LANGI

Wumuni paint manufacturing was dominated by four multinationals for the three decades between 1960 and 1990.They were used to the substitution industrialisation of the country with its attendant protection from external industrial imports. Returns on capital invested in the industry were good for a government price controller set prices. To ensure that the paint prices gave companies good returns, the industry had worked out deals with the Wumuni national political leadership. The national political leaders were given shares in most companies. More significantly, they were allocated some distributorships after they had passed legislation stating that only citizens could distribute manufactured goods under the import substitution regime. Given these favours by the industry, the national political leadership, in turn, made sure that the government price controller gave the industry the desired prices. This symbiosis led to highly priced but poor quality paints. Since there were few industries demanding high quality paints, there was hardly any consumer pressure for their production. Given that the national political leadership was protecting their investment, in paint manufacturing and distributorship, the government did not react to the little pressure for reducing paint prices. Professional organisations of building contractors, architects, engineers and quantity surveyors began to generate such pressure towards the end of the 1980s.

Citizens of the former colonial power totally dominated management of the paint multinationals, as they did all other multinationals up to the early 1990s. They were also dominant in the professional fields of accounting, architecture, quantity surveying, engineering and building construction. The few highly trained citizens joined the public service after independence for upward movement was faster there. Those who joined multinationals were in the lower non-management ranks for, it was argued, they neither had the technical knowledge nor the experience to get into management ranks. In general, their upward mobility was much slower than in the public service.

Wumuni had got independent in 1960. For the next thirty years its population tripled and the economy grew at an annual average of 6%. This growth was not driven by manufacturing but rather by the agricultural sector and public sector employment. Public sector employment grew from 25,000 in 1960 to 320,000 in 1990. Agriculture grew by a factor of 50. The opening up of new land for subsistence crop and livestock farming, during the first two decades of independence, drove this spectacular growth. The next decades' growth, again led by agriculture, came out of innovations in agricultural production for export. The key crops were coffee, tea, horticulture and dairy. By 1990, growth had stagnated in agriculture, manufacturing and public sector employment. By 1990s, agriculture's overall domination of the GDP was reduced to 30% from about 80% in 1960. Manufacturing had grown from 0.1% to 13% and public services had grown from 0.3% to 15%. In the same decade, trade, restaurant and hotels, which were insignificant in 1960, accounted for 11% whilst building and construction, again insignificant in 1960, accounted for 3% of GDP. The key

foreign exchange earners were agriculture and tourism during the same decade.

At independence, the country had a handful of citizen graduates. Few of them were employed in industry given the racist nature of the sector. None of them were shareholders in manufacturing for the same reasons. After independence, Wumuni government sought to get citizens into manufacturing and trade through three key policies. First, a law was passed insisting on citizens distributing all manufacturing outputs. Second, a policy of educational expansion for citizens was operationalised. This was achieved by investing 45% of the annual national public expenditure on education unlike its neighbours who were investing only about 10%. During the first decade of independence Wumuni Government concentrated on primary and secondary education expansion. By the middle of the second independence decade, it expanded tertiary education tremendously. In 1960, the country was producing 100 graduates a year. Most of them were in the arts. By 1980s, it was annually producing 50,000 graduates from national polytechnics and universities. Within the tertiary educational expansion, technical subjects were emphasized. It is estimated that of this total, 40 percent were in technical fields. This tertiary educational expansion, with its emphasis on technical fields continued into the decade of the nineties. The third policy was to indigenise both the public and the private sectors. This policy meant that all organisations were given quotas of how many citizens they were to employ. It was aimed at the colonizers who monopolised both the public and private sectors.

Ngovia came to the country, during WWII, initially to service the colonial troops demand for paints. It concentrated on producing low-grade paints from the outset. Since it was the first paint company entrant in the country, it had established itself in the region and was therefore dominant in the industry. Often it acted as spokesperson for the industry. After independence, three new multinationals, from countries, which did not have historical colonial relationships with Wumuni, entered the market. Wumuni had a more developed manufacturing sector than the neighbouring countries. It also had a relatively more developed communication networks for servicing the region as well as having a more developed market than the neighbouring countries.

During the eighties, Ngovia, a multinational from the colonial mother country, was the leader in the paint market for it commanded 80% of the general paint business. It did not produce or sell high quality or premium paints. It was not only owned but also managed by persons from the mother country although it had some distributors who were the powerful national politicians. The government was a minority shareholder. It is clear the government had been brought in to protect the interests of the national politicians. Ngovia's low-level staffs were Wumuni citizens.

