



**Jagat Shah**  
Chairman & CEO, Mitsumi

hugely successful. We are aggressively partnering with vendors and plan to unleash blitz campaigns to educate partners,” says Jagat Shah Chairman and CEO of Mitsumi

“East Africa is showing continued good economic performance,” says Shah, adding “FDI flows have increased strongly in the past decade, investor perceptions of East Africa are ever improving and the outlook is positive with capital inflows forecast to reach record levels.” With a 16 year presence in Africa, and Mitsumi as a global organization that invests in the continent, Shah believes these trends are hugely encouraging. Africa is currently enjoying the highest ROI

and GTM approach by reorienting ourselves. We are also restructuring our senior leadership team in the product and functional domains and across the regional geographical clusters,” explains Shah, adding, “We are confident these moves will help us leverage the experience of new senior talent from one market into the other, and ensure more specialized attention to synergistic business categories.” East Africa is also very promising on the telecom and security front. Mitsumi sees strong growth in East Africa by adding value and in telco businesses over this year.

Mitsumi’s vast pan-African network is the key factor influencing major brands

## Mitsumi in Positive Trajectory

*Mitsumi entered the IT market in East Africa when the industry was in its nascent stages. The experiences have helped the company become one of the most respected distributors of IT products in Africa.*

Mitsumi is one East Africa’s largest IT distributors and is an authorized distributor for leading global IT hardware and software brands such as HP, Dell, Acer, Toshiba, Samsung, Triplite, BenQ and Microsoft. This means Mitsumi is poised to take full advantage of the anticipated PC shipments spike over the second half of 2012 in Africa. Value distribution is a very significant contributor to the bottom line, and the company is adding three major value brands to its portfolio.

Mitsumi has created different marketing campaigns and programs to educate partners. They recently concluded a channel event in Ethiopia. “Over 150 channel partners attended the event thereby rendering the event

in the world and is making strong progress towards political reform, macro-economic stability and social development. “Although the risks in investing in Africa may appear high, the risks can be managed, and the rewards can be great. That is why we are investing heavily in growing our Africa footprint over this year by unleashing Mitsumi 2.0 over 2013,” Shah explains.

With the emerging African market remaining resilient despite the challenging global business climate, Africa doesn’t cease to excite given the vast captive consumption and growth potential viz. CAGR of 15% and a PC market TAM close to 3 million units not including South Africa. “We are redefining our strategy

to further cement their partnership with Mitsumi. As stated earlier, Mitsumi has fully-fledged operations in 12 Countries in Africa and the channel has reciprocated by partnering with Mitsumi across Africa.

The support of the government and a computer literate population provides a positive backdrop for the East Africa hub. In a recent survey, 74% of Nairobi residents have used a computer at least once. In Lusaka, Zambia only with 32% had used a computer. This means that 68 percent of Lusaka residents have not used a computer, compared to only 26% of Nairobianians. The high computer literacy rate can be attributed to a general rise in literacy levels as well as concerted efforts by the government and other stakeholders in pushing

the information communication and technology agenda forward. Moreover, the Kenya government zero-rated computers and related imports into the country in 2003. The move was meant to harmonize computers and related imports tariffs with the other two East African partner states; Tanzania and Uganda, which had instituted similar measures in their markets. As expected, the shift conspicuously boosted sales as prices dropped. "High speed connectivity shall therefore translate into heightened exchange of information and services between the region and the outside world," says Shah.

Mitsumi has realized the business sense of having a well-trained population. Economic growth in East Africa will only be achieved only when there is a dependable pool of highly qualified and knowledgeable human capital. "We are aggressively involved in partnering with the government and institutions working to grow literacy levels in Africa. One such initiative was when we partnered with the ICT Board in Kenya to supply students with heavily subsidized notebooks in the year 2010. We will endeavor to boost literacy levels in Africa by partnering with schools and educational institutions as the concept of technology enabled education is gaining ground globally," says Shah.

Mitsumi has been experiencing impressive growth of 50% YoY in line with its ambition to be the number one IT distributor in Africa. To this end, the company has opened sales offices, service centers and stock points in Kenya, Tanzania, Uganda, Rwanda and Ethiopia. Mitsumi has more than 150 employees and subsidiaries and the 12 continental locations ensure speedy, effective and professional service to resellers throughout Africa. Mitsumi has divided its operations into four regions of East Africa which includes Ethiopia, Rwanda, Tanzania, Uganda and DRC. West Africa operations have grown from Nigeria in 2009 to Ghana in 2010 and Ivory Coast in 2011.

Mitsumi intends to grow into Liberia and Cameroon this year.

Southern Africa operations constitute Zambia and Mozambique with the intention of beginning operations in Malawi, Botswana, Namibia, Mauritius and Zimbabwe in 2013. North Africa operations comprise Algeria and Tunisia. The main growth engine for the next five years is Southern and North Africa. The main overseas distribution office is strategically located in Dubai (U.A.E), which ensures faster and more efficient deliveries to Africa.

"We have invested heavily in East Africa and have a dedicated team of highly skilled sales, technical, financial and marketing professionals who live the Mitsumi philosophy of going the extra mile for our dealers/reseller community in East Africa," says Shah.

Customers' top technology priority is mobility, according to Shah. Slowly but surely, tablets are making their way into businesses, giving themselves a new role in modern day business. Easy to use for checking inventory, taking pictures of products, or being able to continue work away from the desk, these machines have started to pave a way into the future. It's like having a new personal assistant that can take care of every task that you give it. As professional tablet use increases, the apps will evolve to meet growing and anticipated needs, and companies will start to rely on these machines more and more for the simple reasons of cost effectiveness and mobility. Cloud computing is expected to become more viable, but connectivity costs will still stand in the way of adoption.

The region will see strong growth in the demand for smart phones in 2012 as prices drop and competition among vendors heats up. IDC predicts that the market will expand by nearly 50% in 2012 and that smart phones will account for almost one handset in five sold in the region. Awareness of smart phones and their adoption will spread rapidly in Africa as the fiber optic

trunk lines extend further from coastal landfalls into the landlocked interior states of Africa.

"The growth of broadband in the region will drive higher gear of digital media development by telecom operators, primarily through new application and content development", adds Shah.

In the fiscal year 2011, Mitsumi sold IT products to more than 6,000 technology resellers in over 12 countries. "Every day these resellers depend on us to help them cost-effectively support the technology needs of end users of all sizes, including small- and medium-sized businesses, large enterprises, educational institutions, government agencies, and consumers", says Shah, adding, "I will not be exaggerating if I say that we enjoy market share north of 50% across most of the brands we represent/partner with in Africa."

The main challenge for Mitsumi, like many other tech companies in the region, is grey marketing and software piracy that robs companies with genuine products a market for their products as well as depriving customers of quality products and after sales support.

Mitsumi has an 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. Mitsumi's regional geographical coverage, focus on relationship model and extensive customer base made the group the largest and fastest growing distributor in Africa. It distributes a wide range of products covering computers, data centre, storage, security, networking, software and hardware.

"I envision Mitsumi as a world class company with great people contributing to the advancement of Africa. We will remain invested and create new business avenues to enhance life styles in Africa," concludes Shah.