Going public: The role of infrastructure development in growing Kenya's executive talent pool

Nairobi, Kenya – Kenya's private sector is remarkably accomplished; however, it is fundamentally important that the country's public sector promotes a favourable business environment. One important aspect of this cooperation is infrastructure development. By continually improving infrastructure, the Kenyan public sector will create an environment where public and private organisations can attract talented executives from local, diaspora and expatriate talent pools.

Kenya's economic development is putting a growing strain on the country's infrastructure, and the demand for improvements is steadily increasing. More effective logistics strategies and models are needed to facilitate the expansion of existing organisations and encourage new companies to enter the market.

There is a great need for affordable and manageable urban mass transit systems, together with the use of alternative modes of transport. The easing of congestion and improvement of transit infrastructure could potentially 'open up' the greater East Africa region in the same way that the railroads opened up the American West.

The Single Customs Territory Agreement (comprising Kenya, Uganda, Rwanda, Tanzania and Burundi) has demonstrated the determination of regional governments to combat the logistics problems in the 'Northern Corridor'. Strategies include the introduction of electronic 'clearing and tracking' mechanisms and the removal of police and customs checks and weighbridges from the Mombasa-Kampala-Kigali route. Reports suggest that Rwanda and Uganda have saved about $400 million in shipping and landing costs so far, and the volume of goods handled at the Port of Mombasa has risen by at least 11.5%.

The difficulties and frustrations specific to Kenya include high freight costs (compared to other global markets) and long transit times. Most goods are transported by road trucking, which contributes to the congestion problems and is inefficient in terms of time and resources. The government is currently working on finalising long-term goals for air and rail transport, in order to increase operational workflow efficiency and reduce the pressure on the roads.

The SGR railway project initiative will improve intra-regional and international rail links, connecting with Burundi (Bujumburi), Rwanda (Kigali), Uganda (Kampala), South Sudan (Juba) and DRC (Kisangani). This is a highly ambitious project, which has encountered setbacks due to funding allocations and project timelines, but if it succeeds, the positive impact on the entire region will be immense.

Initiatives such as these will stimulate the creation of a more favourable business environment, resulting in increased regional development, new organisations entering the market and existing organisations growing and expanding. This will in turn intensify demand for qualified executives who can take up new leadership roles, while also creating a more attractive operating environment for executives seeking to work for companies with strong interests in Kenya and the East African region.

These changing market dynamics encourage a more competitive environment for logistics and operations, allowing companies to modify their business models to optimally suit their needs within a constantly changing environment. Business leaders in East Africa need to be fully engaged with a deep appreciation of the local dynamics, understanding the realities of operating within these unique environments and tailoring an adaptable model to suit the scenario at hand.

Pedersen & Partners is one of the fastest-growing, fully integrated Executive Search firms worldwide; it is 100% owned by its partners who all work full-time to serve its clients. The firm celebrated its 15th anniversary in January 2016, and to mark this occasion, it has created a timeline web page https://pedersenandpartners.com/15th-anniversary/company-timeline, featuring key milestones for the firm's development and has released an anniversary video https://www.youtube.com/watch?v=uOy0i_FBkgI.

Raul Shah is a Consultant at Pedersen & Partners, based in Kenya. Mr. Shah brings to the firm experience in sales and business development strategies in a variety of industries ranging from the agricultural to luxury sectors in Kenya, South America and the United Kingdom. Prior to joining our team, Mr. Shah worked in operations for a high-end luxury goods enterprise in London, United Kingdom.