One of the new post -independence entrants into the paint industry, during the middle of the first decade of independence, was Langi. Langi was faced with Ngovia's domination of the low-end market nationally and regionally. Ngovia's politically savvy paint distribution networks, built over many years, nationally, also confronted it. As a company from a country without trading relations with

Wumuni, it had to struggle to find trading outlets. Langi noted that, at the point of its entry, all the distributors of Ngovia paints were non-citizen from the mother country. It therefore set a strategy of, first, only appointing distributors who were citizens and traders but not politicians at the national level. Secondly, Langi upgraded the quality of its paints slightly above Ngovia's whilst getting the same controlled prices. It argued that Wumuni's expanding economy would lead to more discerning consumers who would appreciate the quality in time.

For four years Langi struggled to build up its market share. However, during the decade of the seventies, it got three major business opportunities. First, civil strife in three of the four countries adjoining Wumuni led to closure of multinational paint manufacturing and distributorships in those countries. This left unmet demand for low grade paints in those countries. Langi moved aggressively into those countries. It established distribution networks all over the region. The distributors were citizens of the countries and not politicians but established traders, following its strategy in Wumuni. This was in contradistinction to the national political notables appointed distributors by most of the other paint multinationals, Ngovia included, in those countries. The second opportunity arose in the growth of the Wumuni economy as new indigenous controlled building expansion took place. This was driven by the need to house the rich refugees from the adjoining countries and expatriate staff working for international organisations dealing with regional disasters in the adjoining countries. This growth in construction led to high quality paints demand, which Langi geared to fill. The third opportunity was industrial growth and diversification in Wumuni. Specialised industries, catering to regional demand, which arose, in part, out of the collapse of industries in the three adjoining countries, needed premium paints. Langi began to supply them albeit in small quantities.

By the end of the eighties, Langi, like all other multinational manufacturers, was trading in the import substitution economy of Wumuni. This economy, hide bound in sclerotic rules and regulations, was characterised by low inflation, controlled prices, controlled access to foreign exchange, limited repatriation of profits and increasing political pressure to allow locals to own industry, particularly manufacturing. Some of the multinationals adjusted to these strictures by giving national politicians token shares and directorships in the companies but maintaining majority shares as well as controlling management. Ngovia followed this strategy.

Other multinationals preferred an exit strategy if they could find a way to repatriate their invested capital and profits locked up in local currency. They sought to find local citizen buyers of their operations, specifically with foreign currency. They would include in the sale price the capital and profits, which were holed up in the country under the import substitution regime. They would make profits in the future by selling proprietary manufacturing processes to local companies, training the new company staff and supplying specialised equipment and products for sale by the local company. If these failed to generate desired profits, they would franchise as Coca Cola was showing internationally.

Langi's parent multinational sought to dis-invest for it argued that it could not get the foreign exchange to buy supplies nor could it repatriate profits easily. In keeping with its tradition of not getting caught up with notable national political figures, it sought bona fide trader citizen investors. In 1990, when Langi's parent multinational sought to dis-invest, Langi's national market share of the general paints was less than 2%. By 2000, this had grown to 17%. More significant is the growth in its premium paints national market share, which grew from 5% to 40% between the same years. This growth was achieved in spite of the many backyard paint companies who joined the industry over the same time.

1990, was not an auspicious year for the new citizen buyers of Langi. The import substitution strategy had become history among the Western countries and the international development financiers. Governance and privatisation had arrived at the international scene and were being forced on countries like Wumuni. Wumuni was forced by international political and diplomatic pressure to go into multipartism this year. This led to fantastic economic and political uncertainty basically driven by the notational political leadership resisting the international dictates. Balance of payments support to Wumuni was cut. The country went into a frenzy of politics. The dictatorial single party, which had ruled since independence as a de jure single party, brutalised many of the emergent political parties, cloned from it, to ensure that it continued to hold power. The dictatorial party won the election it called at the turn of the decade. This was achieved by intimidation and harassment of citizens, stealing of ballot papers and printing of extra ballots to be stuffed in the so-called safe constituencies. It led to civil strife in many parts of the country. Businesses were hard put to exist.

