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Mr. Joseph Waruingi, MD,  
Advantech Consulting.

## ADVANTECH CONSULTING:

SUCCESSING IN  
UNCHARTED  
WATERS

INSIDE



# ADVANTECH CONSULTING: SUCCEEDING IN UNCHARTERED WATERS

*How a homegrown consultancy firm is taking on giants and outsmarting them in their game*

By George Gichuki

One of the most outstanding traits of successful entrepreneurs is their ability to spot business opportunities before they have been exploited by others. Those who enter a certain market first reap the benefits of their foresight, before hordes of copycats can come on board. Mr. Joseph Waruingi, lived up to that expectation fourteen years ago by establishing Advantech Consulting. Advantech is a Kenyan owned and operated management consultancy firm with fourteen years experience in providing leading edge managerial consulting services.

"I honed my skills in management consulting at PwC Consulting - a global management consulting firm - where I worked for six years before leaving to start Advantech," he says. While working at PwC Consulting, Mr. Waruingi travelled extensively and in the process, he established a lot of invaluable networks that placed him well in the formation of Advantech. "At that time, PwC was selling its consulting business, an opportunity that I readily seized to start Advantech," he emphasizes. Consequently, from the word go, he was able to acquire business from blue chip organizations (previously being served by PwC) like the Nation Media Group, Safaricom and a host of public sector organizations in African countries like Ethiopia, Ghana and Zambia.

Initially, the firm was predominantly doing strategic information communication technology (ICT) consultancy, before it started offering other services like monitoring and evaluation as well as supply chain management of donor funded projects. Over time, Advantech has



**EVER STRONG:** The Advantech team.

registered growth in respect to clientele, members of staff and service delivery.

## Career growth

At the time of leaving PwC, Mr. Waruingi had risen through the ranks to become the firm's associate director. His brief at the firm involved offering strategic advice to clients (locally and internationally) who were keen on transforming their

businesses, by putting in place innovative ICT systems and processes. To that end, he attended many training sessions in USA, UK, Germany, Middle East and Singapore and consequently, he gathered a wealth of experience and skills. Mr. Waruingi and his team mainly focused on providing services to the public sector which was at that (early years of this millennium) attracting a lot of funding from bilateral and multilateral agencies. He for instance won the tender to offer strategic advice in the rolling out of the Integrated Financial Management Information System (IFMIS) which was overseen by the World Bank in various African countries like Ethiopia, Zambia, Eritrea, Uganda, Tanzania and Ghana. So successful was he in the implementation of this project that the World Bank appointed him the head of ICT consulting in the public sector covering seven countries in central Africa.

"I am a senior business leader with demonstrable ability and experience of working with boards and senior management in various leading organizations," Mr. Waruingi avers. "I spend eighty per cent of my building relationships and partnerships, which is the lifeblood of our business," he adds. The seasoned consultant holds a bachelor of science degree in statistics

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**SERVICE WITH A SMILE:** Mr. Joseph Warungi with one of his clients.

(major) and computer science (minor) from Moi University. In addition, he holds a masters degree in strategic management and finance from the University of Nairobi. Currently, he is finalizing on a doctorate degree in international business from the University of Liverpool.

## Entrepreneurship

After spending six years in formal employment, Mr. Warungi felt that time was ripe for him to start his own business. "I had enough experience and when an opportunity presented itself by way of my employer who selling the consulting business, I was confident enough to take calculated risks in my new life as an entrepreneur," he says.

The opportunity was good because the business was registered and his vision was to build a home grown management consultancy. Before the establishment of Advantech, that line of business was dominated by the 'big four' consultancy firms namely: PwC, Deloitte, KPMG and EY. Nevertheless, there are certain classes of business these firms would not take, based on the threshold of revenue.

PwC transferred the consultancy business to Advantech by signing a moratorium with the former indicating

that the new firm would start handling all the work pending with its clients. The moratorium was subsequently presented to these clients. "My advantage was that I already had a very cordial working relationship with these clients as well as the partners in PwC," he reminisces. "Since the contracts with these clients were with PwC, we delivered the work on their behalf and they retained an administrative fee," he further notes. To that end, Mr.

Warungi hired a team of junior consultants and a former colleague at PwC and in a record period of nine months, they cleared all the work that PwC had already been contracted to do by various clients. Once that was that, PwC'S obligation with these clients ended and Advantech was consequently free to approach them for new business.

## Opportunities

There were numerous business opportunities for the newly established firm because the development partners were pushing governments in Africa to be more accountable and transparent while utilizing the funds donated to them. A good example was the development of financial management strategies. Another opportunity was the management of these projects on their completion which was long term in nature.

