

Future

The Vodacom Business
Becoming 'future ready' report
Africa 2021



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Introduction



A great digital transformational leap into the future

“You need to get to the future, ahead of your customers, and be ready to greet them when they arrive.”

- **Marc Benioff, CEO of Salesforce**

There is no doubt that the events of the past year have fundamentally changed our ways of working and doing business. The COVID-19 pandemic has been the ultimate catalyst for digital transformation and will continue to greatly accelerate several trends that were already under way. Companies that embraced future-of-work practices and new technology before the pandemic began are now well positioned to navigate the current crisis while sustaining their business operations and continuing to meet new customer demands.

So what are the hallmarks of a ‘future ready’ business?

This report, which focuses on South African businesses, shares six common characteristics of a ‘future ready’ business. Customers are more informed and influential than ever before and digitisation is a vital aspect of customer satisfaction and acquisition. The report examines some of the attributes that contribute to business resilience in times like these, and provides guidance on the kind of investments businesses can make in order to ensure they’re ready for the future.

As we move towards recovery, Vodacom Business remains well positioned to leverage the technology and digital processes that enable businesses to be more competitive and resilient – despite unprecedented challenges. As a digital partner of choice for businesses, we’re excited about the new possibilities brought about by the great digital transformational leap throughout the African continent.

William Mzimba,
Chief Officer
Vodacom Business

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Between November 2019 and May 2020,
Vodafone Business Insights undertook
a massive quantitative and qualitative research
project, surveying 1 813 businesses and
speaking to 31 business leaders, investors
and journalists.

The statistics in this report are from South Africa.



What makes a business 'future ready?'

Our world is changing faster than ever. Technology has allowed us all to evolve and adapt to our new world. As such, it's crucial to understand what makes some businesses better equipped to survive and thrive.

That's why we decided to see what characteristics 'future ready' businesses have in common that prepare them better for what the future may hold.

Six common characteristics of a 'future ready' business:

- 1 **A positive attitude to change** – sees change as an opportunity and is excited by the future.
- 2 **Open to new technology** – understands the power of technology to solve business challenges.
- 3 **Clear steps towards business transformation** – has roadmaps in place for how technology can transform its ways of working.
- 4 **A detailed strategy** – has wider business strategies for the future that are documented, specific, funded and measured.
- 5 **Up to date with trends** – works to understand the forces shaping its business and gets help from key thought leaders.
- 6 **Adaptable** – can react quickly to new trends or challenges and is quicker to market than its competitors.

Businesses which are prepared for the future see the crisis not just as a challenge, but also as a natural time to experiment with new ways of working, and have made broader, smarter investments in new technology.

In Africa, there are **three key areas** that bear scrutiny and have yielded valuable insights: digital transformation, resilience, and returning to work after lockdown.

An aerial photograph of a busy port. The foreground is filled with a dense grid of colorful shipping containers in shades of blue, red, yellow, and green. A large ship is docked on the left side, with its deck visible. The background shows more containers and the dark blue water of the harbor. The overall scene is vibrant and industrial.

Part 1

Business transformation in South Africa

Consumer beliefs and behaviors are changing fast. To keep up with and perhaps even influence these changes, companies must leverage deep consumer insights.



‘The African continent is home to some of the youngest populations in the world, it promises to be a major consumption market over the next three decades, and it is increasingly mobile phone-enabled.

An emerging digital ecosystem is particularly crucial as multiplier of that growth, because access to smart phones and other devices enhances consumer information, networking, job-creating resources, and even financial inclusion.’

Harvard Business Review

African insights

Africa already has 122 million active users of mobile financial services, more than half the global total. Its number of smartphone connections is forecast to double from 315 million in 2015 to 636 million in 2022 – twice the projected number in North America. Over the same period, mobile data traffic across Africa is expected to increase sevenfold.

[Read more](#)

Power shifts and balances

Businesses are very aware that customers are becoming more demanding. Consumers are now expecting more than just good products and services.

70%

identified customers as becoming more powerful and influential – more than any other group.

70%

of businesses in SA believe power is shifting decisively towards consumers, ahead of people on social media in second place, and businesses in third.