The economy decelerated driven by uncertainty and attendant civil strife. To finance the first elections of the decade, at its turn, the dominant party's government printed money. Concomitant with multipartism was forced liberalization of the economy. Imports and foreign exchange restrictions, including used cars and industrial plants were lifted. By 1993, inflation and interest rates were 40% and 87% respectively. Between 1994 and 2000, interest rates hovered around 35%. The local currency, the cowrie shell, was devalued from CS 16 to the U.S. dollar in 1993 to CS 81 to the US dollar in 2000. Economic growth was negative during the decade. Population grew at an annual rate of 3% during the decade. Retrenchments, unemployment and under-employment became the order of the day. During the same period, public domestic debt grew from CS 10m to CS 500m. Since the state could not collect enough revenue, it had to deficit finance. It had to sell treasury bills and bonds, in competition with the private sector financing demands, to cover its current operations. Personal and public insecurity increased after 1993. Many multinationals and local businesses either went bankrupt or relocated outside Wumuni. Ngovia was been sold twice within the decade. Langi is still owned by the citizen partners who bought it in 1990. It has been profitable every year since 1990.

The four citizen partners bought Langi because it was an international brand name and it had latent potential in both the national and the regional markets as the countries sought to rebuild after years of strife. This argument was based on the fact that two of the regional countries were growing at an average annual growth rate of 6% through the decade of the nineties. One of the other countries was growing at an average annual growth rate of 3% and the last one, still caught in civil war, at only 1%. There was strong growth in paint demand in the region as the countries, which had resolved their civil strife, rebuild. Ngovia's regional domination had been dented by the collapse of its political distributorships in the region as well as the two changes in management when it was sold. One of these sales was to a company whose core business was not in the paint industry. Langi's management and shareholders felt that they could use the advantages of Wumuni manufacturing even if the national market was not exploding like in some of the neighbouring countries.

The four partners had bought Langi from their savings and limited bank borrowing. Savings constituted 80% and loans (standing overdraft) were 20% of the purchase price. The price covered the multinational capital and profits retained in the country. Payment was spread over three years. The partners were able to get the foreign exchange since three of them were traders and were earning foreign exchange. Over time they had accumulated the foreign currency offshore. The standing overdraft was also offshore. Further creative financing was arranged between the partners so as to facilitate contribution by one partner, in local currency, to the operations of the other partners, who in turn generated and put up the hard currency. Within three years, after the locals purchased Langi, as local bank interests climbed, locally generated revenue was swapped between the partners and used to retire the overseas bank loan. The bulk of subsequent operations and acquisitions financing is from locally earned revenue. Locally based bank financing, again a standing overdraft, is rarely more than 5% of turnover.

Of the four partners, who bought Langi, one is an accountant by profession, two are general traders and the fourth is in fabrication. The management of the company was delegated to the austere accountant. He was specifically suited to managing the Langi operations for he had joined a multinational paint company at the age of 19, from secondary school as accounting trainee. By the time he left that company, after twenty years, he had risen to become the chief executive. He joined Langi from the other company when he was forty. One of the other partners was younger than him by ten years. Another one was older than him by ten years. The other was his age mate.

The four partners were long-time friends who obviously trusted each other immensely. The story is told that when the company came up for sale, the accountant was travelling in Europe, on behalf of his then current employer. The other partners faxed him the balance sheets of the company for the previous ten years. He studied them and faxed back a two-page offer. It established the purchase price, repayment schedules and financing mechanisms. The other partners used it to negotiate with the departing

multinational. Nothing was changed for it was not only fair but also useful to both parties.

The professional accountant managed Langi for a period of four years. By the second year he had hired a chief executive designate. After that he concentrated on identifying companies, which could be bought to give advantage to Langi, whilst inducting the new chief executive. At the end of the four years, he gave up all operational concerns in Langi and concentrated on the acquisitions. The other three partners trusted him since he could unravel the balance sheets and assets of the companies they were interested in acquiring. It is interesting to note that of the companies investigated, all were bought. He argues that internal synergy was created by the acquisition of the two paint companies in the adjoining countries and the later acquisition of the non-paint companies within Wumuni. Since the mid-nineties, he concentrates on managing new acquisitions for a period, during which his tasks, in order of priority, are to review staff salaries, to set up modern computerised accounting systems, to hire a new chief executive, to get a training manager partly paid for by donor grants, and to re-organise production lines.

The three shareholder partners are essentially laid back for they meet only when the managing partner calls. This is only for the statutory requirements and not to really make major decisions on the day to day running or even the long-term policy orientation. The managing partner essentially reports on where he thinks the businesses should go. His recommendations are always accepted. The managing partner is not just austere in business relations. He has the mien of an unflappable chief executive in all settings. In the context of national style, which puts a premium on exuberance, he stands out as cantered individual who does not get intimidated to adventure or foolishness. He obviously delegates but is known to put a lot of pressure on under performing staff. He fires effectively, basically because of under performance.

