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East Africa Country Outlook YTD 30 June 2013

COUNTRY	COMPANY SIZE			Grand Total
	Large	Medium	Small	
Kenya	6	10	29	45
Southern Sudan			1	1
Tanzania	5	6	15	26
Uganda		2	6	8
Grand Total	11	18	51	80

ATMS NEWSLETTER - June 2013

The ATMS Project is sub-Saharan Africa's biggest and most ambitious human capital development effort in the private sector. It was created to play a key role in Africa's economic development and currently operates in twenty countries. The Project provides human capital solutions that lead to skills development and wealth creation through the private sector and commercially operated state enterprises.

This edition shows an overview of the ATMS Project on management and capacity development, followed by a focus on the East Africa region. Few industries have the potential to exceptionally drive up innovation, job creation and economic growth like Information Communications Technology (ICT). The sector has been known to correct many traditional market failures, helping to overcome challenges in business. This edition features ATMS/AMSCO success stories in ICT to reveal the Project's impact.

Portfolio Outlook

Portfolio data for the ATMS Project has placed the AMSCO Managers' head count at 394 seconded to 244 enterprises in sub-Saharan Africa.

The Managers have a specific role to improve African companies' operational and financial efficiency, install management systems and strengthen capacity for local managers to succeed them at the end of their term. They are placed in a wide range of sectors including finance, agriculture, and tourism services.

The ATMS Foundation financial support to qualifying enterprises from January to June 2013 amounted to US\$803,466 allocated to 29 companies towards management and training services.

In 2012, a total of US\$2,350,531 was allocated to companies in Africa. 70 enterprises benefitted from that support.

Focus on East Africa

Kenya, Tanzania, Uganda and South Sudan currently define the ATMS Footprint in the East Africa region.

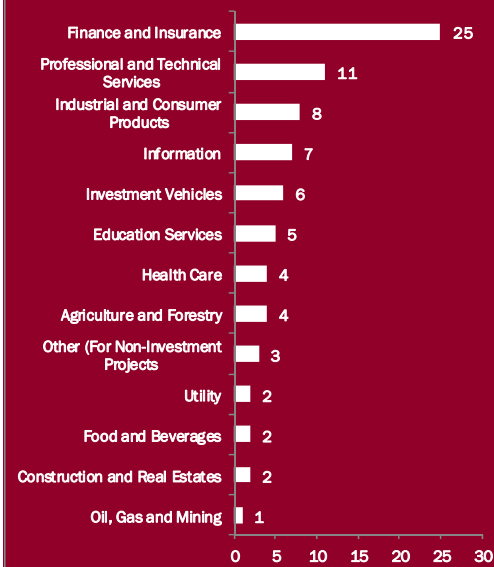
As at 30 June, the region had a total of 80 clients, 51 of them being small, 18 medium and 11 as large enterprises.

East Africa Sector Outlook YTD 30 June 2013

Finance & Insurance is the largest sector with 25 clients, followed by Professional & Technical Services with 11. The Industrial and Consumer Products sector takes up third spot with 8 clients, followed by Information with 7, Investment Vehicles follows with 6, then Health Care and Agricul-

ture with 4 clients each. Other clients are spread across various sectors depicted in the Portfolio by Sector diagram below.

Portfolio by sector



ATMS Foundation Support to East Africa in 2013

Financial support to enterprises in sub-Saharan Africa remains a fundamental practice of the ATMS Project through the ATMS Foundation.

Between January and 30 June 2013, US\$ 190,063 was allocated to enterprises in East Africa for management services and skills development interventions.

The education, manufacturing, food and beverage and finance sectors topped the ATMS Foundation allocations as portrayed in the diagram. The ICT sector was also a force to reckon with

2012 ATMS/AMSCO Training Highlights

2012 saw a total of 6,398 participants reached through training, of which 31% were female. Compared to 2011, there were 1,592 more people trained in 2012. There was a 101% increase in the number of people trained in governance and leadership programmes compared to 2011.

