

DOING BUSINESS IN KENYA: 15 TIPS TO BECOME SUCCESSFUL

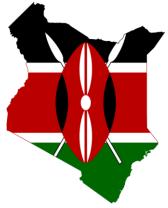
by Olegario Llamazares*

Kenya is the most politically stable country in East Africa: it has never had an open conflict with its neighbours and its country-risk rating C (Coface classification) is better than that of most of the countries in the area. The port of Mombasa is the third largest in Africa.

From an economic perspective, it is the leader of the East African Community (EAC), which is a customs union created in 2004 jointly with Tanzania and Uganda. It maintains a liberalized foreign sector and a favourable framework for foreign investment.

Here are some keys to doing business in Kenya.

- Kenya retains many of the traditions of a tribal country of mostly Bantu origin. Personal
 relationships are key for doing business, and the ethnic groups to which people belong
 must be taken into account. Kenyans when they meet for the first time include in their
 introduction the ethnic group to which they belong.
- There are about forty tribes. The two most important are the Kikuyo (22% of the population) of Bantu origin, which had the most contact with the British and is very much involved in the Administration and large business groups, and the Luo (13%), more involved in industry and trade unions.
- In Mombasa and, to a lesser extent in Nairobi, there is a strong presence of Indians and Arabs in foreign trade and retail activities, who maintain their own business culture.
- The social structure and the business world is very closed. In order to reach decision makers it will be necessary to hire an agent or intermediary who is well connected with companies and government officials, and has a good image.
- In negotiations with public agencies and main companies, it is necessary to respect hierarchies and established procedures. Bridging middle ranking officials is detrimental.



- The business language is English (official language with Swahili). Speak slowly and do not show displeasure if you do not understand them well (because of their diction and tone of voice), as they may feel offended.
- Another possibility is to hire an interpreter who speaks Swahili (meaning "coast" in Arabic). It is a language that was created to develop trade between Arabia and East



Africa: it contains 2/3 Bantu words and 1/3 Arabic words. It has the advantage of using the Roman alphabet and its pronunciation is simple since it was the British who first wrote it, creating a written language from the spoken language. If you know English it is fairly easy to pronounce Swahili.

- Presentations should be simple, without going into too much detail. It is preferable to let them take the initiative to ask questions about the proposals being made.
- The negotiation atmosphere is friendly and relaxed. Avoid tense situations and never confront the other party. Using pressure techniques to close deals conveys a sense of distrust or deception that can jeopardize the business.
- The way of expressing oneself and communication skills are very important. They use a
 lot of repetition to emphasize and summarize their arguments. They often use proverbs,
 stories and examples. In this sense, it is positive to use in business conversations our
 own sayings and set phrases.
- Negotiations are based on lengthy bargaining. Improving the initial offer does not generate distrust, but a desire to share the benefits of the deal with the other party.
- There is always some uncertainty about what is being agreed. It is advisable to reconfirm each certain time the progress made in the negotiation.
- Decision-making is very slow. Keep in mind that in African culture the future does not exist; there is only the past and the present.
- Once an agreement has been reached, it is essential to maintain and cultivate the personal relationship so that commitments are fulfilled as agreed.
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To obtain the complete *Negotiation and Business Etiquette Guide in Kenya*, click <u>here.</u>

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