The managing partner's other dimension is the total conviction that the locals can run any business. This he qualifies by simultaneously arguing that the persons asked to run operations must also be rigorously trained on what they are to be held responsible. Training for managers, he argues, must always have international dimensions for the technologies to be used invariably come from the international arena. The managing partner is an active member of most business charities but he abhors all political involvements. He argues that the business of government is to create the infrastructure for business to function and not to be involved in business. He has resisted intrusion of politics to the businesses and summarily fires those who bring godfathers to argue their cases in the business. Political power brokers, who come to speak to him on patronage-based employment, the bane of all industrialists on the continent, within Langi, are shown the door politely but firmly.

Immediately on acquiring Langi, the partners kept the focus on industrial paints but added premium decorative paints. Since the regional economies were booming, new industries needed paints for their own processes. The building industry needed better paints, as the regions' population became more

discerning consumers. Sales expansion was into the three countries in the region over and above the national market whose demand was flat.

Langi inherited and kept the old staff. These were persons whose educational levels were either primary or secondary school. Most of them had been in the company for more than ten years with twenty percent having been in the company for over twenty years. Management did not see any need to retire staff immediately for the old ones were about to retire. This has to be seen in the context of decadal retrenchment as companies in Wumuni sought to cut costs. Langi did not go through a general retrenchment. It took advantage of natural attrition to replace less educated staff with more formally educated staff. By systematising production lines, computerising and increasing individual productivity, it was able to reduce staff over the decade. It also systematically introduced training of all staff.

The premier training was on management of the production processes. There was no previous formal training of the production line staff. The more experienced production line staff workers previously trained new production line staffs on the job in an ad hoc manner. The new owners formalised production line training to include on job training and specialised courses outside the job situation. The objective of this two-pronged training of production line staff and their supervisors was to cut production waste. Supervision of production had been lax in the past. Training to improve this, whilst getting into group based production line decision-making, was carried out. This was done simultaneously with significant, but not costly reorganisation of the production line. Quality control training was also initiated. Quality control was not just for supervisors, but, in keeping with modern production line management, training was also for the staff responsible for supervising and managing the production system, including others supporting the work of the production line. Historically the production line workers had not been seen as significant in the quality control arena in the company. They were made central in quality control.

Sales people were systematically trained in new selling processes. Sales remuneration was pegged on orders unlike in the past. Selling costs were significantly reduced by retraining and more systematic control over field expenses. Joint discussions between production line supervisors and managers and sales people were initiated so as to create synergy for responding to the demands coming from the consumers. Serving the distributors basically drives sales. There are no competitions, raffles or any other freebies, which characterise corporate marketing in Africa, to promote sales. Of course the big national industrialists, contractors, engineers, quantity surveyors and architects are lobbied to use the products. This is usually done through mailing information on new products. It should, however, be noted that there was absolutely no advertising of the product either in billboards, radio or television. Such advertising is planned in the future after listing in the stock exchange. Sales pitches to the key clients, mainly distributors, are essentially a talk on quality for money spent. It is also important to note that there is no rule, as in many other companies, for distributors to be only handling Langi's products exclusively. It is not even planned for the future.

Very extensive training in finance and computerisation was undertaken for all office staff, supervisors and management staff. Currently, familiarisation with computers is a major plus for candidates in the formal recruitment system. No manager can be hired unless they show familiarity with computerised management systems. Of course the accounting department staff got more high-powered computer training, especially in cost accounting, budget planning and control as well as forecasting, than the other administrative staff that were generally trained in general financial management, including scheduled review of all costs by all managers of cost centers. Top accounting staff have received ten person years of on job training with overseas manufactures as well as twenty person years of professional training in short and long courses in house and outside. On their part, production engineers have had 16 man-years of on job training in other companies overseas as well as five person years of professional in class training short and long-term classes.

One of the very creative training aspects was to get training partly financed by donor funds and not earned revenue. The company managed to utilise donor funds for programs supporting African businesses to get training managers into the company. Training for selected financial and other management staff was organised in other countries. The training of the higher-level manpower was not just academic but it had large components of operational training at similar production companies or at companies where technologies or production processes were to be sourced.