The number of companies that trained in operational skills in 2012 also increased by 27.5% when compared to 2011. Training covered included Technical Skills, Industrial Skills, Banking & Finance, Insurance, Soft Skills, Basic Training and Administration & Human Resources.

There were 18 Open Programmes (Training designed for individuals drawn from different organisations) conducted by AMSCO compared to 11 in 2011.

Business Sector	Management Support	Training Support	Total US\$
Education	12,000	45,500	57,500
Manufacturing		28,600	28,600
Food and	8,000	19,500	27,500
Finance and	14,063	13,000	27,063
Information and Communication		19,500	19,500
Green Energy		19,500	19,500
Construction and		10,400	10,400
TOTAL	34,063	156,000	190,063

when availing the funds. This was especially important to the ATMS Foundation as it is a common desire and commitment by most sub-Saharan African countries to eradicate poverty through the promotion and use of enabling ICTs in order to build and foster a people-centered knowledge-based economy in Africa.

Funds allocated to the sector may be modest, but the already existing projects in the sector have seen a lot more investments from the ATMS Project. This support will hopefully assist in the creation of an enabling environment across different businesses in the private sector space.

Developing Capacity in African Businesses

Leadership programmes maintained centre stage in East Africa this year, affirming the value of good leadership for any company to be competitive, profitable and sustainable.

One Leading Change workshop and two LEAD programmes were conducted. The AMSCO LEAD Programme is designed for senior functional managers who need a broader perspective on company operations to graduate to executive management or who will become business-unit, division, or regional leaders in the near future.



Focus on Training Programmes in 2013

A three day "Leading Change" Workshop took place in March at the Holiday Inn in Dar es Salaam, Tanzania. The workshop aimed to give the participants a solid grasp of change management. This would assist participants to implement best practice and critique the composition of change management teams, the methods being applied to manage resistance and the organisation's readiness to embark on transformation programmes amongst others.

It was attended by 9 participants including 3 females. The class size was small but very productive and informative as it gave each participant an opportunity to share a challenge or experience based on his/her organisation.

The workshop was unique in that there were many practical sessions and numerous discussions around the case studies that participants were given. The case of East Africa Breweries (EABL) attracted a lot of discussion especially given the fact that most participants had been involved with EABL before.

Great value was realised from the lecturers given their extensive industry experience and they were able to relate very well with the participants. This programme came at a very appropriate time as Tanzania had been dealing with various reforms at both the social and economic fronts.

An AMSCO LEAD Workshop was held in Nairobi, Kenya in April over a four day period. This was the 6th successive year that AMSCO was hosting the programmes in collaboration with Strathmore Business School.

A number of training approaches were employed with the objective of sharing skills and knowledge

among the participating managers and the training consultants. These included lectures and group discussions characterised by frequent interjections. The Programme helped participants to understand, recognise and foster the right leadership qualities in themselves and others.

The opening session was officiated by Carolin Averbeck - Team Leader, Poverty Eradication Unit at UNDP. In Carolin's opening remarks, she alluded to the vital contribution of the United Nation Development Programme (UNDP) in promoting private sector growth. She noted with pleasure that AMSCO has largely assisted UNDP in championing the growth of the private sector.

Given the success of the 1st LEAD Programme in East Africa in 2013, a second one was held in Dar es Salaam in May 2013. In the opening session, Jackson Kilimba spoke on behalf of the Director General of the Eastern and Southern African Management Institute (ESAMI). He underscored how grateful ESAMI was to continue their working relationship with AMSCO and assured all that it will continue to grow in leaps and bounds. The Tanzania programme was attended by 8 participants, all from Tanzania.

Eliud Chemweno spoke on behalf of AMSCO and in his opening remarks, highlighted that this is the 3rd year in a row that AMSCO is partnering with ESAMI and that the partnership has remained mutually beneficial.