In order to seize these opportunities, Mr. Warungi hired a team of consultants which he personally trained using some materials in his possession. As the team leader, he serviced his clients for long hours and he was readily available whenever they required his services. "Eventually, this paid off because we were able to build very strong relationships with these clients and

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we secured more business from them,” he affirms. “Most importantly, since our work was standing out, we established further relationships with other networks,” he adds.

**Product offering**

Advantech has a project footprint in twenty three countries in Sub Saharan Africa. “Over the years, we have worked with international partners and consultants on regional projects and we have continuously expanded our footprint,” says Mr. Waruingi. “Our services include ICT consulting, monitoring and evaluation, procurement and supply chain management, governance and oversight, financial and grant management as well as thought management,” he adds.

To start with, strategic ICT consulting entails reviewing business processes for clients (both in the private and public sectors ) so that they can optimize on their usage. It also helps clients to identify the systems that can work for them effectively and efficiently. Besides the business systems, others support back office operations like: finance, human resource, procurement, legal as well as health and environment. “While undertaking strategic ICT consulting for clients, we evaluate their entire value chains, before offering them the appropriate advice,” emphasizes Mr. Waruingi. Examples of clients that the firm has successfully serviced in this regard include: the Capital Markets Authority ( CMA), Kenya Airport Authority and Kengen.

Secondly Advantech monitors and evaluates the impact of social projects that are funded by development partners. These projects are mainly in the field of health (especially HIV/AIDS), agribusiness (for example enhancing market access to small holder farmers) as well as education (for example, availing learning opportunities to marginalized girls). This is a labour intensive exercise and the firm has therefore trained a large pool of people ( enumerators) whom it engages whenever their services are required. “ We have spent a lot of time in building technology to enable us collect data on a real time basis and to build new plans or indicators,” observes Mr. Waruingi. According to him, data monitoring and evaluation is a long term process which can take as long as five years. This can be done at the beginning of a project ( baseline), middle ( midline) or at the end ( endline).

The third product is supply chain management which is specifically for health projects. In this vein, Advantech has partnered with the Global Fund – an international organization that provides



funds to help in fighting the spread of HIV/AIDS, tuberculosis and malaria. Supply chain management involves data collection, quantification and advice on how the particular disease will be managed.

African countries are faced by challenges like civil strife and unpredictable election cycles which adversely affect the businesses operating in them. Consequently, Advantech has spread its wings in many countries so as to minimize on the losses occasioned by such challenges. The firm has only one office in Nairobi and when involved in assignments outside the country, it makes elaborate travel and accommodation arrangements for its consultants. In order to reach these countries, it has partnered with US and European firms.

**Nurturing and developing talent**

Advantech uses a rigorous recruitment process to ensure that only those who demonstrate the potential to fit in its working environment and culture are hired. To motivate the employees, they are rewarded through a bonus scheme based on their contribution to the business. “ All the members of staff are conversant with the strategic objectives of the business whose achievement is aligned with their personal and career growth, as well as financial rewards,” emphasizes Mr. Waruingi.

Such alignment is achieved through an annual performance appraisal where employees demonstrate how their work has contributed to the achievement of objectives including : new business, improvement of internal business processes, new business partners and entering new markets among others. An employee share ownership scheme is also on the cards.

As the team leader, Mr. Waruingi reads a lot of books on leadership and motivation. He also follows leadership and management gurus ( like Tom Peters) on Twitter. In addition, he attends many local and international leadership and management conferences so as to learn new ideas and deepen his network. “ In my view, people can become leaders through a process of teaching, learning and observation,” he says. “ Leadership is a set of skills that can be learnt by training, practice and experience over time,” he adds.

However according to him, there are some inborn characteristics that predispose people to become good leaders. “ Extraversion is consistently associated with effective leadership as well as being bold, assertive , taking risks, analyzing situations in a smart way and figuring out courses of action,” he emphasizes.

**Hurdles**

As a business leader, Mr. Waruingi is faced with the challenge of retaining staff, especially after spending a lot of time and money to train them. Business opportunities have also been shrinking especially because of global challenges such as US budget cuts on international development work and Brexit. “ I have led our team to address these challenges by focusing on other markets such as the European Union, Canada and the Scandinavian countries and this is showing a lot of promise,” he avers.

Some of the challenges we have are shrinking business opportunities, governance issues especially when we target government projects. We also spend a lot of time and effort to train staff since we are knowledge and learning company since client’s expectation are always involving once staff leave we have to hire and train all over again which is also expensive.

**The road ahead**

firm has a well defined plan to ensure that it grows beyond its founder and ultimately becomes sustainable in the long run, in order to give value to its shareholders and provide quality employment. “ By 2010, we want to triple our annual revenue and have projects in thirty five African countries,” Mr. Waruingi confidently says.

In addition, the firm wants to balance its client portfolio in such a way that sixty percent of its work will come from governments as well as bilateral and multilateral organizations. The remaining forty per cent on the other hand will be sourced from private sector players in the East African region.