A 'future ready' business

also recognise that customers are in control.

84%

of these firms acknowledge and understand the rapidly growing power of customers. In addition, 'future ready' businesses are significantly more likely to recognise the increasing importance of influencers in broader society, ie. those who aren't direct customers, including subject matter experts and employees.

African insights

South Africa's banking sector has the most satisfied customers of all nine industry sectors polled, with an industry par score of 78.80.

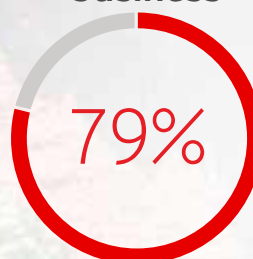
The leader in the banking sector with the most satisfied customers across all banks is Capitec (84.9), while the bank with the least satisfied customers is Absa (76.3).

[Read more](#)

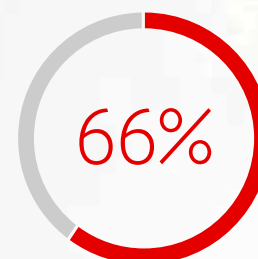
A growing ethical dimension

A 'future ready' business recognise that customers are becoming more demanding and choosing brands whose values align with their own.

**'future ready'
business**



Overall



Believe customers are increasing pressure on brands to act ethically.

**'future ready'
business**



Overall



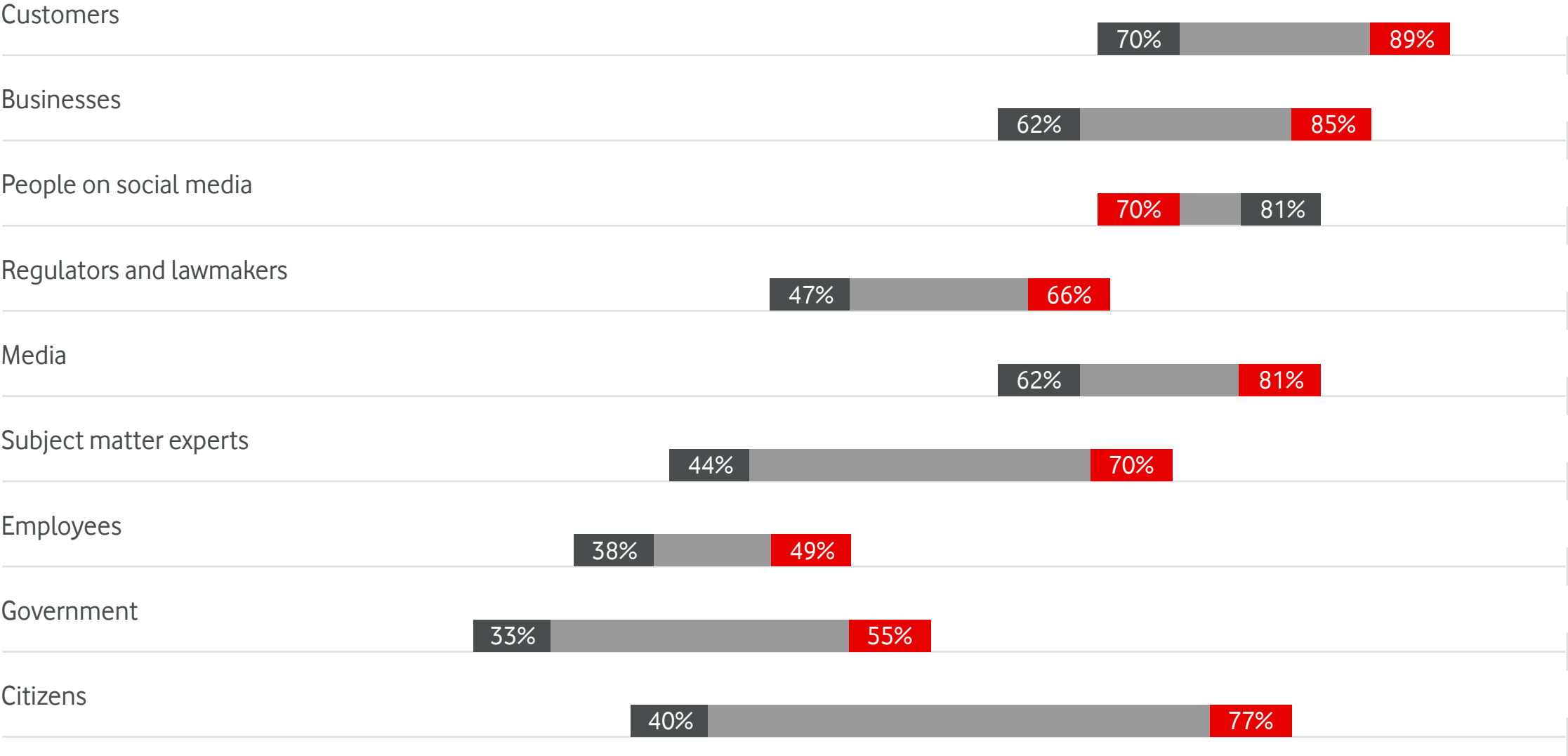
Are significantly more likely to realise the need for brands to have a purpose alongside their core business.



