

Executives without Borders
by Jonathan Ledgard

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Executives without Borders

A novel proposition for saving driest Africa from total collapse.

by Jonathan Ledgard

Few regions in the world are crying out for help louder than the Sahel, the parched underbelly of the Sahara that runs from the Atlantic to the Indian Ocean. Spanning nine nations, the largest being Chad and Sudan, the Sahel has the dubious distinction of being at the top of global social, economic, and cultural categories that no region would aspire to. Rife with civil war and droughts, the Sahel ranks among the highest in infant mortality rates and the lowest in per capita earnings and literacy rates of any area in the world. The best efforts of aid agencies have served only to create a culture of dependency, completely ignoring the hidden potential of the Sahel's natural resources to build a resilient, market-based economy.

It's not surprising, though, that well-meaning groups like the United Nations Development Program and U.S. Agency of International Development have failed to significantly improve the economic fortunes of the citizens of the Sahel. These agencies are not equipped with the type of business expertise required to manage market development and build sustainable commercial ventures. But imagine a business-centric non-governmental organization, an "Executives Sans Frontières" (Executives without Borders), patterned after Médecins Sans Frontières (MSF, or Doctors without Borders), the international group of health-care workers that provides

medical treatment and training to disadvantaged and underdeveloped countries in the world.

Could such a group change the prospects for the region?

Like MSF, Executives Sans Frontières (ESF) would be run by an international board of directors, who would be in charge of recruiting a group of volunteer, adventurous business executives and rotating teams of committed members into regions like the Sahel to help establish businesses and develop untapped markets. Based on their background and expertise, these managers from the developed world's corporate elite and recent startups would be parachuted in for several months to several years to address such critical issues as transportation of goods, sustainable harvesting, and international trade practices. ESF's success would be predicated on its ability to locate, mentor, and, in some cases, underwrite local entrepreneurs. The overarching goal would be to teach people to run ventures themselves.

The Sahel could provide an ideal proving ground for ESF. Although the region is destitute, it has valuable resources such as livestock, including cattle, sheep, and goats, as well as cotton, maize, and sorghum that could be better capitalized. There is also the possibility of developing growing techniques that could facilitate the development of lucrative new crops, such as gum ara-

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bic and myrrh. Instead of attempting to work with slow-moving and often corrupt central governments in the region, ESF would focus on firing up these businesses at the local level.

Finding a cheaper and more profitable way to bring goods to market would be one of the first areas on which ESF could have a significant impact. The Sahel lacks a self-regulating pan-region commodities exchange, where buyers and sellers can meet to trade and prices are set based on supply and demand. Instead, the region has had to rely on a proliferation of middlemen amid a lack of widely available information about market prices and fees; consequently, it costs the Sahel's rural farmers more to transport and store goods than it would in, say, the United States. Executives with experience in creating and managing exchanges in developed markets could help foster a trading center to even the playing field and distribute the price of goods more efficiently. Producers would receive current pricing information, negotiate contracts up front, and know what to expect of vendors in the supply chain. Futures markets — for example, involving cattle or goat — could be established as well.

A commodities exchange is already being proposed for Ethiopia. But without a strong structural and governance framework, any commodity exchange established in the region will quickly fall prey to corruption and speculation. The ESF could play a critical role by putting the necessary checks and balances into place. The ultimate aim would be to teach local traders and business leaders how to run an exchange on their own.

Using such a system, the Sahel could monetize medicinal herbs and plants endemic to the region, a US\$65 billion worldwide market that has barely made a

dent in the Sahara. Some plants, such as gum arabic, which purportedly soothes inflammation of the throat and stomach, are already harvested to a degree in the Sahel, but there is no formal mechanism to bring gum arabic to market, despite the fact that it generates \$90 million in international sales.

Although some businesses have tinkered with sending salaried consultants to developing countries on pro bono projects, such projects tend to be temporary and focused at the higher levels of government. The ESF, however, would be far more adventurous, appealing to executives' altruistic instincts while giving them an opportunity to apply real business learning in exciting, uncharted settings. ESF would target mid-career managers with experience, drive, and a sense of *joie de vivre*. There could also be an opportunity for companies to get involved directly; for example, FedEx might donate 15 employees a year, who would each serve four years with ESF while remaining on FedEx's payroll.

ESF could also work with an increasing number of business-focused NGOs, such as Technoserve, which aims to improve technological development in poor regions — for instance, implementing tracking systems to record the handling and packaging of medicinal plants in Chad. Together these groups could create plans for illiterate and remote communities to make best use of new technologies. One initiative could be centered on solar power. With the introduction of solar panels, villages could become energy self-sufficient and nearly carbon neutral, which could generate additional subsidies.

Industrial-scale projects might follow: The sun-scorched Sahel is an ideal location for a solar farm, which could provide electricity to the region. Another could be the introduction of innovative new stoves, such as solar

cookers that use foil to concentrate sunlight and collect heat, greatly reducing the need for firewood to cook food, or mobile phone text-messaging services that help herders find the best market price for meat and milk.

There is no quick fix to the problems facing the Sahel. But although poverty will continue to dominate the region for the foreseeable future, it can be alleviated somewhat. With the assistance of an organization such as ESE, the local population can become more independent and begin to improve the quality of life. Something new must be attempted in the Sahel that promotes local rather than centralized control of commercial activities — something that encourages the development of small and mid-sized business in the informal community sector, rather than larger businesses in the much smaller formal sector. +

Resources

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George Obulutsa, “Ethiopia Plans Commodity Exchange by End 2007,” *Reuters*, June 7, 2007: Recent article about the efforts in place to build an Ethiopian commodities exchange. <http://africa.reuters.com/country/ET/news/usnL07164694.html>

Médecins Sans Frontières Web site: Nonprofit organization that offers emergency medical aid to the countries around the world that need it most. <http://www.doctorswithoutborders.org/>

Solar Cookers International Web site: Nonprofit organization that provides information about solar cookers and the technology to set up the cookers in developing regions. <http://www.solarcookers.org/>

Technoserve Web site: Nonprofit organization focused on growing businesses in developing countries. <http://www.technoserve.org/>

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