



Aliko Dangote, (GCON)-Lessons to Learn from this Model Entrepreneur

By

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Foremost Nigerian entrepreneur, Aliko Dangote, GCON was on Monday 14th November 2011 awarded the second highest national honour of GCON usually the exclusive preserve of the likes of the Vice Presidents of Nigeria, Chief Justices of the Federation and Senate Presidents. At the event, President Goodluck Jonathan explained that the man merited the award in view of his super entrepreneurial ability which saw him build a business empire that employ over twelve thousand Nigerians with plans to employ twenty-two thousand more in the very near future.

According to some published works, the man Aliko Dangote was born on April 10, 1957 to a humble family in Kano State, Nigeria. His grand father, the late Alhaji Sanusi Dantata provided him with a small capital to start his own business in Kano in 1977. He started trading in commodities and building materials. Aliko Dangote moved to Lagos in June 1977 and continued trading in cement and other commodities. Encouraged by tremendous success and increase in business activities, he incorporated two companies in 1981. These and others that followed now make up the conglomerate known as Dangote Group. Since inception, the Group has experienced phenomenal growth on account of quality of its goods and services, its focus on cost leadership and efficiency of its human capital. Today, Dangote Group has become a multi-billion Naira company poised to reach new heights in every endeavour competing even with itself to better the past. It has diversified so much that it now boasts of annual turnover in excess of N450 billion. The Group's interests span a range of sectors in Nigeria and across Africa in cement, sugar, salt, pasta, beverages, real estate, oil and gas, telecommunications, fertilizer and steel sectors of the economy. The award of the second highest national honour to Aliko Dangote, an accomplished entrepreneur has brought to fore the value of entrepreneurship to national development. This is indeed an encouragement for other Nigerians especially the youth to aspire for entrepreneurial greatness and there are useful lessons for existing and would-be entrepreneurs from the success story of Aliko Dangote, the greatest entrepreneur of our time.

The first useful lesson is that entrepreneurial greatness can be achieved even from a very small beginning. Dangote had started very small with a seed capital provided by his grand father and built a world class conglomerate in less than twenty years. In 2008, Aliko Dangote emerged the richest black man in the world with a net worth of \$3.3 billion dollars according to the Forbes Magazine. Dangote Group has moved from being a trading company to Nigeria's largest industrial group, including Dangote Sugar Refinery

(the most capitalized company on the Nigeria Stock Exchange, valued at over US\$3 billion with Aliko Dangote's equity alone topping US\$2 billion) and Africa's largest Cement Production Plant, Obajana Cement, Dangote Flour amongst others.

The major lesson here is that a journey of a thousand miles begins with a single step. Everyday a thousand business dreams die unborn because the dreamers lack the courage to take the first step in great faith. A major impetus to high achievement in life is our willingness to launch ourselves unto the direction of our business goal like Dangote did, even when our preparation may not be complete. Some people would want to be sure of everything before they launch themselves unto their business goals but everyone knows there are no guarantees in life. Life itself is a risk. Dangote did not get any guarantees in 1977 when he started as a mere trader. If every question must be answered, if every obstacle must first be overcome before we take the bold step, then nothing will ever get done. Given the Dangote example, our ability to start even small would help determine the success level we can achieve in business.

The second useful lesson from the Dangote success story is to appreciate the fact that working for others won't necessarily make anyone rich. Dangote became what he is today because he set out very early to work for himself to achieve greatness. Aside people who amass wealth while in or near the government, most people who become multi millionaires are entrepreneurs who are able to take risks to develop new and unique products and services for the market. If you look at anyone rich enough today to be a role model- Nigerian Dangote, American Bill Gates, Mexican Ahmed Salim, American Warren Buffett, Australian and many others- you will notice one thing in common- they all began by working for themselves, setting their business goals and working assiduously towards achieving them. That is the wonderful thing about wealth. It lies around waiting to be tapped. People who get to tap into it are those who start-up early to work hard for themselves, those who are dedicated, ambitious and focused on unique business goals and not people who work for others.

The third useful lesson is that to be successful entrepreneurs must always look out for hidden opportunities. This means constantly being creative. Through great creativity, Dangote opened a floodgate of opportunities. He had developed a strong network that makes delivery of his goods faster than his competitors. After gaining a strong hold on the commodities market, Dangote ventured into manufacturing, producing the same commodities such as cement and sugar he had previously imported. Indeed creativity is the outcome of the mind set. It is more likely to come out of elaborating on the present, in putting old things together in new ways, or in taking something away to create something simpler or better. In some cases, a creative idea springs up from the most unexpected places. Edwin Land, one of America's most prolific inventors, credited his three-year-old daughter with the idea of the Polaroid camera. It was said that on a vacation trip in 1943, she asked why she couldn't see the photograph Land had just taken of her. During the next hour, as Land walked around with his family, his mind was at work on his daughter's question. Before long, he had worked out the concept of building the camera that launched the era of instant photography.

To succeed as an entrepreneur, one must be vigilant, never-sleeping and never-taking – time off our thinking cap. The difference between the rich and the poor is usually in the mind. It is in the very way they think, in the way they feel and how they feel it. Indeed God started creation and did not finish it. An old Senegalese proverb says that the opportunities that God sends do not wake up people who are asleep. If it is your plan to become a model entrepreneur like Dangote, you must wake up. Sleeping is for the lazy, the indolent, and the never-do-well. Those who will become rich, the opportunity taker must be wide awake, restless and prowling. All around us all the time are opportunities to make a fortune. All we have to do is to be open to the possibilities.

