



Mitsumi is a leading distributor in the East Africa region and has been in operations for over 16 years. The company is now embarking on increasing the territorial coverage it does across the African markets.

Mitesh Shah, Director, Mitsumi Distribution speaks to the Integrator about the company's growth and directions ahead

Accelerating growth

Discuss your distribution portfolio and the markets of focus?

Mitsumi embarked on its journey in Africa 16 years ago with a core emphasis on growing the company's PC business. We entered into the distribution business in 2009 and since then, we added distribution rights for leading brands like Dell, Toshiba, HP, Microsoft, Acer, Samsung, Benq and Tripplite.

We have classified our territories into four regions East, West, North and Southern Africa. The East & West Africa business has grown by over 50 % YoY. In 2012, the growth engine for Mitsumi will be North Africa. We intend to seed the Southern African region over 2013. I envision Mitsumi as a world class company with great people contributing to the advancement of Africa.

Mitsumi has a first-mover advantage in Africa since the company was the first to establish a chain of in-country presence in these markets ranging from facilities like warehousing, stocking points and support service centers in 1996.

The company has operations in 12 countries in Africa. The market covered by Mitsumi includes the East & West Africa. We distribute a wide range of products covering Computers, Data Centre, Storage, Security, Networking, Software and Hardware.

We have divided the business into 3 regions in Ethiopia, Rwanda, Tanzania, Uganda and DRC (East Africa). West Africa operations grew from Nigeria in 2009 to Ghana in 2008 and Ivory Coast in 2011. We intend to grow into Liberia and Cameroon this year. Southern

Africa operations constitute Zambia and Mozambique.

What are the most promising verticals in the markets you address?

We are currently consolidating our IT volume portfolio and look forward to strengthen our distribution arsenal with the introduction of VAD business to our portfolio in 2012. Telecom and security are booming segments with exciting new technologies on the horizon.

I believe cloud computing will be the core focus over three to five years and innovation and distribution practices will be key to differentiation thereby driving growth.

Do you also address value distribution?

Value distribution is a very significant

contributor to the bottom line. During the first three years in distribution, we had to prove ourselves and vendors needed to know that we were going to be serious about it. Recently, we have added Triplite to our portfolio and we feel that they have some products that are unique in the market. I also feel, we have a great foundation and platform to take the value business to new heights with the addition of 3 major Value brands to our offering in Africa. We will keep you abreast of the new and exciting developments in Mitsumi IT Distribution to grow the Value business in Africa.

Discuss the expansion/ consolidation plans for the current year?

I'm very optimistic in terms of market growth. We will be heavily pursuing growth around our areas of focus and I think that the rationalization and the capacity now open for Mitsumi is a key sign to all the vendors that we are looking at some major tie-ups to deploy our free capacity. We are targeting both organic and inorganic growth in 2012 and investing heavily in infrastructure and man power to realize our goal of bringing affordable technologies to Africa. I'm glad the vendors are listening and have now firmly taken notice of Mitsumi's capabilities to provide both scale and reach to fortune 500 vendors. We will seed and ramp up Malawi, Botswana, Namibia, Mauritius and Zimbabwe over 2013. Our main growth engine for the next 5 years is Southern and North Africa.

What are the current challenges in the East Africa market?

The unpredictable nature of the market had a significant impact on everyone's business, so Mitsumi took this opportunity to restructure and refocus for growth going forward. We have drawn on our experience to focus on our product mix, market coverage and operational efficiencies to succeed in Africa market.

I see a situation where everyone wants to do and be everything, which doesn't add any real value to the market. That's

why Mitsumi is really focusing on where we can provide benefits to both resellers and vendors.

While the channel has rallied back to fend off the effects of the worst global recession key channel leaders expostulate success or failure in 2012 will largely depend on innovation, solutions selling and adoption of emerging technologies which will spur growth, profitability and boost the industry going forward.

I am very optimistic about 2012 as the IT sector shows healthy increases in government spend and increase in Africa. This will create major opportunities for the regional IT Channel.

Do you believe the markets are getting due attention from the vendors?

The demand for computers and services has registered a marked increase in Africa, due to the ongoing process of computerization that is sweeping through most East African countries at the moment.

Vendors are looking for solid growth in this region. They are investing heavily in East Africa to ensure that they can introduce cutting edge technologies business as availability and affordability is key for consolidating low hanging fruits into opportunities for creating sustainable growth.

Is the East Africa market price conscious? How does that influence your go to market strategy in terms of the product stocks you carry?

African market is price-sensitive market. African buyers are always on the lookout for high quality, competitively priced goods to meet their requirements.

As a distributor I believe, having in-country presence, right knowledge of product portfolio, in depth knowledge of market segment and high level of support both technical and sales will overcome this issue. This is vital for places like Africa where the market is growing and establishing a business is

often a long drawn process.

I believe we have to act locally, work locally and think globally.

Discuss some of the strengths you bring to market as a distributor?

Mitsumi has been present in Africa from 1996 and has since consolidated its presence in Africa YoY. We have 15 warehouses and 8 service centers and this is slated to grow to 18 warehouses and 11 service centers in Africa. We have a strategic warehouse located in Jebel Ali.

More than 150 employees and subsidiaries and 12 locations ensure speedy, effective and professional service to resellers throughout Africa. Mitsumi plays a vital role in the value chain, linking manufacturers of technology to thousands of resellers covering wide geographical territories. In-country facilities and regional stocking points across the Africa markets catalysed the growth of the Volume Division business.

What are the channel initiatives that you do in the region?

Mitsumi channel initiatives are fundamentally different from those of other distributors. We are providing excellent leverage support services, delivery options and competitive pricing through discounts and rebates. This will give our customers additional reason to do business with Mitsumi

We have created different marketing campaigns and programs to educate partners. We recently concluded a Channel Event in Ethiopia. Over 80 Channel partners attended the event thereby rendering the event hugely successful. We had also run anti piracy campaigns that create awareness among Channel community to buy genuine products.

Mitsumi encourages and invites all resellers across Africa to partner with us for authorized channel business. We plan to hold blitz campaigns to educate resellers on the huge risks in dealing in grey and how to mitigate this challenge.