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AFRICA Forbes



CHIEF RAZAK AND FOLASADE OKOYA

NIGERIA'S MANUFACTURING POWER COUPLE
ON THE FUTURE OF MANUFACTURING IN NIGERIA

Chief Razak Okoya

CHAIRMAN ELEGANZA GROUP AND RAO
PROPERTY INVESTMENT COMPANY

Chief Razak Okoya is an industrialist who has managed to transform a small trading company into one of the largest conglomerates and indigenous manufacturers of household products in Nigeria. As founder of Eleganza Group and leading property investment company RAO Property, he employs about 5000 people across Nigeria. In his interview with Forbes Africa, he discusses the trends that will influence the competitive Nigerian Manufacturing sector in the next decade.

What has been the competitive landscape facing manufacturing companies in Nigeria?

I give God the glory for giving me the determination, early foresight and focus.

I am a very determined person, I hate to fail in whatever goals I set to achieve, I thank God that it has always been possible. When I started Eleganza, there were lots of business opportunities in Nigeria compared to today where you have a lot of competition. The mindset of the youths of nowadays is to make quick money. They are not ready to sacrifice anything. In my time, young individuals were encouraged to set their goals and helped to achieving them. The Nigeria manufacturing sector has progressed significantly over the past 50 years since we started trading. Today there is considerably increased competition from countries like China, India, Lebanon etc and this has had a lot of great impact on the sector. Firstly, China has government backing industries with everything they need to succeed including government incentives that help reduce cost of production / power cost etc Nigeria does not have this yet. For example, one of our factories which is on a 35 hectares size of land in the new free trade zone area has no power, which means we run on generators for 24 hours, we provide staffs accommodation due to the distance they have to travel to get to work daily. However, I made the decision to set up in that area because I believe it is the new



Photography by Omosekejimi Oluwaseun of Liberty Studios



Eleganza Industrial City
Manufacturing Plant

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MANUFACTURING IS NOT ANOTHER IDEOLOGY THAT COUNTRIES MAY OR MAY NOT CHOOSE TO PRACTICE. IT IS A KEY COMPONENT FOR NATIONAL GROWTH.”

Lagos which will yield long term results in the near future, the seaport / airport is coming there also it will be a very attractive area soon .

Now we need to fund resources ourselves as we have no venture funding which mean it is a lot more difficult to compete with outside brands from China & other areas. We need better social amenities for infrastructures in Nigeria and that has to come from both the government level as well as private investor sector.

The manufacturing industry contributed nearly 13% of GDP to the Nigerian economy, what factors do we need to look at to help reinvent the industry to ensure Nigerian manufacturers succeed against international competitors?


At one period in Nigeria, industrialization was becoming very frustrating; so, we diversified into property investment on large scale just to keep all the staff in employment. We will still continue in industries but we had introduce new product lines like we are doing now so we could compete. After we established a lucrative property business; we now came back big into the manufacturing industry which led to the new Eleganza industrial city limited. Eleganza is back bigger and better than what it used to be known for, It's an industrial city now for production of everything in the household. It will help if the federal government should stop the importation of goods that can be produced locally into the country and increase the custom and excise duty on imported finished goods, to also ensure that goods are fully monitored at the

port of entry, because some importers are involved in unfair trading practices, denying the government the required generated revenue as well as killing the local manufacturers. Customs must be diligent in their duties also. Smuggled goods are increasingly coming into the country which is killing the manufacturing industries. No country can survive with the importation of foreign goods competing with local like goods in the country neither will it survive by allowing smuggled goods. Government has to improve on power supply which will generate a lot of income for them. We also need to promote and set up more technical schools, this would assist with the rate of youth unemployment. There is a high rate of unemployment which represents a large labour force and this means that there are some opportunities to exploit here. Nigeria is extremely blessed and we simply need to get our act together to be able to favourably compete with foreign countries.

Do you think developing the Nigerian manufacturing industry should be left to entrepreneurs only?

As I said earlier, I have a passion for what I do and seeing products or items overseas stirs a passion in me to see similar products produced in my country. I love to go to Trade fairs all over the world and when I get ideas, I put them into action in my factory. I derive happiness through enabling people through manufacturing so that many are able to wear smiles on their faces and also put food on tables for their family.