Many successful businesses you find today had nothing better than what is available to you now. Ted Turner upon creating his Cable News Network (CNN) in 1980 had asked; “Do you know why we are going to be such a big success and why I am going to make a billion (one thousand-million) dollars. It is because people know things are screwed up and they are looking for a change”. Ajulu Uzodike of Curtix Cables PLC saw an opportunity to create Nigerian electric cables that outclassed the imported ones. Today he has a huge business empire that is quoted on the Nigerian Stock Exchange. The Ibeto Group of Nnewi began making motor vehicle brake pads after years of importation of same from Western Europe. These are classic examples of innovative entrepreneurship. The guiding principle is to discover a need and take decisive actions to meet those needs. There is a creative idea inside everyone. Release yours today like Dangote did over twenty years ago and tomorrow you may be a huge success.

The fourth useful lesson from Dangote’s astronomical rise to huge wealth is that hard-work in an honest way pays. Some people have a natural dislike for hard work and others may want to do evil to become wealthy. Dangote worked hard in an honest way and became the richest man in Africa by 2008. In one special interview with the Forbes Magazine, Dangote talked about his driving force in business, the factors that have kept him above his contemporaries in business, his \$800 million cement factory at Obajana, Kogi State. Indeed a person who is lazy or complacent is bound to be poor. A lazy man/woman would not have any aim in life and without aim there will be no venture or success. To be an achiever, one must aim high and work hard to get there. Those who hope to rise above poverty through dubious means or by miracle are hopeless. If you have to lie, cheat, steal, defraud, hide from the law in any way or generally behave badly to make money, then don’t do it, it is not worth it. In the same vein no amount of miracle will make people who do not work hard to achieve success. Indeed there are miracles, but these are God’s part that must be complimented with the efforts of man.

A final useful lesson from Dangote is his determination to invest in and help change the face of Nigeria. Perhaps above all, his patriotic stance is commendable. He told the Forbes Magazine; “If you give me today \$5 billion, I will not invest any abroad; I will invest everything here in Nigeria. Let us put heads together and work.” Dangote’s patriotism is indeed legendry. Through the construction and operation of large scale manufacturing facilities in Nigeria and across Africa, the Group is focused on building local manufacturing capacity to generate employment in thousands for Nigerians and provide affordable goods for the people. While many Nigerians especially those who

acquired wealth illegally in government are struggling daily to move their loot to safe heavens abroad, Dangote continues to invest his own hard earned wealth in Nigeria because he believes in Nigeria's greatness. No-one needs to be reminded that our stunted economic growth with the attendant alarming rate of unemployment is a by-product of a comatose private sector. On the contrary, many African countries have advanced in private-sector led economy far ahead of Nigeria. Recently the World Bank listed such countries as Ghana, Cameroon, Kenya, Mauritania, Senegal, Central African Republic, Ethiopia, Seychelles and Swaziland. Ethiopia which came out of war just a few years back is said to be growing at 11 per cent annually providing massive employment to the people. Analysts fear that in less than 10 years the Ghanaian economy could overtake Nigeria's economy on per capita basis. Already Ghanaian fabrics have taken over Nigeria's middle class fashion as almost all of Nigeria's textile mills have gone moribund. Angola which Nigeria helped to survive a bitter civil war has today undertaken massive diversification and had once overtaken Nigeria as Africa's biggest oil exporter.

Outside Africa Nigeria's former peers have advanced considerably in private sector led economy spearheaded by innovative entrepreneurs. Like Sanusi, our amiable Central Bank Governor once pointed out, emerging Asian countries, notably, Thailand, Malaysia, China, India, Singapore and Indonesia that were far behind Nigeria in terms of Gross Domestic Product per capita in the 1970s have transformed their economies by building enabling environment for entrepreneurship growth and are not only miles ahead of Nigeria, but are now major players on the global economic arena. Malaysia that got its first palm fruit from Nigeria in the 1960s is not only the biggest exporter of palm oil in the world today but has almost eradicated unemployment and banished poverty. In 1970, while Nigeria had a GDP per capita of \$233.35 and was ranked 88th in the world, China was ranked 114th with a GDP per capita of \$111.82. Today China is the second largest economy in the world. Our dream of joining these nations in no distant future may remain a mirage unless we can raise the likes of Dangote in hundreds.

Indeed Nigeria needs hundreds if not thousands of committed entrepreneurs of Dangote stuff capable of operating in an increasingly technologically driven world. President Jonathan had rightly observed at the honours award event that entrepreneurs as extraordinary people that seek opportunities, innovate, take risks and make new goods and services to develop the economy deserve national honours far more than government officials and he did demonstrate this fact by the plethora of awards that went to other deserving entrepreneurs like Sir Tony Ezenna, Chief Emma Bishop Okonkwo and Chief Innocent Chukwuma to mention but a few who were all conferred with equally prestigious award of Officer of Federal Republic (OFR). A situation where over 65% of national honours since inception had gone to public officials as against 24% for private sector operators does not support our quest for the rapid transformation of our society. We need more recognition for outstanding private sector initiative so as to encourage people to do more to develop our country. President Goodluck Jonathan is perhaps set to remedy the ugly situation as part of his transformation agenda for Nigeria.

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