Entrepreneurs in Zimbabwe

Silicon and pine

Regardless of uncertainty, Zimbabweans open new businesses

IT IS easy to guess that Limbikani Makani and Joseph Bunga are technology entrepreneurs. They talk faster than regular folk; they buzz with ideas for half-a-dozen ventures, aside from those they already run; and they are at work on a Saturday.

In the wake of President Robert Mugabe's re-election in July, some speculated about a return to the Zimbabwe dollar, which collapsed in 2008 under the weight of hyperinflation. The two tech gurus ponder innovations that might emerge if such dark times returned. Perhaps a smartphone app that works out what to charge in the afternoon based on prices in the morning. Or one that uses GPS technology to direct motorists to petrol stations that have not yet run out of fuel.

Mr Makani is the boss of TechZim, a news website for computer buffs, which makes money from advertising, sponsorship and market research. Mr Bunga runs EatOut, which takes online bookings for 325 restaurants across Zimbabwe. Both are part of a new breed of entrepreneurs that started businesses after the American dollar was adopted in 2009. Capital was then scarce and interest rates high, as they still are, because local savings had been destroyed by inflation. But an entrepreneur with a little daring might make a killing as the economy recovered.

Opportunities for tech start-ups have gradually opened up. Around a third of the population now has access to the internet, says Mr Makani. But it was slow going at first. Diners would call EatOut, which would then reserve a table by phone, since few restaurants had e-mail. If the lines were down, Mr Bunga would drive to make the booking in person. His business now creates Facebook pages for clients. He wants to set up a food-delivery service but banks have been slow to make online payments possible.

Other start-ups have evolved in a similar fashion. Winston Taylor and his wife started Gikko in 2010 as a business that placed advertisements on the back of supermarket till slips. Now it specialises in text-message promotions for brands such as Coca-Cola, Castle Lager and Cadbury. Consumer-goods firms are having to cajole shoppers into choosing their brands. A few years ago customers would snap up whatever they could find on mostly empty shelves. Now the shops are fully stocked but worryingly few of these products are made locally.

Manufacturing has slumped after years of underinvestment. The long-term capital needed to revive it is scarce. But even modest spending on new equipment can yield a good return. Richard Saziya runs a sawmill in a forest close to Nyanga, 280km (173 miles) north-east of Harare, the capital. In 2009 he teamed up with John Sanders, recently returned from Britain, to form Tsanga Timbers. It now has a factory in Nyanga and a yard in Harare.

Mr Saziya proudly shows off a six-bladed cutting machine, bought from China for $19,000, which can turn out planks for wooden pallets, benches for schools and ceiling installations for homes. The firm also sells a kit for a three-bedroom pine cabin for $375, which Mr Saziya designed as a starter home but which has also excited interest from tourist lodges. His company already has its eye on markets in neighbouring countries.

Other start-ups are also looking abroad. Mr Makani is seeking funding to launch TechZim across the region. Mr Bunga is aware that the service his firm offers is not yet available in Zambia or Botswana. Having a foothold in neighbouring markets is a good way to spread risk. A wise business has a plan B. In Zimbabwe, says Mr Bunga, “we have plans B to G—just in case.”