

Outliving Threats to Business Continuity

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By Mwangi Wanjumbi

The first day of June every year reminds me of the threatened continuity of Uchumi Supermarkets, on the same month and day in 2006. This is so because, a lady presenter from a popular FM station where I had then (and even long after) been a business discussant tracked me down wanting to get views on the Uchumi matter.

Our unscheduled meeting therefore was to discuss the causes and future expectations on the then seemingly fallen Giant. Needless to dwell on the details, I among other things indicated that Uchumi will make a comeback, but only if it can embrace a structured recovery. Top of them all was to open one branch at a time, just like it was a new beginning. This content was promptly aired to the listening public. In this regard, I am proud to associate with Uchumi's return to not only profitability, but also the capital markets, therefore resuming its place as a key player in the national economy.

Meanwhile, many people are still in fear of continuity of their businesses following threats by the alcohol laws that were discussed in this column last week. Mwara, a 30 something old gentleman who is an investor in the beer industry, was in that situation as well. Having variously listened to the FM radio business discussions, he decided to seek help early this year.

But, it is perhaps appropriate to first bring out some insights on the impact of alcohol for us to be in tune. With due respect to other areas of Kenya, a new culture had taken shape in the central part, within the last few years. Many able men had stopped working or involving themselves in any economic activities. Others who claimed to be gainfully employed were mainly manufacturing and selling strange brews. Of course, there were no standards being followed, therefore their lethal effects to the consumers.

Alongside, many able bodied youngsters turned to these lethal brews. Subsequently, they lost all sense of responsibility. Many with families abandoned them and almost became permanent bar residents. Ironically, some of those who made it home never managed to lift themselves onto their beds. Instead, they developed a culture of sleeping under the beds, leaving the luxury of the beds to disillusioned spouses. For obvious reasons, this resulted to well known negative population growth, in this part of the country.

Schools started closing for lack of students, whereas scarcity of labour continued biting hard in Central Kenya. It is no wonder then that the alcohol laws became an instant hit in the area. Nonetheless, bar business entrepreneurs had their own interests adversely affected, as would have been expected.

In the meantime, Mwara operated a bar branded as Mwara's Pub at Gatuta Centre, Nyandarua County, a walking distance from their rural home. Rather than fight the laws Mwara started visualizing how to counter their impact, as soon as they were first implemented. This youthful entrepreneur is married with 2 young children. Diana, his wife was managing a small hair saloon, near Mwara's pub.

During the two years that Mwara's Pub had been operational, there had been no considerable success. Rather, it had just been a matter of survival for Mwara, sometimes calling for support from Diana's saloon. But, with the reduced operational hours, it was apparent that Mwara could now engage in thoughtful processes. No wonder then, Mwara, came calling last January, aiming to pour out his frustrations and seeking solutions at the same time.

Inevitably, Mwara's case entailed drawing up a strategy of painlessly diversifying into other areas since the time resource was now available. Besides, the future of Mwara's Pub could not be predicted. After lengthy discussions it was realized that Mwara and family can

somehow get out of the then predicaments.

Actually, many diversification opportunities could be exploited. For some it was immediate, whereas others are likely to mature in the medium term. Therefore, it was necessary to consider the viability of each of them, one at a time, even though without any order of preference. Whereas some solutions may outwardly look awkward, they were nevertheless important considerations.

Firstly, in the absence of men drinking themselves ridiculous, they would immediately become healthier and therefore more responsible. New habits would right away lead to reversal of the previous well documented population decline. In a few months time, women would inevitably need new outfits followed by demand for infant merchandise, 9 months thereafter and beyond. This provided an invaluable opportunity of expanding Diana's business into women and children fabrics/merchandise. Therefore, the family needed to work towards this direction.

Secondly, there would be increased demand for restaurants in Gatatu Centre. Some of the residents could still be spending many hours in the centre, as they await the opening of bars at 5.00 pm. Naturally, the food and beverages department presented itself. Mwara's Pub could therefore be conveniently converted into a bar and restaurant.

Thirdly, it was necessary to allocate efforts and resources towards farming. Diversification of Mwara's Pub into a restaurant could create demand for milk, vegetables, kienyenji chicken, eggs and other farm provisions. The family farm could become hardy for this purpose. In fact, the market for the farm products was ready only calling for exploitation.

As agreed, the next review will be after about two years as from January 2011. Mr. and Mrs. Mwara are expected to have worked out and implemented the intricate details of the diversification strategy. Assistance will however be available on demand.

During the intervening period, the Mwara's will have experienced increased economic activities. The same will have long term impact on employment and wealth creation not only in the family but also in the neighbourhood, and the nation too. Are you still concerned about collapse or decline of bar business since implementation of the alcohol laws? Thinking strategically will enable you to envision the ensuing opportunities.

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