In closing, the participants completed a Workshop Evaluation to assess the effectiveness of the instructor in delivering the programme, workshop content and relevance, and the general administration of the workshop. This will assist in up scaling future programmes with a view to sustaining and/or strengthening quality and delivery of the workshops. Comments reflected great success with the majority of participants confirming the need for more of their team members to attend future programmes.

ICT for Africa's Advancement

Few industries have the potential to exceptionally drive up innovation, job creation and economic growth quite like Information Communications Technology. From simple computer-based technologies of the 1980's to much more elaborate digital equipment that allows people to stay connected, regardless of location nor time, ICT has fast become an essential part of everyday living.

Beyond signal receivers and retrievals, the ICT sector is a strong device for transformational development. A recent report by the World Bank and the African Development Bank (AfDB), eTransform Africa, examines how ICT has the potential to transform businesses and Governments in Africa. Under the theme, Transformation Ready, the study looks at how ICT greatly impacts on other industries; including Agriculture, Education, Finance and Health.

With the annual average GDP growth at 5% over the last decade, Africa's economy is expected to grow faster than any other continent in the next five years and ICT is predicted to be at the helm of the surge.

More than two-thirds of African adults already have access to ICTs with an increase in mobile subscribers, from less than 25 million in 2001 to 250 million by 2012. Mobile phones have revolutionised the way in which we conduct business. Within a short timeframe they have successfully managed to bridge the gap between a willing consumer and numerous services including banking, news and entertainment.

While for many, new technology may simply be an efficiency tool; in Africa the impact thereof runs deeper. ICT has been known to correct many traditional market failures, helping to overcome challenges in areas such as sanitation, literacy and electricity while creating great opportunities for the rightly skilled candidates.

Thanks to a specially tailored pay-as-you-go solution, AMSCO client, M-Kopa has been slowly transforming Kenya's solar technology field. Their team of mobile technology experts and innovators is set on designing transformative and affordable products for the underserved market.

Governments and the private sector have a great role to play in propelling the growth of ICTs in African countries. Favourable environments for development can be achieved with better infrastructure and greater accessibility to ICTs.

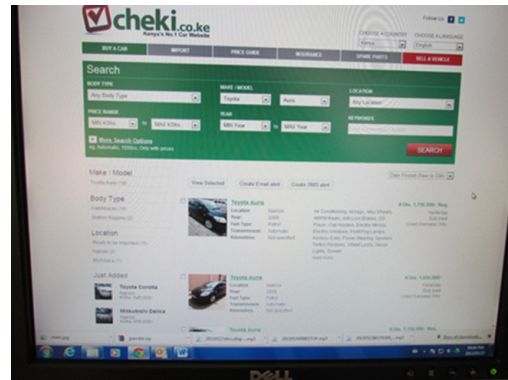
ATMS Project Interventions on ICT in Africa

Online Business Leaps through Cheki Kenya

Cheki Kenya Limited was the first virtual marketplace for selling and buying cars in Kenya, linking, both Kenyan and non-Kenyan car dealers with buyers. In Kenya, online business is an emerging market that has great potential; however, a number of start-ups in this area have ended up closing shop in less than 2 years.

Aware of the hard work that goes into building a successful company, Cheki needed the services of a suitably qualified individual, with good experience in starting and running successful online businesses. The company also needed a partner to assist with capacity development to help with the successful take-off of the company.

AMSCO's role was to assist with the secondment of a Chief Executive Officer (CEO) to develop and help upscale the business and its technology,



placing it on par with world class companies. It was also the CEO'S duty to motivate and help develop staff by fostering a working culture of learning, teamwork and successful business outcomes while actively growing the capacity and capabilities of the Kenyan online and ICT industries.

The intervention with Cheki has been very suc-



cessful. The company has grown from zero staff to 25 people employed on a full-time basis. Over 5,000 vehicles are sold monthly from the Cheki

online platform enabling thousands of individuals and over 200 car dealers to access markets that they would otherwise not have accessed, both in Kenya and in the region.