It is out of the systematic effort in training that the company was able to be ISO certified only ten years after the acquisition. It has in place modern procurement, production, sales, accounting, human resource and overall management systems. All general labour and managers are locals but it is important to note that all races and the bulk of the ethnicities, found in the country, are represented. It is further important to note that 80% of the labour force is male and 20 % female. This compares very well with the national manufacturing industry were the female gender is either absent or women are only found in some sweatshops. Both gender are found in all types of work and women are not just tied to secretarial work, as is the case in many manufacturing plants in the country.

Langi has a labour force of young and old workers almost in the same ratios. As natural attrition took place, more formally educated new hires were brought on stream. Wumuni, by the decade of the nineties, had already formally educated a very large pool of young persons looking for work. It is company policy to hire at the highest formal training level for it wants to develop future managers from the staff over and above ensuring that all levels get the highest formally educated personnel possible. The company argues that this is a better way of not only producing a more effective operations labour force but a strategy of guaranteeing relevant managers for the future rather than getting them from without the company. The mixture of old experienced staff, with limited formal education, with young entrants with post polytechnic or university education, is atypical of the industry where, for example the major competitor, Ngovia, has

essentially a young work force with limited education- high school-, acquired in efforts of reducing costs of the old staff during the retrenchment decade.

Langi, of course, pays staff better than the industry average because it has retained the old expensive staff as well as hiring graduates. In many of the other paint companies, pay is even below other manufacturing industries. Management argues that it is only by being industry pay leaders that Langi can maintain the high standards demanded by their niche- production of high quality industrial and decorative paints- since the new production systems demand thinkers at the production line and all other levels of operations. The managing partner puts it dramatically when he argues that hiring un-educated and un-trained fools guarantees one waste and chaos.

Management recruitment is by head-hunters. However, it is important to note that employees are encouraged to apply and consequently the supervision and management cadres have both externally and internally sourced staff. Given the systematic recruitment of polytechnic and university graduates, the vision of current management is that future managers will be recruited in house primarily. Of course given the racial and ethnic composition of the national recruitment base, head-hunters are further useful for assuring equal chance to all in the poly community nation whilst insulating current management from the pressures of favouring one community. By systematically training managers together with the low level staff on specific interface problem areas, Langi is able to intermediate the problem of old less formally trained persons being supervised by younger more formally trained persons. This management problem is universal but it is particularly vicious within many African societies. It is a management nightmare where each group happens to be from different ethnicities. Having personnel structured that way has wrecked many companies.

In the two neighbouring countries, Makangaani and Mitini wholly owned successful paint companies were acquired by 1997. These were small operations, which had concentrated at the lowest end of the cheap paint stream. Since these two countries were growing at an average annual rate of 6%, Langi felt that establishing companies there would lead to better profits for paint did not have to be shipped from Wumuni. At the same time, given regional sensitivities about manufacturing in country, Langi felt it was politic to build businesses there. The labour forces of these companies are citizens of the particular countries. These businesses are managed separately and their performance data is not included in the tabulated data at the end of the text. Since these companies were bought, the Langi training system, partly funded by donor funds was instituted. External training managers, partly paid by donors, were brought in to oversee the training. By the time the training is finished, all section s of the company will have been trained. The magnitude of training is in the same order as the Wumuni training for each country. The companies will then be set for attacking the market in the countries adjoining them.

The business strategy of the Makangaani and Mitini paint companies mirrored Wumuni Langi generally. The quality of paints was raised with focus being on

decorative and industrial premium paints getting emphasis although cheaper paints were still produced. Production lines were partly upgraded but they are not yet at the level of the Wumuni plant. It was planned that this will be completed by 2005 when Langi expects them to be ISO certified. Management of the companies is totally left to the chief executives, with the managing partner visiting rarely.

Looking into the future, Langi plans to expand the selling of paint to four other nearby countries next to the three countries now with paint plants in the medium term. However in the long-term Langi plans call for building small paint plants in these countries thereby making a jumping off point for supply to other countries abutting them.

In the late nineties, the partners bought an old fruit products canning company listed in the local stock exchange from earned revenue. This company, like Ngovia, was started during WWII to service the colonial army. It had brand recognition for its quality was superior to its competitors in the region. Its clients were essentially in the tourism sector. This company had not modernised its production line and was using the old tin canning technology. The production line was not systematically organised. Its staff was very old with very limited education. The management of this company was very old fashioned also. Given these limitations, the company was not very profitable. When the company was bought, it was relocated to the capital city, Langi's base, from a hundred kilometres away. Its extensive lands, at the old site, were on sale at the end of the decade. The managing partners objective in relocating it were to delink the company from the old staff who were paid handsome retirement benefits, to reduce costs by reorganising the old production line, to closely managing it and to reduce distribution costs.

