

Acha Leke
Jay Ireland

A conversation with Jay Ireland, former president and CEO, GE Africa

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In this video, the seasoned executive speaks to what he learned about doing business in Africa and how to unleash the talent there.

Jay Ireland, the former president and CEO of GE Africa, spent nearly eight years in Nairobi, heading the company's operations in sub-Saharan Africa. With operations in 25 countries, across industries including healthcare, oil and gas, power, and transportation, the company has expanded its footprint in the region in recent years to meet its changing needs. Ireland recently sat down with McKinsey's Acha Leke to discuss the business opportunity in Africa and the entrepreneurial, optimistic energy there. An edited transcript of the conversation follows.

Interview transcript

Three lessons for doing business in Africa

Number one is to be local. You've got to have local people, you've got to have the local understanding, you have to be on the ground, you have to be living there every day from a standpoint of understanding the nuances of your customer base, of the government, on how people react. That's one.

Two is be patient. You've got to understand that the structure of doing business in Africa is different than it is in the developed world, and patience is part of it. Some of it is waiting for the other side—your customer, the governments—to get up to speed, to understand some of the structures you might be bringing, financial structures, et cetera. And there's also a little bit of reticence on their side from the standpoint of a full trust on what you're doing and making sure that it's a good deal for them as well.

The third aspect to me is building relationships. Africa is a relationship continent. It's not transactional like the United States or Europe, where you can call up and say, "Hey, I'm so-and-so from Company Y, and I want to sell you something," and you can do it over the phone. Here it's building trust, building a relationship [so that] over time people sense that you're there to help them as much as they're there to help you. That is the dynamic that really differentiates successful companies in Africa.

Unleashing Africa's talent

Talent is the key thing in Africa. One of the things we did right away was establish every single management-training program that we have anywhere else in the world, we put in Africa.

We hired, probably, a couple of hundred kids out of university and brought them into these training programs. That has built the base [and] we can then continue to see them grow up, if you will, into the leaders that we have. We're starting to see the real fruits of that.

In those training programs, we moved [people] around Africa. We might have hired them in Nairobi, but they're going to have assignments in South Africa or Nigeria or even Europe or the United States for six months to a year. And then we move them back and gave them a lot of opportunity to see the global aspect of GE, and they really responded very well. We have tremendous feeder programs from that standpoint.

The other thing was we had the same exact standards for those kids that we did for kids that may be going through those training programs in the United States or anywhere else. From my perspective, there was not going to be any lower expectations because we're in Africa or we're in a developing market; we were going to have the same expectations.

That put an accountability level on them as well as on us. It's really been a pretty good success from that standpoint. And we now have one of our premiere programs as our corporate-audit staff. We've got 26 Africans on that staff now, traveling the world, doing a lot of different reviews.

Entrepreneurial, opportunistic, optimistic

I've been in GE for 38 years and in Nairobi for the last seven-and-a-half years. I think the thing that I'll miss the most is the entrepreneurial, opportunistic, and optimistic nature of the African people. Every day, the next day is going to be a better day than today.

And there's just a tremendous focus on the future and on growth and really making things better for everybody. There are fits and starts as that happens, but fundamentally that's what's [been] happening in the last seven-and-a-half years. Across the region, the countries that I've been in—I think back to the first time I went there versus where they are now, and it's so much better. That's what I'll miss, that optimism. Then personally in Nairobi, the weather—it's the best weather in the world, and I really enjoyed that. But I'll always stay connected in some way, I hope. □

Jay Ireland is the former president and CEO of GE Africa. **Acha Leke** is a senior partner in McKinsey's Johannesburg office.