Youth unemployment is high due to a lack of technical skills. We need research

institute or centres where they could learn and become independent. The government should help to make the youths focus on having an independent by giving the youths the required technical knowledge. There should also be a focus on encouraging graduates to acquire technical skills after their degrees in case they want to move into manufacturing later on. Most foreigners make money here in our country and transfer them out to their country for use. If we empower Nigerians, the money remains in the country. I think entrepreneurship is certainly a good way to go as the future of Nigeria relies on how many jobs that can be created to cater to the widening unemployment gap. That being said, I think without a strong focus by the government to create success stories from the manufacturing sector, we will have the same problem we had with agriculture a couple of years ago where young people see farming as a poor man's job. There is a need to change the negative stigma that is associated with the manufacturing sector in terms of the challenges we face trying to produce home grown products. Furthermore, most products from outside Nigeria are seen as being more superior to that of Nigerian made products and that is simply because we have not invested in the sector enough to make it an attractive industry to compete internationally. When you look at the sector, it is characterized by mainly Lebanese, Indians and Chinese companies, Why? They are in that sector because it is lucrative and has a lot of untapped opportunities, we simply need to unlock it using the right government policies to benefits the indigenous companies. 

Chief Folashade Noimat Okoya

MANAGING DIRECTOR,
ELEGANZA
INDUSTRIAL CITY

Chief Mrs. Folashade Okoya has been at the helm of affairs of the Eleganza Group and RAO Property Investment for the past decade using her strong entrepreneurial drive to further strengthen the goodwill of both organizations and its corporate positioning in Nigeria. Under her watch, Eleganza Group has risen to new heights strengthening its position as a leading indigenous brand in Nigeria as well as one of the benchmark manufacturing companies in the country. She talks about the stigma of women in manufacturing and the need for greater automation in the manufacturing process in Nigeria.

How can women step up in the Nigerian manufacturing sector to make an impact that matters?

The Manufacturing industry has been dominated by the men traditionally as because it was considered as being too challenging for women. Women in manufacturing are doing wonderfully well in recent times; they represent vast talent of individuals performing well in the sector.

Women have the ability to set and execute business plans without failing, they are good managers very accountable in terms of monetary values & cost saving, setting targets for present & future growths, overall generally they are more organized.

Structuring is key and women tend to give attention more in this area. Women are ready to work and to contribute to the economic development & framework of Nigeria's unemployment. They simply only need the enabling environment & respect they deserve to make sure that they succeed and thrive in the industry.

How do we break the stigma concerning women in manufacturing in order to recruit and retain top female talent?

Women are very strong by nature even though we appear fragile by physical appearance, we can adapt to any situation irrespective of the challenges we face daily. Firstly, I think we need a program that promotes the role of women in manufacturing and this really should be initiated by the Nigerian government. The reform needs to start from the micro level and we need initiatives that will serve to mentor and recognize women while also leading research efforts tackling this important topic. Ultimately, to attract top female talent in manufacturing, there needs to be a way of showing the amazing opportunities the manufacturing industry has to offer. These opportunities that bolster manufacturing attractiveness to women can begin by setting up more technical and tertiary institutions for women and celebrating more women in manufacturing regularly to bring awareness to more millennial women.

What are some of the challenges you face as a woman in the manufacturing sector in Nigeria?

Setting up or running a manufacturing industry in Nigeria is not an easy task because, there are lots of factors to consider before going into it.

There is so much to do in terms of getting the social basic amenities, trained and experience staffs (skilled personnel) power to run the industry (we run solely on generators 24 hours) etc. I have done a lot in terms of restructuring, leadership, organizing, growth and saving cost in all that we do at the new Eleganza Industrial City. The future plan is for Eleganza industrial city to be the number one manufacturing organization in the whole of Africa. Since I assumed office as Managing Director (MD) of Eleganza industrial city, I

have repositioned the company in a positive environment. However, the company has come aboard in a more bigger and structured environment at the new Eleganza industrial city limited and with new vision, mission and culture and with the direction to move towards being the No.1 producer of all household items. Today I am proud to say that Eleganza is much bigger, stronger & with high quality products.

