

# How I brought the call centre to Africa

by Jody Clarke

Think Africa, and you could be forgiven if the first things that came to your head are dictators and poverty. After all, that's how the media often portrays the continent. But it's also a land of "immense opportunity", says Nicholas Nesbitt, founder and CEO of Kenyan call centre Kencall. "If only we can tackle some of the issues over perception, there is so much potential to be unlocked." The great-grandson of a British engineer who came to Kenya to build the Ugandan railway "and managed not to get eaten by lions", Nesbitt's ancestry is both Kenyan and British. Brought up in Nairobi, by the age of 16 he was already making money, taking reject shoes from a factory owned by a friend's family and touting them around the city's tobacco packing plants.

Nesbitt went to study in America and took an MBA at Stanford, rising to become a vice-president at US telecoms group Qwest Communications. But after Kenya's elections in 2002, he decided the time was right to come home and start a business of his own. "The world was getting flatter and I saw that Kenya had all the right ingredients to build a big business."

Nesbitt wanted to set up a call centre and outsourcing business. Kenya seemed the perfect place. English is the official language. Unemployment is high at 40%, so employers can be picky and staff turnover is low. The literacy rate is



## MY FIRST MILLION Nicholas Nesbitt, Kencall

higher than in India, which is a popular outsourcing centre. On top of that, much primary and all secondary school education is conducted in Oxford-style English. This means that the accents of Kenyan call centre agents tend to be easier for Westerners to understand than those of their Indian counterparts.

At least, that was the thinking. So in 2002, along with his brother and brother-in-law, Nesbitt raised \$1m to fund the start up. "But it wasn't enough. I had to max

out credit cards, cash in my pension and turn to my savings. Every last penny is somewhere in this business."

Kencall launched in 2004. But it wasn't easy. The power supply near the airport where they were based was irregular. With no fibre-optic cables in the country, Nesbitt needed a satellite link to hook up to the internet. That meant going through Telkom Kenya (TK), the state telecoms firm. TK had been deregulated eight years beforehand, but still acted like a monopoly. "They were charging us \$48,000 a month for a megabyte of bandwidth and weren't going to give us any service level agreements. We said 'there's no way we can set up a business with those costs – give us our own licence'." Nesbitt brought the case to the Ministry of Information and Communication. "It was a long battle, but finally we got our own satellite dish." Today, their connection costs \$600.

In its first year, Kencall turned over \$100,000, mostly by taking orders from late-night US TV advertisements. It's set to turn over \$6m this year, with its agents doing everything from renewing phone contracts for British mobile-phone firms to magazine subscriptions. Yet he's determined to make it much more successful. "It's been nine years since someone paid me a salary. In that time, I could have been earning a big corporate income... so this thing really has to fly for me to catch up."

## The MoneyWeek audit: Danielle Steel



### ■ What did she do before she was published?

Danielle Steel's first job was as a housewife to her first husband, French banker Claude-Eric Lazard, who at 29 was 11 years her senior. They divorced when she was 25 and she took a job in a department store. Her first book, *Going Home*, was published a year later, in 1973. She also worked briefly as both a copy writer and in a PR

agency. Since then she has managed to churn out 82 novels, 15 children's books and three non-fiction books.

### ■ What is she worth?

In 1989 she made *The Guinness Book of World Records* for

having a book on the New York Times bestseller list for 381 weeks. By 1990 she was able to command a \$60m five-year book deal. Her fortune was estimated at \$350m in 1995, when she divorced her fourth husband. It is now thought to be around \$650m – she made \$30m in 2008 alone. She spends her time between her 55-room San Francisco mansion which she bought for \$4.5m in the 1980s and her homes in France. She also has a collection of 6,000 Christian Louboutin shoes worth £2m.

### ■ How much did her assistant steal?

Last week Steel's former assistant Kristy Watts was sentenced to almost three years in prison for stealing from her employer. Watts had worked for Steel for 15 years on an official salary of \$200,000 despite the fact that it was a part-time role. In that time she stole \$768,000 by inflating her own salary and depositing cheques made out to cash into her own bank account. She also used Steel's credit card reward points herself. She has already paid Steel \$969,752 after the author won a civil suit against her.