of financial & business services companies recognise the growing call from customers for brands to act ethically.



Groups perceived as becoming more powerful and influential in South Africa



Base South Africa Q20 - 202 respondents

'future ready' business
All businesses

African insights

Kenya and Nigeria remained the lead markets in terms of total funding for startups in 2019, securing US\$149 million and US\$122 million respectively. Egypt, with 88 companies raising funds, had the most startups, pushing South Africa out of third spot for investment and startup numbers.

[Read more](#)

Great expectations

The majority of businesses – particularly those considered to be ‘future ready’ – are actively investing in new technology to help address rising expectations.

A ‘future ready’ business is also much more likely to seek data-driven insights to enhance customer experiences and to understand opinions of their brand and ethics.

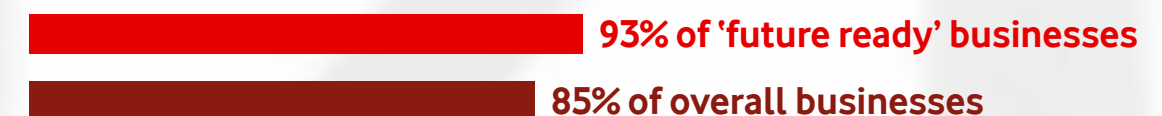


Investing in new technology is also the top measure financial & business services firms are taking. These businesses are also more likely than most to address rising expectations by introducing new services.

Social responsibility

This is a key differentiating behaviour among the most ‘future ready’ businesses. Behaving in a responsible way helps control brand perception in the eyes of customers.

Rate social responsibility highly:





Key insights

Customers are more informed and influential than ever. Digitisation is a vital aspect of customer satisfaction and acquisition.



Part 2

Business resilience

As the pandemic shapes up to dominate another year, how companies and governments prepare for and navigate the increasing complexity of a post-pandemic world will define 2021 and beyond.

With the wide variety of trials already confronting businesses this year, the need for more all-encompassing business continuity planning and strategy development has become vital.



“As companies readied their workforce to be able to work from home, how far they were along their digital transformation journey made them significantly better prepared for the COVID-19 crisis and the shift to working from home.”

***Remote Working in South Africa 2020 survey,
World Wide Worx***



A number of prominent trends are shaping the future business landscape across the globe, South Africa included. A 'future ready' business can react faster to new trends or challenges and is quicker to market than their competitors.

A new way of working.

For decades, the business world has moved and innovated at a comfortable pace. But in 2020, we saw a paradigm shift. Time frames of years and months have changed to weeks and sometimes days.

As we move into the "new normal", our follow-up research has showed that many businesses are already adapting, planning for new business practices and even considering entirely new business models for a post-COVID world.

'future ready' businesses were unquestionably the most prepared for the COVID-19 crisis.

An important aspect of becoming a 'future ready' business is continuity planning. This is key to resilience. Vodafone's research in Europe has shown that large companies (those with 250+ employees) were more likely to have a fully documented and tested business continuity plan before the COVID-19 pandemic took hold.