The new Eleganza industrial city is a massive project on 35 hectares of land. It is called an INDUSTRIAL CITY for the production of all kinds of household items and more. My chairman, my husband is so passionate about the project and Allah has been so kind and good to him in terms of giving him the strength and health for achieving his dreams and goals in the new Eleganza extension site project. He is a known industrialist over the years and he enjoys what he does. No outside commitments are involved in Eleganza industrial city limited, everything is solely financed by the chairman and we intend to keep it that way as Allah had been providing from his face of wealth.

I resume early to the factory daily Monday To Saturday, I don't know any other thing more apart from what he has taught me over the years which I have developed more on by the day. I have gained a lot from his wealth of experience in business and building and that can't be taken for granted. We have different type of products being produced in Eleganza industrial city limited and many more still under set up & planning.

Present products include:

- Furniture department which are plastic chairs, tables, school tables for all ages and iron bed, iron cloth stand hangers, etc.
- Cooling boxes and food warmers.
- Luggage of different sizes and design.
- Baby diaper and lady sanitary.
- Sorry, beauty, laundry and multipurpose.
- Hair vinyl thread.
- Pet cap and preform bottles.
- Ladies shoes and men slippers.
- Disposable and reusable plates and cups.
- New products include coming up are:
- Casserole - of different sizes
- Hair attachment and weave-on
- Aluminium roofing sheet

- Shaving stick
- New Eleganza biro of more designs.
- Baby and adult cosmetics is coming in soon.
- Like we say, "Eleganza - the name is your guaranty"

What skills do you feel are most critical to survive in the manufacturing industry today?

One thing I have learnt over the years in the manufacturing industry is that you can't really control or hold things together if you don't have the basic knowledge the industry requires for one to manage it. Without the knowledge there is no growth. One can't oversea thousands of staffs or get the desired result if you are not conversant of the environment or people you want to manage. Majority of the staffs that execute tasks are the operators as a result one should always be able to understand their role to ensure they enjoy what they do. Most times when their managers or HOD get their targets, it is the responsibility of the operators to achieve the results against all odds.

One also needs decisiveness and authority, the fact that women are outnumbered in this sector mean that you should be able to hold your ground, speak intelligently and with authority when required.

I also think knowledge over all other things is the most important skill a woman can have in manufacturing and in any profession. Your knowledge makes it easier to handle or aspects of the job. Most of the time when you deal with men, they assume it is only another man that has the answer to the issues and problems.

There is a need to change the old ways of doing things. There is not one aspect of the company that I do not know how to handle. Knowing your own particular job is good, but being knowledgeable about other jobs in your company makes you a team leader and player. You do not have to be an expert in all the fields, but knowing how all the departments work & function daily independently is all what it takes to run a successful factory effectively. We have many products lined up in the industrial city and one can't afford to let one suffer for the other that will be a big financial loss. 📌

Mr. Adetokunbo Ademola Adeniji

GENERAL MANAGER ADMINISTRATION FOR ELEGANZA INDUSTRIAL CITY

Mr. Adeniji is the General Manager, Administration for Eleganza Industrial City. He describes the challenges of managing people and systems in the Manufacturing sector.

What would you describe as the top challenges facing the manufacturing industry?

There are several challenges we face in the manufacturing sector which impacts how successful you can be. Some of these include: Lack of Sufficient Finance. For a manufacturing company finance is always an important part of surviving and succeeding in your business. Many factors may necessitate the need for funding such as wanting to expand operations, increase productions or in acquiring more staffs. Depending on what stage you are in your manufacturing business you will need some money to kickstart and continue your operations. Unfortunately, money is not readily accessible for manufacturers in Nigeria. Even when finances are made available through loans from the bank the interest rates are very high (25% – 40%). At such rates, a good amount of the profit made by manufacturers is used to pay debts to the banks. Secondly, there is the issue of poor maximizing of productions. To effectively run a manufacturing business as you would for any other business two things are important: maximizing your profit by increasing your revenue and minimizing your costs. It's that simple. So, for a factory to operate efficiently would mean maximizing its production output and minimize the energy used for production.

How can manufacturing companies automate their admin processes to be more efficient?

