



## Management of agriculture business in Africa: Model for Growing Together Centering on a Strategy of “Full Trust”

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The author, Sawada Maki (center) with farmers in South Africa

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We sell “Porous Alpha,” which is a foamed glass made from recycled waste glass. By mixing Porous Alpha into soil, the soil’s water retention and aeration are improved for better water conservation and yield. We have been implementing this water-saving agriculture technology in Africa, where droughts are becoming an increasingly serious problem, since 2008. We set up a local subsidiary in Morocco in May 2017, and are now developing markets for local farmers. I will introduce our challenges and strategy for business development in Africa, especially our strategy on human resources, which we see as our top priority.

The process of business development in a new market has the steps (1) feasibility study on the local market and technological verification, followed by (2) local market development. As our step 1, we have been engaged in projects supported by the Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO), Ministry of Agriculture, Forestry and Fisheries (MAFF), and International Organization for Migration (IOM) to implement experiments to cultivate tomatoes and other vegetables and fruit trees in Kenya, Mauritania, Senegal, Morocco, Somalia, and South Africa. As our step 2, we established a subsidiary in Morocco to locally distribute the product and have exported Porous Alpha to international organizations such as the United Nations.

Our current challenge is how to accelerate the growth of step 2, local market development. To do this, we consider “proactive unconditional trust in our local partners and members” as the core of our strategy on human resources.

This may appear as an extreme manner, but I want to ask you to imagine what trust based on output would lead to. In the initial stage, both sides find it difficult to produce the results expected by the other. Then, if your trust is based on output, the trust necessarily becomes low. As a result of the low level of trust, it often becomes the case that you have no choice but to give orders and supervise matters in detail, while local members end up passively awaiting instructions.

At the same time, obviously the ones most familiar with the local market and customer needs are not us foreigners but the local members who can directly communicate with and build relationships with local customers. In order to help them take the initiative for conducting sales activities with ideas arising from a local perspective, we must first proactively place unconditional trust in them, and it is our belief that this will lead to an expansion of the business.



Application of Porous Alpha at a farm in South Africa



The field where Porous Alpha was applied in Morocco

We are doing three things to implement this strategy of “proactive unconditional trust.” Firstly, on step 1, we look for a partner with whom we can share our company’s values and pursue long-term goals and dreams with the same vision. This allows us to place unconditional trust in them on step 2, regardless of output. Conversely, if we cannot find any such members on step 1, as our

policy, we refrain from proceeding to step 2. Secondly, we constantly share our business plans and goals on step 2 with the members discovered on step 1 to make sure that both sides are of the same understanding. Thirdly, we deepen our understanding of the members' individual circumstances, values, and ideas about work.

As a result, we can decide to trust our reliable members, who have the same dreams, goals, and values as us, to always do their very best for the achievement of our business plans and goals.

Of course, the pace and methods with which we advance toward the goals differ from person to person, so that there can be discrepancies between the actions we anticipate and the actions our local partners take. For example, in Morocco, Japanese manager at the local subsidiary and the headquarters in Japan sometimes perceive that target customer visit frequency, target customer growth speed, and material preparation speed are slow. Moreover, a local member may say something like "I'm currently living by myself and have a cat, so I can't go on business trips," which hinders us from requesting the anticipated workload. Yet, even under these circumstances, we can revise our one-sided expectations and misunderstandings by fulfilling the abovementioned point 1 and executing points 2 and 3, which leads us to trust our local members and entrust them with work.

It is the local people who lead and develop Africa's future economy, and Japanese companies can grow if they perform to their maximal potential. It is our hope that the initiatives and strategies that we are endeavoring to realize will be of help to the Japanese companies that will try expanding into African market in the future and contribute to African economy.

*Translated from "Afurika bijinesu — tsugi no itte: Afurika noka muke bijinesu no gamba kara — 'Zempuku no shinrai' wo senryaku no jikuni tomoni seicho suru moderu wo (Business in Africa—The next step: Management of agriculture business in Africa—A Model for Growing Together Centering on a Strategy of 'Full Trust')," Gaiko (Diplomacy), Vol. 55 Jul./Aug. 2019 pp. 46-47. (Courtesy of Toshi Shuppan) [August 2019]*

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