

Partners advised to know each other first – *Daily News Online, Botswana - 06 May, 2005*

People who wish to go into business partnerships were this week told that investing money and time into the partnership is not enough to sustain a joint business venture. Participants at a Botswana Export Development and Investment Authority (BEDIA) organised seminar in Gaborone on Tuesday agreed that joint venture business partners should make an effort to know each other before venturing into business.

Justin Chinyanta, executive chairman of Loita Capital Partners International said when addressing the participants, that due diligence checklist was necessary adding that this should include meeting the management of the other entity and ascertaining initial levels of competency. The party should obtain a profile of economic and political risks and instability regarding the country in which the entity operates.

Although he would not go into details, Chinyanta said a First Botswana Bank would be launched as soon as the Bank of Botswana has given a go ahead. Botswana will have a 51 percent shareholding, while Loita Group will hold 49 per cent. If all goes well, we hope the bank would be operational by the third quarter of this year.

“We want to capture the market quickly and empower citizens who want to supply major groups such as Debswana,” he said in an interview. He encouraged the use of Internet to get information on companies that one would want to go into business with, emphasising that the facility provides both solicited and unsolicited information that could be beneficial to ones research on the company.

“I am advised that some local people have not had good experience with joint ventures. Some have held discussions with foreign companies without having done adequate homework and expecting the foreign company to do all the work and contribute the entire capital requirements of the new venture,” said Botswana Development Corporations managing director Kenneth Matambo.

Officiating at the event, Matambo said while some people hold the view that the country’s foreign direct investment strategy does not support citizen empowerment endeavours, the strategy and the empowerment drive compliment each other and if properly harnessed it could result in win-win outcomes. There are mutual gains for both local and foreign investors. There are a number of areas where foreign expertise is required to support and reinforce local knowledge and expertise, he said.

Meanwhile, Hexads chief executive, Monty Chiepe shared his wide experiences with different companies, some of whom were fraudsters. Chiepe said that the key points to consider in choosing a partner include values, principles of fairness, mutual benefit, professionalism, guarding against fronting or corrupt dealings, having written agreements and ensuring that agreements are honoured.

Mbaakanyi David, Debswanas group supply manager called for unity among development and procurement agencies in the country. He shared that in trying to get foreign companies to set up in Botswana, especially those that supply Debswana, some expressed dissatisfaction with Botswana small market. But once we show them figures, they get convinced, he said, adding that it would be useful to consolidate figures from all sectors and use them to market Botswana. David said fronting is one major challenge that Debswana was confronted with in trying to give citizen owned company’s preference. He said it was unfortunate that fronting is not illegal in Botswana.

News Source: All local news stories were supplied by the [Botswana Press Agency \(BOPA\)](#)