I think it is almost impossible to find a company that would not benefit from the automation of processes. Take our company: here, it helped the productivity of our administrative work increase several times, with processes for agreement adjustment and the management of personnel documents becoming noticeably faster.



“TO EFFECTIVELY RUN A MANUFACTURING BUSINESS AS YOU WOULD FOR ANY OTHER BUSINESS TWO THINGS ARE IMPORTANT: MAXIMIZING YOUR PROFIT BY INCREASING YOUR REVENUE AND MINIMIZING YOUR COSTS. IT'S THAT SIMPLE.”

Obviously, I am talking about the benefits of processes that have been successfully automated. Before any company accepts the challenges of such a project, it is important that it understands the inefficiency of its current situation, is willing to change, knows the outcomes it seeks and begins by focusing on a single process that it wants to resolve. The last point is the most significant, because the best intentions often remain at the level of thoughts and discussions. Where do we find the motivation to move ahead? You need not look far: changes could be encouraged by employees who want to make the most of opportunities provided by a document-management system (DMS). Processes that take place outside the company (such as the need to have an electronic signature) and a drive towards real benefits could also stimulate changes. 📌

Global Conflict Is Loosing Focus On Humanity's Biggest Threat, Climate Change

by Nazanin Alakija

The 2015 United Nations Climate Conference, COP21, will be remembered as a pivotal moment in history where world leaders congregated in Paris to sign the Paris Climate Agreement. The aim was to limit global warming to 1.5 to 2 degrees C above pre-industrial levels whilst increasing global resilience to the adverse effects of climate change. Nationally Determined Contributions (NDCs) are the fundamental efforts that were brought forth by each country, embodying greater national efforts they will enforce to fulfil the ambitious objectives of the agreement.

To date, all institutional reports on the NDCs and climate change policies implemented to transform development trajectories for sustainable growth have not been sufficient to mitigate this global crisis. So, what is delaying progress since promulgation of the Paris Agreement?

There are numerous factors that contribute to this delay, however I believe there is one aspect that is setting back progress more than anything else – global conflict.

Climate change is a GLOBAL problem, thus requiring GLOBAL co-operation and multilateralism from all stakeholders. The geopolitical climate today is not only delaying, but it is destructing any progress that has been made. Increase in global political crises from unbridled nationalist leaders, to brutal hostility towards immigration from ultra-nationalist parties, is causing our world to become more segregated by the day at a time we need solidarity more than ever before. Today we observe global growth emerging with hateful and violent extremism, with serious neo-Nazi movements of Europe to permutations of white supremacy and toxic nationalism that plagues US politics.

According to the International Energy Agency (IEA), in 2018 global energy-related CO2 emissions were the highest on record. If we continue on this destructive path of aggression, our planet will grow less friendly towards us and dilapidate over the years to come.

Donald Trump, who withdrew and ceased participation of the United States out of the Paris Climate Agreement, has essentially made abominable hate speech a new normal in mainstream right-wing politics, engaging and exposing Americans to hateful rhetoric. He has consistently employed xenophobic and fascist speech when discussing migrants and asylum seekers, referring to them

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HUMANITY IS A SINGLE BROTHERHOOD,
SO MAKE PEACE WITH YOUR BRETHREN.”

as “predators” and “scum of the world”. He has used social media platforms to expose his lack of intellect, making absurd and ludicrous remarks such as “...People can't last outside even for minutes. What the hell is going on with Global Warming? Please come back fast, we need you!”

Blatant disregard for human rights is also becoming a norm in modern India under the regime of Hindu nationalist Prime Minister Narendra Modi; Muslim minorities are no longer safe in the country and individuals are publicly killed for their faith. Mob violence amongst Hindu nationalists is increasing as Modi and his entourage openly support bigotry. Furthermore, Modi has unarguably spent less on establishing a greener economy than his predecessors; A non-profit organisation in Delhi, Centre for Financial Accountability (CFA), has established that in 2017 the polluting coal industry has received three times as much investment as the renewable energy sector.

Aggressive nationalists have also driven the Brexit vote; it has been estimated that the Brexit deal will cost the UK £100bn a year by 2030. Logical reasoning would question why this funding is not allocated to building a sustainable and greener economy in the UK. Brexit will also complicate the task of ensuing the Paris Climate Agreement as European solidarity can no longer be guaranteed.