Cheki has employed and trained Kenyans in the emerging

internet sector and attracted significant international investment interest. The AMSCO Manager has been conducting regular training/strategy review sessions with many internet start-ups in the country. This has helped to build capacity in this budding industry and has contributed to the growth of the industry in general.



The company is now the country's leading revenue generator in the internet market space. Cheki has a strong learning culture and holds quarterly training for all members of staff. It also offers loans for tertiary education and sends staff to other group companies for on the job training, as well as to industry conferences and seminars.

AMSCO is happy to be associated with Cheki which has successfully revolutionised the online business industry in Kenya and opened up the frontier for many other online businesses in an area that has great potential for job and wealth creation.

Growth at the Core of Zambia's Tech Industry

NECOR Zambia Limited (NECOR) is an ICT services provider to the financial, government and corporate business communities in Zambia. Registered in 2000, NECOR acquired all operations of NCR Zambia Limited through a management buy-out in May of the same year. The NCR history carried through into the new NECOR makes the company the oldest computer firm in Zambia.

To help diversify its offerings and consolidate its position on a software solutions delivery and support division, the company needed help with the implementation of a number of software development projects for non-governmental organisations, parastatals and private entities.

AMSCO began its involvement with NECOR in April 2010 and helped second a Professional Tech-



nical Services Manager. At the time of AMSCO'S involvement, Zambia's Central Bank and Govern-

Through strategic Public Private Partnerships between business, Governments and their international partners, it is possible for Africa to advance its broadband initiatives as well as better support initiatives geared towards digital literacy, ensuring that the continent has an adequate ICT skilled workforce.

Skilled Labour to Transcend Kenya's Technical Needs

M-KOPA Kenya Limited is a mobile technology and distribution company, offering better perfor-



mance solar systems and financial service solutions to Kenya's low-income earners. Established in 2011, the company is the integration of its predecessor, Mobile Ventures Kenya Ltd. (MVK). Through the integration, all employees, assets, intellectual property, contracts, and legal rights and obligations of MVK were transferred to M-Kopa.

Using original embedded GSM technology, the M-Kopa service enables customers to obtain solar power systems on a "pay-per-use-purchase" basis with small, incremental payments made daily by mobile phone. The result is an easy



payment solution, perfectly suited to scale household solar ownership in the developing world.

AMSCO began its intervention with the secondment of a Managing Director to what was then known as MVK in 2010. The AMSCO Manager would help manage the MVK team and pilot projects, fundraise from local and international sources for grants to start pilot projects and investment to scale products be-

ment policy had passed plans for electronic exchange and the settlement of cheque images and transactions through the commercial banking sector – a project named Cheque Truncation.



With the introduction of this and other software in the already mentioned banks, various efficiencies have been attained such as Cheque Clearing Systems. This system reduces cheque clearing days from 3 - 7 days to 1 day, consequently resulting in faster funds turnaround in Zambia.

Internally, the supply of the software has been profitable as most of the components have been developed in-house due to the new skills available to the company. The only costs on the project



were associated with hardware on scanners brought in from NCR Corporation and the implementation fees such as travel costs. To date the software division has attained 96% of its targeted annual revenue projections.

Thanks to the various NECOR products delivered to the Zambian Market, ordinary Zambians have



witnessed exponential change in the efficiencies within their banking systems. This has vastly assisted in the penetration of the commercial banks to the unbanked population. It has also aided extended access to banking products to parts of the population that were previously unbanked.

AMSCO is proud to be associated with NECOR. The turnaround that has been experienced within the banking community has made a significant contribution to the banking industry in Zambia as a whole.

The AMSCO Manager at NECOR presented a skill proven rare to find in the local market for software developers. Since the appointment of the manager, sophisticated and tailor-made software previously not available in the market



such as Truncation Software has been installed in Bank of Zambia, Cavmont Bank, Finance Bank, ECOBANK, UBA, INDO Zambia Bank, First Alliance



Bank, Investrust Bank, AB Bank and Bank of China Zambia Limited.

Training has since been conducted for the operation of Truncation Software in 10 banks and their branches across Zambia.

