ‘virtual incubator’ and an ‘accelerator’ for enterprises. What is striking to the outsider is the lack of recognition and support from government for this kind of business led development – this is a phenomena not unique to Uganda!

Beyond these formal and informal networks there exists yet another set of interdependent small and micro businesses and enterprises that KTN recognises and supports. They are not formally or contractually connected to KTN but they provide the wider infrastructure that ‘makes everything work’ – a form of spatial cluster. This includes, for example, Indulge Café that provides the packed lunches for kayakers; the taxi company that provides airport shuttles; the *boda boda* that ferry tourists around Jinja; the Bujagali Chapatti Company stalls that feed hungry rafting clients; and beyond these many, many more.

Strategic Business Partnerships

There are two major strategic business partners that KTN works closely with who have been yet another critical factor in the development of the business. In recent years, there has been a revolution in modern kayak design and manufacture and the market place now demands good and safe equipment. KTN have a formal partnership with Fluid Kayaks of South Africa who provide boats and peripheral equipment in return for promotion of their products. This access to great equipment reinforces the values of KTN who aim to offer world class equipment at a world class kayaking venue.

The other significant business partnership that KTN has forged is with Brussels Airlines. This came about when the Ugandan agent for Brussels Airlines participated in a rafting expedition with Jamie Simpson –

the two struck up a rapport and within weeks there were negotiations taking place in Brussels with the CEO. One of the biggest issues KTN faced was getting a 'kayak friendly' airline that would transport people and kayaks from the UK and Northern Europe to Uganda cost effectively. Brussels Airlines offer special deals to KTN clients and over 90% fly with them. Also, senior employees from KTN can use the airline to attend trade shows in the UK – the future plans include focusing more on USA and Canadian markets who mainly fly into Uganda via Europe.

Frequently, the term 'partnerships' is discussed and aspired to in both the public and private sectors as some sort of 'fix all', but often, the ambitions for partnerships are often dashed on the rocks of reality. More often than not partnerships resemble some form of forced marriage and frequently are typified by power coercive models that do not have sustainability or longevity. What is distinctive about these partnerships are the strong personal relationships that exist between the main actors; the high levels of trust between the partners; the openness of the communications; and the mutual respect demonstrated on all sides. Now, these are not huge financial partnerships, however, they bear the hallmark of 'authentic partnerships' and are a good benchmark for other organisations (*see The Reality of Partnership, Gibbs et al, 1991*).

CHALLENGES AND OPPORTUNITIES

Challenges and opportunities are often different sides of the same coin. KTN has faced many challenges on a day to day basis but there are the challenges that stick in the mind from the past and the future challenges that are ever present at the back of the mind. In the past, the biggest challenge faced by KTN was in 2005 when the founding Director, Jamie Simpson, broke his back and, literally overnight, forced him to adopt a very different role.

Like many small enterprises, there was the key person, Jamie, who held together everything from the broad strategy to the day to day operational delivery. The management metaphor is the spider at the centre of the web holding on to every strand of its enterprise and, in many ways, at the mercy of any gust of wind that might blow the whole web away. This unfortunate accident forced Jamie to be immobile for several months and, in a paradoxical way, presented an opportunity to get some of the infrastructure of the business better organised and to think about how to avoid being in this predicament in the future.

So, with this enforced sabbatical a variety of jobs that “*need doing but never get done*” were tackled - the web site of KTN was overhauled and redesigned; the book keeping and accounts were brought up to date; all government regulations were reviewed and put in order; and, possibly the most important event, was thinking through a new management structure with the thought that a stronger management team was desperately needed for the company to function effectively and grow. By a happy coincidence of circumstances early in 2007, Jared Taylor, a world renowned kayakers, raft guide and coach was visiting the White Nile and, as luck would have it, fulfilled all the criteria for the new management role with his added experience, knowledge and skills.

In April 2007, Jared Taylor was appointed as Head Guide at KTN and, after some months, assumed the Directorship of Kayak Cruises – an added bonus of this new relationship was that as well as being dynamic business partners they also became good personal friends. Over time, Jamie made a full recovery from his back injury but did not return to his precious 'hands on' role but began to fulfil the key management functions of planning, marketing, organising, accounting, recruiting, training and quality assurance. As Co Director, Jared assumed overall responsibility for operational management, including all recruitment, training and coaching and support staff. This led to the development of a network management structure and, just like a net; it offered flexibility, coverage, shape and form, in other word, a smarter ways of managing the enterprise.