President of Brazil, Jair Bolsonaro, is another divisive politician whose racist and misogynistic remarks have caused disruption amongst citizens of its country. The far-right nationalist otherwise known as “Trump of the tropics”, has reawakened a dark chapter of its history between the Indigenous population who want to protect their land and the people who want to exploit it.

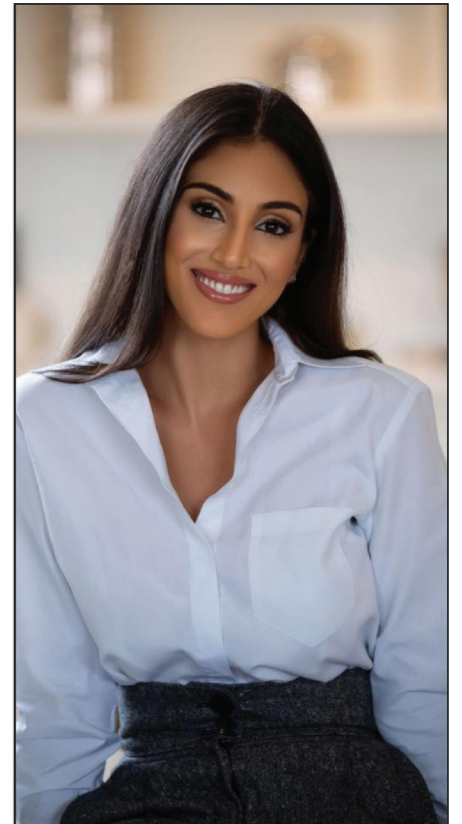
The Middle East and Northern Africa region (MENA) emerges as one of the areas crudely affected for worsening extreme heat, drought and shortage of food under climate change. At a time that the Middle East should be colluding to establish a

greener future, Saudi Arabia, United Arab Emirates, Bahrain and Egypt have imposed a blockade on its neighbouring country Qatar, fomenting and initiating hostility amongst Arab communities. Not to mention, since becoming Saudi Arabia's Crown Prince, Mohammed Bin Salman has intensified the war in Yemen that has put the population at the brink of famine, a country that has already begun to suffer from drought and the negative impacts of climate change.

During an interview with the BBC, United Nations Secretary General Antonio Guterres has stressed that the trend towards nationalist policies is making it harder to promote a multilateral approach to the fight against climate change. “It's a global issue, and we are all failing...And in a global issue, we need to mobilize everyone...Things are getting worse than predicted but the political will today, unfortunately, is not as high as it should be.”

If we continue on this destructive path, we are guaranteed to face an apocalypse. If world leaders fail to cooperate NOW, humanity will deteriorate from this global crisis. Nature does not discriminate, it does not change its laws and it does not take human dictation.

Although we need to hold leaders accountable, our current narrative on blaming broken bureaucracy and bitter politicians will not bring progress. In countries where there is a democracy, we need to evaluate our role in propagating the prevalent social contract. In a world that brought us Martin Luther King Jr, Malcom X, Malala Yousafzai and Mohandas Ghandi, we need to recognize substantial change was brought about by actions of individuals who promoted peace and equality, bringing mankind together to fight for civil rights. We need to silence the hate in our hearts and minds; It is time for humanity to begin to behave with dignity, solidarity and equality, because when nature belligerently strikes, it will not discriminate between race, faith or creed. 



About Nazanin Alakija

Nazanin Alakija has been a fearless advocate for young people and the planet ever since for the past two decades. Naza believes that the climate threat may be one of the most important causes of war and conflict and as such, there should be a concerted effort in addressing the critical challenges affecting climate. Nazanin has worked extensively with UNICEF in humanitarian crisis situations on emergency care and long-term development aid plans. Naza also invested in the development of solar panelled boreholes through WASH and UNICEF in different parts of Borno State in N.E Nigeria. Her passion is to create a world her area of focus in the upcoming year is the ongoing conflict in Yemen where Nazanin is currently providing and raising funding for emergency care aid such as food, medical supplies and psychosocial care.



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