



DOING BUSINESS WITHOUT BORDERS

Nigeria is very often referred to as a nation with huge potentials. This is true, no doubt. It is the contradiction that is worrying. For a country that will be forty five in a few weeks, the conversion of its numerous potentials to wealth appears to be rather slow. Whereas Nigeria should be a centre for growth and stability within the sub-region, whereas Nigeria's position as the 'Giant of Africa' could lift enough Africans out of poverty, the realization of these dreams have been stubbornly elusive. Today, the title 'Nigeria or Nigerian' evokes fear, uncertainty and doubt in people particularly everywhere outside the shores of Nigeria. These fears are constantly fed by the seeming collective 'opportunism', lack of effective sanctions against deviant behaviour and ineffective service delivery in the different spheres of society which has kept Nigeria consistently 'fenced off' from the rest of the world.

At the Convention on Business Integrity we see corruption as a border at which all participants in business transactions are often forced to make important decisions, and that such decisions usually have the effect of facilitating or impeding the translation of opportunities into positive and mutually beneficial outcomes. They also

consolidate or destroy the credibility that Nigeria needs to enjoy her efforts to engage other nations in global business relations.

The challenge that this poses is the need to seek a solution that will ensure that transparency, consistency and predictability. How to reassure prospective investors and ensure that more businesses in or from Nigeria can be related with under "normal terms of trade" rather than upholding the stigma of being branded 'Nigerian business' with its associated risk premiums.

How then will businesses be able to assure potential investors in a way that they can be evaluated differently? In CBI we have identified a roadmap with five milestones that promises a destination with fairer terms of trade;

Credentials:

The very first step would be to establish a company's credentials. This is mainly by gathering documentary evidence to establish the entity's *bona-fides*. This should include the company's registration status, documents that confirm that it is registered and duly authorised to carry out the business for which it is set up and other important details such as that of its ownership and leadership. It's registered and operating addresses, and details of key personnel.

Value System:

There should also be a clear understanding of the Company's value system in the minds of all its stake holders. Whatever the company self – declares should translate very simply into "the way we do things around here" and effectively reflect the true culture of the organization and not just some hopes resident in the mind of the owners of the business. A value system properly entrenched in organization culture, properly understood and communicated to all staff members and other stakeholders will limit incidences of deviant behaviour.

Accountability

Accountability is three pronged and includes, appropriate disclosure, tolerance for appropriate scrutiny and submission to oversight authority.

Appropriate disclosure: Every company has stakeholders whom it owes vital information. For instance, staff of any enterprise need to know how major changes in the organization will affect them, queries and other disciplinary actions should be in writing and documented, staff members should also have access to their own records especially those they provided voluntarily. Procurement policy should be duly communicated to suppliers, clients should have regular access to information

about price changes, product or service options, contact persons and their numbers for when there is need to make complaints, clarifications, compliments on staff and so on.

Tolerance for scrutiny: We believe that any company that is set to operate beyond the borders of corruption will be open to scrutinizing bodies like tax bodies, regulatory or supervisory bodies whose evaluation will only confirm that the organization is being ethically run. For instance, a certificate from NAFDAC would go a long way to convince customers and prospective investors that the organization's products are truly genuine and conform to the standards that have been declared. Appropriate scrutiny should be tolerated from stakeholders also regarding non-statutory information to which they have a right.

Submission to Oversight Authorities

In decision making, there are times that management needs to confer with shareholders (e.g through the forum of a general meeting), or members of the Board of Directors before taking certain major decisions. For instance, in the case of the mergers of banks, every bank is expected to convene an extraordinary general meeting for the mandate to conclude a merger before it can be legal. Management must clearly

understand the limits of their authority; constantly communicate with the oversight authority when making major decisions. It should be clear that this is the way the organization is run and that the Management constantly abides by this.

It is our belief that where a company is able to carry out the above and that the product of their appropriate disclosures systematically matches the products of appropriate scrutiny, the management of the organization is perceived to have been transparent.

Where an organizations credentials, value system and accountability are not in doubt, stakeholders should be free to engage the organization and sufficient rapport should exist to develop relationships that can lead to meaningful exchange.

At this point, after carrying out normal due diligence checks, one should be encouraged to drop risk premiums associated with dealing with Nigerian business to allow for normal terms of trade. However, to further establish trust and credibility, there are two more steps to take. These include; demonstration of Commitment and a Track Record.

Commitment

This means ensuring there is a mechanism in place to ensure the organization consistently complies with its own value and

accountability standards – demonstrating the will and the power to do the right thing. Very often, this role is carried out by the internal audit function. Where there is no internal audit department, the existence of a senior executive, charged with the responsibility of ensuring compliance and suitably empowered to design and implement remedial interventions should the company be moving off course, would suffice. The existence of such a self-correcting mechanism within the company will earn it the trust of its key stakeholders.

Track Record

The proof of the pudding, as they say, is in the eating. There is nothing like a proven track record to fade away all fear, uncertainty and doubt regarding the future behaviour of a business partner. For this, it is sufficient to collect anecdotal evidence, history of what sanctions have been effected against deviant behaviour either from staff or suppliers or other stakeholders, or what rewards were given to reinforce appropriate behaviours where organizational norms have been upheld by staff, suppliers or other key stakeholders. A proven track record clearly shows that an organization walks its talk,

Should a company or organization be able to submit itself to the above, it would

safely position itself on a path of transparency, consistency and predictability. These are vital in the development of trust and the establishment of credibility – vital ingredients in the conduct of business without borders. It would also safely destigmatize the Nigerian company, providing the minimum guarantee that normal terms trade can be extended to it. Finally it puts the company and ultimately Nigeria, on the road map to increased levels of trade and investment.