So, what are the future challenges and opportunities? The major threat to the KTN business (and other rafting companies dependent on this unique resource) is the building of the new Bujagali Dam that has already commenced and is due to become operational in 2010. This new dam will drown several, but not all, of the major, world famous white water rapids, potentially removing the key natural resource for many businesses which are dependent on the White Nile. Interestingly, having gone beyond the discussion about ‘*should there be a dam built?*’ and accepted that the dam is being built, the businesses on the banks of the White Nile have been in a positive dialogue with the Italian construction company and the various government agencies. There have been some compensatory payments made to businesses that have been operational for 5 years or more and other concessions including new slipways and access points. So the dam has brought a major challenge for KTN in repositioning its business for the coming years – the signs are that whilst the dam construction will bring about some changes, in turn these changes will bring new opportunities.

The other ongoing challenge that is beyond the power or control of KTN is the political situation that to date has provided a stable and positive environment to do business. However, this is Africa where logic and right do not always prevail - one has only to look across to other African countries to observe significant political unrest, disturbance and violence. However, President Museveni was quoted in the New Vision newspaper as recently as January 2009 that Africa may be able to weather the global financial crisis because of its materials, markets and labour. To date, Uganda has not been hit as hard by the global financial crisis, and the current financial stability and continuing economic growth auger well for future political stability.

LESSON LEARNT AND IMPLICATIONS FOR FUTURE STRATEGY

Enterprise equals speed. Anyone setting up an enterprise or running an established business has to be highly motivated and driven. It is not always in the psyche of entrepreneurs to critically reflect on what has happened or, with more difficulty, on what is happening to them and their business. Many entrepreneurs only see the road ahead and the thousand new opportunities that present themselves. However, it has been demonstrated on numerous occasions that where business leaders of big and small enterprises blend future plans with lessons learnt from the past there is a higher probability that their business will be better for everyone.

Again, KTN have become a model of good practice in that they engage in frequent review sessions that provide evidence for new directions and innovations; a reality check of the here and now; and become part of refining and strengthening the business model. In conversation with Jamie and Jared critical issues emerged that have shaped their thinking and actions over recent years. The following are 4 of the key lessons learnt with a commentary about how they impact on future strategy:

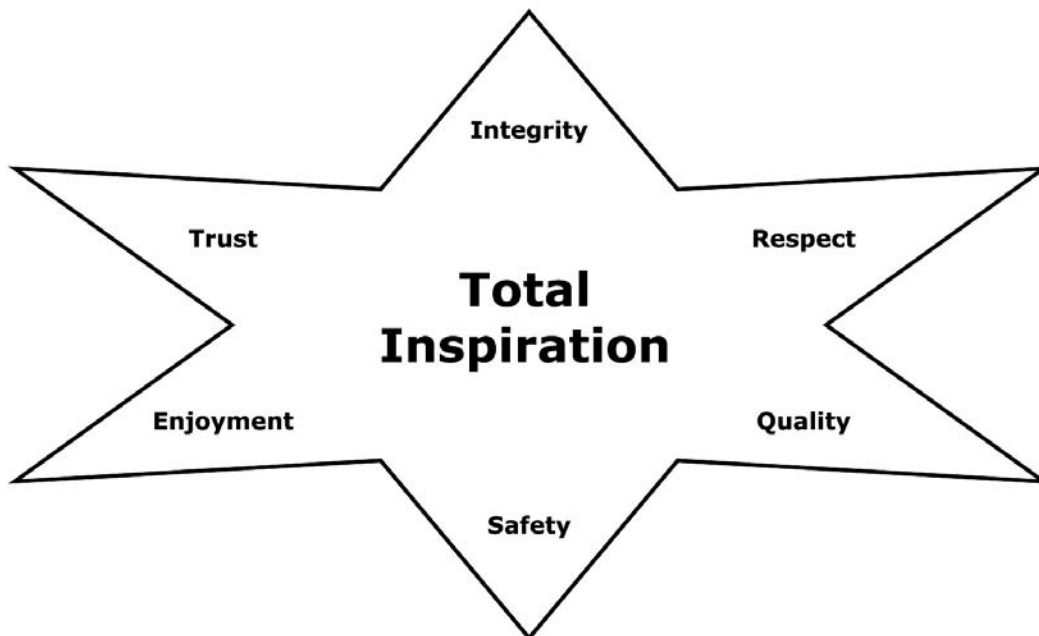
Accounting and bookkeeping – one of the common weaknesses of new enterprises is that the founder is in love with their product but has little desire or ability to deal with the other essential business skills, particularly finance. This is probably the most common problem area for small businesses and certainly an area that, if they were to do it all again the KTN management would prioritise. As it is they recognised this weakness and brought in help by recruiting a young Ugandan who now provides all the necessary financial control to make the business run smoothly. KTN is paying the university fees for this employee and he will become fully certificated in the coming years.