One Main Cable for Broadband Solutions in Nigeria

Main One Cable is the leading broadband service provider in Nigeria. A wholly owned African company, officially launched in February 2008, Main One was established with a Pan-African vision to build a private sector-led and funded international telecommunications submarine cable between Africa and the rest of the world, thus ameliorating connectivity challenges of businesses across Africa.

Since July 2010, Main One has been providing high quality, affordable international connectivity

and broadband capacity through the sale of open



access wholesale bandwidth and associated services.

yond the pilot stage. The AMSCO Manager was also tasked with leading the formation of all relationships with key local and international partners, assisting with training efforts and growing the company's staff.

Through the ATMS/AMSCO support, MVK members of staff were equipped with skills on process documentation, modifications and system administration. The training of staff has helped the project "graduate" from being a pilot project to becoming a commercially-backed venture in its own right. From Octo-



ber 2011 onwards, the "Kopa Solar" pilot spun out into a fully-fledged company, M-KOPA.

In 2010 MVK Director Nick Hughes was awarded the Economist Innovation Award for Social and Economic Development by The Economist newspaper. The company has grown from two employees at the time of its incorporation to 125 members of staff. Under the AMSCO Manager, the company's first product, "Jipange KuSave" initially grew from 200 consumers in June 2010 to 500 by October 2010. To date M-Kopa products have acquired over 20,000 customers and are available in over 650 retail shops in Kenya. The company hopes to reach 100,000 customers by the end of 2013.

In 2011, the ATMS Foundation allocated US\$20,500 in training grants to MVK. These funds were primarily used to provide operations and process training of the distribution and



customer care teams, as well as risk training for the technical team. This training has been critical to the success of the project to date. To further help scale up company operations, an additional amount of US\$ 15,000 in training investments was given to M-Kopa during 2012. In June 2013, The Financial Times and IFC named M-Kopa winner of the Award for Excellence in Sustainable Finance at the FT/IFC Sustainable Finance Awards in London.

AMSCO has been able to assist Main One in its expansion plans by identifying and placing managers in strategic areas of its operation. In April 2012, AMSCO assigned two managers to the company in the roles of General Manager: Network Planning and Engineering and IP Operations Specialist respectively.

After a year of involvement with Main One, the AMSCO Managers together with the rest of the management staff have been able to stabilise the Broader Gateway Protocol (BGP) as well as increase customer satisfaction and reliability.

Thanks to funding from the African Development Bank (AfDB), today the company has an undersea



fiber optic cable network system, connecting West Africa to the rest of the world via Europe. This system provides reliable and first class service delivery that can be measured against international standards.

The availability of wholesale broadband internet has marked the beginning of positive change in several countries in West Africa and helped overcome the communication chal-



lenges limiting African countries from being major global players.

In January 2013 the company decided to expand its hosting capacity by building a 600-rack data to host data from telecommunication operators and Internet Service Providers (ISPs), bringing more data hosting into Nigeria.



ground-breaking app ideas, implementing them from concept to the marketplace, using Microsoft resources.

The client company has helped boost Nigeria's position to the country's second largest trading



partner in sub-Saharan Africa; an achievement that stimulated a high delegation visit from the Swedish Government in May 2013.



The visit was in a bid to learn more about the business opportunities in the Information and Communications Technology (ICT) sector, to discuss how to further boost broadband communication activities in Lagos and to

look at how ICT could further support the development of Lagos as a mega city.

AMSCO's assistance to Main One is directly aligned to AMSCO's vision of making sure that through specially sourced and skilled managers, African companies can thrive at a globally competitive level. As a result of this partnership, ATMS/AMSCO has a chance to contribute to the strengthening of Nigeria's economy through the ICT sector.

ATMS/AMSCO is proud to have assisted in the skills development of M-Kopa staff while actively taking part in up scaling its business objectives.

Our Stakeholders

ATMS And AMSCO wish to thank all the stakeholders for their continued support.



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Our Footprint