Langi also bought a foam mattress and bed making company in the late nineties. The company was the first entrant into its business and had been operating since the early fifties. It major clients were in the tourism industry. This foam mattress company had prime land assets in the capital city. In the industrial area, it had built up space, which was under-utilised. In the prime residential areas, it had large un-developed plots. The operations of the fruit products canning factory were relocated to the industrial site of the foam company. The partners developed some very expensive houses, in the high-income area of the capital, for sale, on the land, which was owned by the foam company. The foam company makes profit but it is not spectacular. The managing partner sits at the joint offices of the fruit canning and foam mattress operations. The staffs of both companies were being trained at the turn of the decade in the same fashion as the old Langi staff. Natural staff attrition has taken place in the two companies. Since more systematic management systems were put in place, there is less demand of line production personnel and managers. The partners would sell these two businesses if they find a good buyer.

Langi is optimistic about its future in Wumuni and has no intentions of relocating. It intends to get listed in the local stock exchange. It plans to get computerized tinting process to match demanded paint colours in minutes as

the final step in modernizing its production lines in the three countries with paint plants. It plans to find international suppliers who can supply super specialized paint products. It plans to go into extensive advertising unlike in the past. It also plans to get listed in the local stock exchange like its main competitor, Ngovia. During the listing process, it intends to give a significant share of the company to the workers.

Langi's performance between 1985 and 2000 is summarized below. The currency is cowrie shell.

	Turnover	Profit	Dividend	NA Value	Debtors	Loans	Equity
1985	50m	1m	0	19m	15m	2m	11m
1990	124m	14m	3m	45m	22m	0	41m
1995	425m	37m	18m	66m	88m	8m	61m
2000	468m	35m	10m	212m	155m	36m	176m

	Labour Cost	No. of Workers	No. of Managers
1985	6m	111	8
1990	9m	127	6
1995	26m	202	6
2000	56m	155	5

QUESTIONS

1. How do you explain the performance of Langi? Is it a successful company? Why?
2. What strategic decisions did Langi make to assure its performance and survival from 1990 to 2000? Are the same strategies applicable in the long term? Why?
3. What lessons can we learn from this case study about a. the nature of business transition from colonial to post-colonial society b. the salience of multinational companies in local manufacturing?
4. Where would Langi be twenty years from now? Discuss in detail the strategy of getting to your projected Langi.
5. The first manager of Langi argues that acquisitions made in the nineties led to a business synergy. What is the basis of this argument?
6. What liberalisation lessons a. related to company management and b. related to country policies and c. regional policies, can we learn from this case study?
7. Why is Langi looking for international suppliers?
8. What were Langi's short and long term strategies during the decade of the nineties? Are there contradictions in Langi's short term and long term strategies during the same decade?

9. Why has the state left this company alone?
10. Why would Langi want to sell the foam mattress and fruit canning businesses?

NOTES

- One of the partners, who bought Langi, the austere accountant, was the Managing Director of Ngovia having risen from an accounts clerk.
- He managed Langi for the first four years.
- The other partners have essentially given him *carte blanche* management powers and do not interfere.
- The mattress and fruit canning industries were acquired for brand recognition, non-performing assets, and growth potential of the tourism market. They have been very profitable but the austere accountant does not see them as core business and if a profitable offer comes by, they will be sold.
- His views, as an expert in managing paint companies, limits the possibility of creating a multi-business group owned by the partners for he argues that specialists are needed to lead (manage) the canning and mattress businesses to their full potential. He does not envisage the partnership developing such specialists. It is clear from interviewing him, that the historical opportunity, of acquiring these companies, facilitated

the growth of the partnership but now is time to take profit, by selling them, and to concentrate on expanding the more profitable paint business.

- The two Langi paint companies in neighbouring countries have both premium and general paints thereby undercutting Ngovia export potential.
- Paint sales in the adjoining two countries have been growing faster than in Wumuni.
- Langi's medium and long-term strategies are to sell and later produce paint, in sequence, in another twelve nearby countries at the expense of Ngovia.
- Technical knowledge, for Langi, is sought out widely with production systems being imported from Europe and Asia.
- Technical assistance, essentially management and training, is financed through joint financing with external donors.
- The company is highly rated by an international program supporting businesses by providing training and some management.
- The company has very low political profile.
- The openly stated ultimate objective is to run the company with the highest international standards in production and management.
- The country has a surplus of well-trained technical and management personnel.