Business advice – setting up and running a business can be quite a lonely and daunting experience. Whilst there are promise of advice and support from many quarters and numerous, alongside schemes and grants for start up and development, the reality is that most small businesses find that it is just not available or appropriate or too much hassle. This is where it is critical to find trusted, proactive mentors and develop and actively participate in formal and informal networks. These points have been made earlier in this paper but the point is reinforced here that good business advice is hard to find.

Get good legal advice – it is essential when operating as a foreign investor to hire a good lawyer to help navigate through bureaucracy of business start up and development. Also, this ensures that all legal requirements and Ugandan Revenue Authority (URA) are dealt with effectively. This cannot be left to chance or done by enthusiastic amateurs and there are examples of *mzungu* who adopt inappropriate business practices and who find their businesses cannot survive – simply, parachuting in and trying to make quick and easy money without paying taxes does not work! Needless to say, they do not survive long. The double advantage is that it helps to understand the context and culture of running business in Uganda – KTN has benefitted enormously by working with good lawyers who have been only too willing to help and advise.

Train and retrain – KTN has always adopted a policy of employing Ugandans as middle managers, support staff and auxiliary staff. In addition, there has been a belief in investing in the workforce for two reasons. Firstly, it helps KTN be a better business both internally and externally, secondly, it helps build capability and capacity in local Ugandan staff some of whom will eventually go on to their run their own ventures. The lesson learnt is that training is an investment not a cost and, whilst it is hard to quantify, this has a positive impact on the knowledge, skills and behaviours of employees that reaches beyond the confines of the workplace.

Explicit values base - As time has gone by, KTN has developed an explicit set of values based very much on the beliefs of the two Directors – this set of values permeates everyone and everything involved in the business. Not only does this present a sound platform upon which KTN operates, it also projects confidence to customers and partners and sets benchmarks for KTN to constantly strive to achieve. These are best described in the form of a model:



Together, these values converge and present the concept of ‘total inspiration’ – it is not uncommon to hear clients feedback as being “*a memorable life experience - awesome*”; “*life changing and enhancing*” and “*the most significant event in my life*”. KTN (and the other JASA partners) have changed people’s lives and through the experiences have touched both the intellect and the emotions. Perhaps, the greatest

testament of success is the high volume of repeat and referred business that KTN enjoys because they do impel customers into experience and create inspiration.

CONCLUSIONS

This then presents the KTN story to date and leads to posing the question of what are the overarching conclusions that can be drawn from this case study, particularly in the context of this conference. However, a note of warning to the reader that, whilst these conclusions may appear reduced to quick fix slogans or have a degree of superficiality, they must be read with reference back to the narrative. These are the genuine reflections on the hard lessons learnt that may just help other enterprises survive, thrive and prosper in the wonderful country of Uganda.

There are 4 key conclusions drawn from the KTN experience to date:

1. *Have a great business idea and excellent administrative infrastructure* – It may sound obvious but frequently entrepreneurs have great ideas that no one wants to buy! It is important to go through a rigorous process of market testing and evaluation to ensure that your idea be it a product or a process has a good chance of succeeding. Once you have gone through this process then it is crucial to get organised and develop robust administration from the start – it does not have to be, in fact should not be cumbersome or time consuming but needs to be efficient.
2. *Focus on your business; support your partners; value and add value to your networks* – focus is important because it is very easy in young enterprises to get distracted and everyone you meet will offer another great idea so listen and learn but keep focus. The value of good local, regional and international partners is critical to avoid becoming insular and inward looking and this links with the value of networks that require energy, time and maintenance.
3. *Employ good people with the potential to develop new skills and behaviours* – People make the business and recruitment is a key component of enterprise development. Once employees are in place then create an environment where there are opportunities and expectations that everyone will be learning new skills and gaining new knowledge that stimulates dynamic business development.
4. *Business led networks supported by government* – Across the world there is debate and a plethora of policy and academic papers on how to stimulate economic development through enterprise and innovation. The experience of this small sample of businesses in Jinja is that business led networks supported – emphasis on useful support – by government agencies is the way forward. It is important to learn from more developed economies that it is not necessary and is actually unhelpful to create layer upon layer of bureaucracy through local, regional and national agencies – better to direct resource where it is most needed and into supporting enterprises.

As will be deduced from this paper, KTN is in the process of ‘repositioning itself for business in the 21 century’. It is hard to predict the future, particularly in the context of the global economic crisis, the full impact of which will almost certainly wash down and affect the fortunes of all enterprises in Jinja. However, it is vital that enterprises use this situation to review, refocus and reenergise their businesses, not just to weather the storm, but to adapt to the new world order. The authors hope that these tales from Jinja bring useful insights and a little inspiration and confidence to other enterprises.

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