



## Microsoft Unlimited Potential Case Study: Taking African Business Global



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*—Hermann Chinery-Hesse  
CEO, The Soft Tribe*

Hermann Chinery-Hesse is something of a celebrity in Ghana. He is co-founder and CEO of The Soft Tribe, one of the most successful software companies in western Africa.

Born in Dublin, the son of successful Ghanaian parents, Chinery-Hesse attended high school in Ghana and university in America. Following a couple of years in London, he chose a rather unconventional path of returning to Ghana to seek his fortune in information technology (IT).

The Soft Tribe's story is one of very fast growth. Specialising in business applications such as accounting, payroll, and point-of-sale software, Chinery-Hesse's original business model centred around the concept of "tropical tolerance," which takes into consideration the unique attributes of the African business and social environment. Soft Tribe software is practical and resilient, functional under conditions of intermittent connectivity, power fluctuations, low bandwidth, and operators who, as a rule, are less familiar with computing than in some other parts of the world.

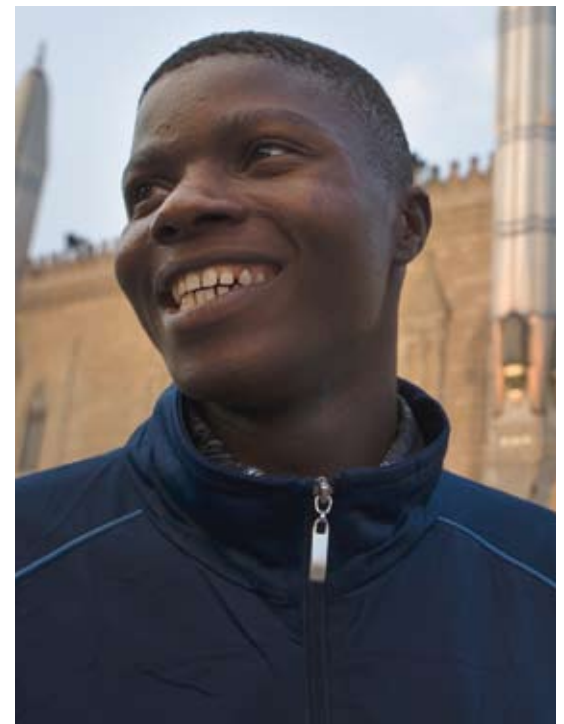
This formula—reflecting local needs—enabled Soft Tribe to permeate the private-sector market in Ghana and extend its customer base both east and west, from Senegal to Kenya.

A few years ago, however, Chinery-Hesse felt The Soft Tribe had hit a wall. He and his team were ready to go after larger software development and consulting projects, but

despite their impressive track record they were unable to compete with the big international players.

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The issue isn't simply one of skewed perceptions. Large organisations that fund government projects in Africa, such as the



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World Bank, want to engage consultancies that have the proven track record of building secure, mission-critical systems for governments. Home-grown African software firms do not have that depth of experience.

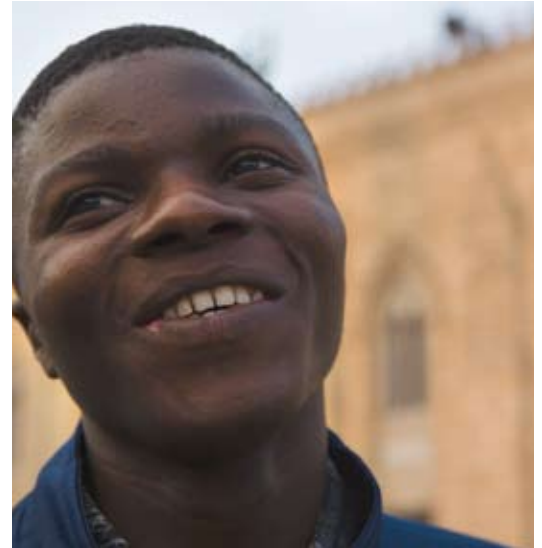
Hesse points out that this is a problem endemic to small economies, and not confined to the software industry. While there are endless examples of African companies that operate profitably both domestically and regionally, these economies aren't large enough to incubate highly competitive, world-class companies.

Of course, the global heavy hitters face the opposite problem. While they have the depth of experience to win large government contracts, they lack first-hand knowledge of the social and physical environment in Africa.

### **Building a Business With Microsoft Dynamics NAV**

In 2005, Chinery-Hesse began talking to Microsoft about the potential of using its Microsoft Dynamics NAV (formerly Microsoft Navision) product group as the foundation for Soft Tribe's products. Dynamics NAV is a suite of business software for midsize companies, which has a development environment built into the system, enabling software developers to add layers of functionality on top of the Microsoft Dynamics NAV code. For Chinery-Hesse, this meant two things. First, the Soft Tribe team could focus more on product customisation for its customer's needs, and less time building and testing each new product from scratch. Second, a partnership with Microsoft would help the Soft Tribe break through the barrier preventing their entry into larger-scale systems

development and consulting.



The two companies have since formalised their relationship, and today they are working closely to expand opportunities for The Soft Tribe in Africa and beyond.

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### **Preserving Soft Tribe's IP**

Perhaps the most important aspect of this story is that Microsoft, by partnering with the Soft Tribe, is not curtailing innovation by selling its own products through a local vendor. In fact, it is encouraging innovation and providing a framework that preserves the Soft Tribe's intellectual capital.

For example, Soft Tribe developed a microfinance product, which enables small-scale lending to promote grassroots enterprises, using the Microsoft Dynamics platform. The Soft Tribe licenses the underlying software from Microsoft, and retains the remaining revenue.

“Other organisations throw a product at an African partner and tell them to implement it in a specific way,” Chinery-Hesse says. “Microsoft offered us a platform and said: Here’s the tool, go develop products that fit into your environment. We own that intellectual property. So Microsoft is, in fact, enhancing our innovation, giving us the toolkit to innovate better. This is quite unique, and it’s why we chose to work with Microsoft.”

### Full Speed Ahead

Soft Tribe is putting the finishing touches on two new products they will take to the international market with help from Microsoft. Microsoft is also helping the Soft Tribe connect with customers abroad. The company now outsources ICT services and consulting to two South African companies, opportunities that Microsoft instigated, as well as a Polish firm.

“We think it’s very exciting, and there are lots of possibilities opening up for us,” Chinery-Hesse says. “This is a win-win for both ends of the world.”

### Fast Facts

**Partner:** The Soft Tribe

**Country:** Ghana (headquarters)

#### Customer Profile

The Soft Tribe develops tropically tolerant business software and consulting for the West African market.

#### Situation

By 2006, the Soft Tribe had reached the limits of its existing business model. The market for its products in the region was nearly saturated, and it lacked the size and depth of experience to win government-funded software contracts. With neither the ability to compete against well-established global software firms for large projects or to market its products effectively overseas, the Soft Tribe was in a holding pattern.

#### Solution

The company entered a collaborative relationship with Microsoft, porting its product portfolio to the Microsoft Dynamics NAV platform. By taking advantage of the mature Microsoft Dynamics NAV foundation, the Soft Tribe could focus its programmers on optimising the products for the African market and building new offerings.

#### Benefits

Under the agreement with Microsoft, the Soft Tribe has:

- Created opportunities to market its products internationally, with the credibility of the Microsoft brand.
- Begun to offer outsourced software development and systems support to companies in Europe, South Africa, and beyond.
- Created a win-win situation by offering Microsoft an established African partner, while gaining the deep experience of the Microsoft organisation. This collaboration enables the two organisations to pursue donor-funded government projects in Africa with a well-rounded offering.

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