Throughout the world, 'future ready' businesses have also proven to be more resilient overall in being able to cope with the current crisis.

African insights

By 2035, sub-Saharan Africa's workforce will have more working-age people than the rest of the world combined. Fortunately, the arrival of the Fourth Industrial Revolution is bringing fresh opportunities: an era of automated processes, artificial intelligence (AI) and the Internet of Things (IoT) is set to transform industries. Many of the new jobs that these technologies create won't require team members to work in the same place – or even on the same continent.

[Read more](#)

African insights

One of the challenges within a South African business context is that we weren't equipped to be very lean and flexible.

The airlines sector is a prime example globally where an entire industry was based around a fixed, anticipated delivery forecast. Once the pandemic hit, all those different value chains stopped. There was no longer an influx of customers, world travel shut down and the industry was unable to pivot.

[Read more](#)

The digitisation catalyst

'future ready' businesses

have taken significant steps in new technology investment as a direct response to COVID-19.

These organisations are investing heavily in new solutions like cloud storage to improve their cybersecurity systems, new software or hardware designed to support employees in working flexibly and remotely, and also providing them with new smartphones and tablets.

Top tech investments

- Collaboration software/services
- Cloud/online file storage solutions
- Remote access/VPN solutions
- Cybersecurity systems
- Telephone/contact centre systems
- New smartphones or tablets for employees



Key insights

Investment in the African tech space continues to grow, and at the current rate of development it won't be too long before we're talking about breaching the US\$1 billion mark. Beyond the headline numbers, however, it's exciting to see the growth in particular markets and verticals as investors diversify and expand their interests on the continent.



Part 3

Return to work

This year is likely to be one of major transitions, with companies shifting from managing employee experience to managing the life experience of their employees. As employers adapt to the new normal, the ongoing implications of the 2020 pandemic will play out across the next several years.



Supporting a growing external workforce

As per the original Vodafone Business *Becoming 'future ready'* report, businesses that offered the following kinds of support to their employees saw the most benefit throughout 2020:

Supported their colleagues through the pandemic with more than just new technology.

Accommodating flexible working hours was the most widely adopted action. Other measures have proven that businesses are extending far beyond simply improving productivity and efficiency.

Considered employee wellbeing more than other businesses during these difficult times.

They consistently did more to support and help colleagues cope, and were notably more likely than other businesses overall to have sent messages of solidarity and encouragement, as well as cover additional staff expenses.

Large businesses were more likely than other sized firms to provide additional wellness advice and emotional support.

Talented staff are key to business success today. It's this talent that comes up with the groundbreaking ideas and creates the supportive culture that gives one business the edge over another. But employees' expectations of their employers are changing, and offering this type of support is essential.

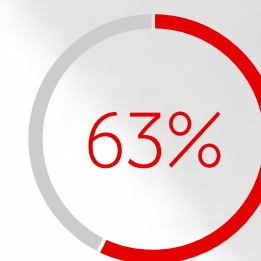
African insights

Africa possesses a young and entrepreneurial population, territories that are transforming quickly with growing regions and rapid urbanisation, considerable natural resources, dynamic economies, rich ecosystems and a supportive diaspora.

[Read more](#)

New talent

Businesses – in particular those that are ‘future ready’ – are rethinking how they can combat skills shortages and expand their talent pool.



of ‘future ready’ businesses intend to invest in retraining or reskilling personnel, and are generally expected to embrace a number of measures even more broadly than businesses overall.

In particular, ‘future ready’ businesses are increasingly considering neurodiverse candidates, recognising that many are gifted in various skills suited for the digital age.

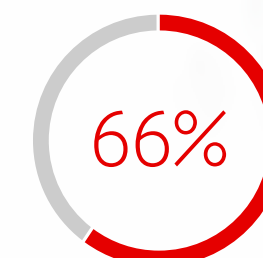
Large businesses (with more than 250 employees) are more likely than other sized firms to increase international recruitment efforts.

Businesses looking to recruit across a wider range of age groups – both younger and older:

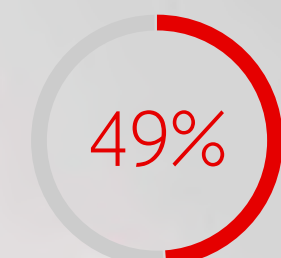
Small businesses
2-49 employees



Medium businesses
50-249 employees



Large businesses
250+ employees

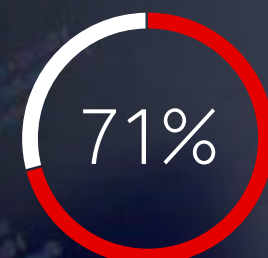


A young workforce

Appealing to younger workers is one way in which businesses are broadening their search for talent.



are planning to invest in more connected working environments to attract prospective employees aged 24 or under. Offering more flexible working hours is also seen as a key way to attract juniors.



of 'future ready' businesses (versus 63% overall) are moving towards a connected working environment with flexible working hours by taking advantage of the latest collaboration software to get work done.

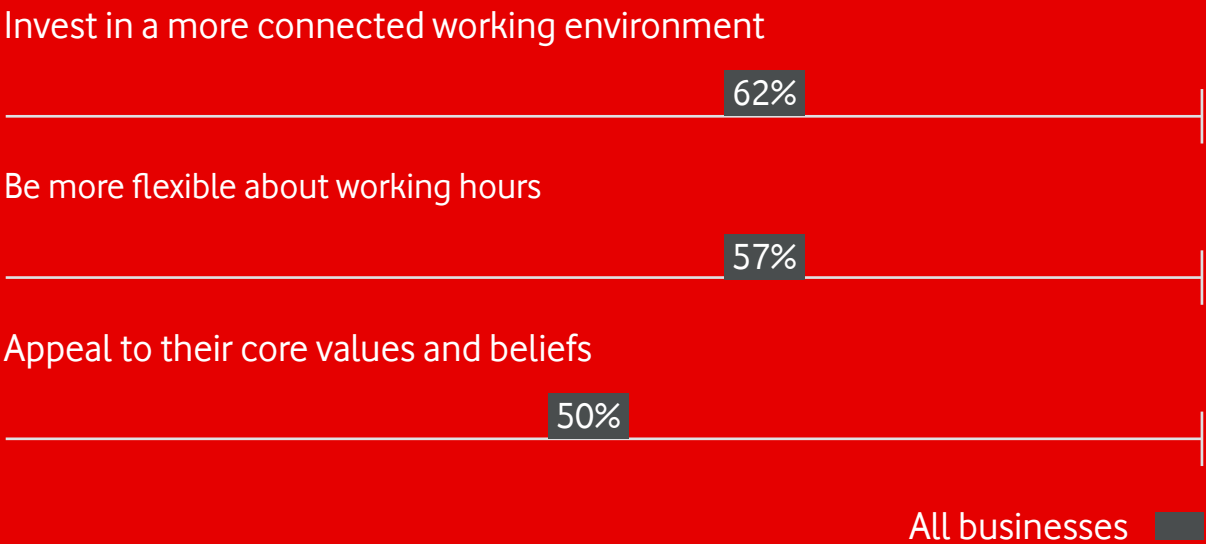
African insights

Businesses are increasingly turning towards local executive search firms to source talent. It's now more common for a company hiring senior talent in North Africa, such as Morocco or Egypt, to look for search firms in the region that have cultural understanding of the local environment, as opposed to going to a few global firms in New York, Paris and London.

[Read more](#)



Intended measures to appeal to younger employees



Base: Q68c. 490 (All respondents who indicated that the need to appeal to Gen Z employees will introduce new challenges).

Retraining & reskilling

Seen as the key way to utilise ageing workforces.

This is the number one step businesses plan to take to keep employees in the business longer, followed by increased support for remote working.

As per the original Vodafone Business *Becoming 'future ready'* report, large businesses across the UK and Europe are more likely to provide retraining and reskilling opportunities to keep employees in the business longer than smaller firms.



Key insights

Sub-Saharan Africa's workforce is on track to have more working-age people than the rest of the world combined. Preparing for and supporting this workforce through technology-assisted and -enabled structure is key for any 'future ready' business.



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Future

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