Stears

Stears Advisory
Brochure

Who we are

We are a leading global source of African data and insights, providing actionable intelligence for decision-makers investing or operating in Africa.

Our team is made up of analytical thinkers with expertise in technology, economic research, data analytics, data collection, industry analysis, and consulting.

What we do

We enable global decision-makers to answer questions about African markets and economies. We help companies, governments, and development organisations access high-quality African data while providing expert research and advisory services.

Our research method marries domain expertise with first-principles thinking and a multi-disciplinary approach to create actionable frameworks and mental models for thinking in our focus areas. Our data and insights help you understand African markets clearly and the disruptive trends, transformations, and technologies shaping the world's fastest-growing continent. We leverage domain expertise & technology to build information products for global businesses and professionals.
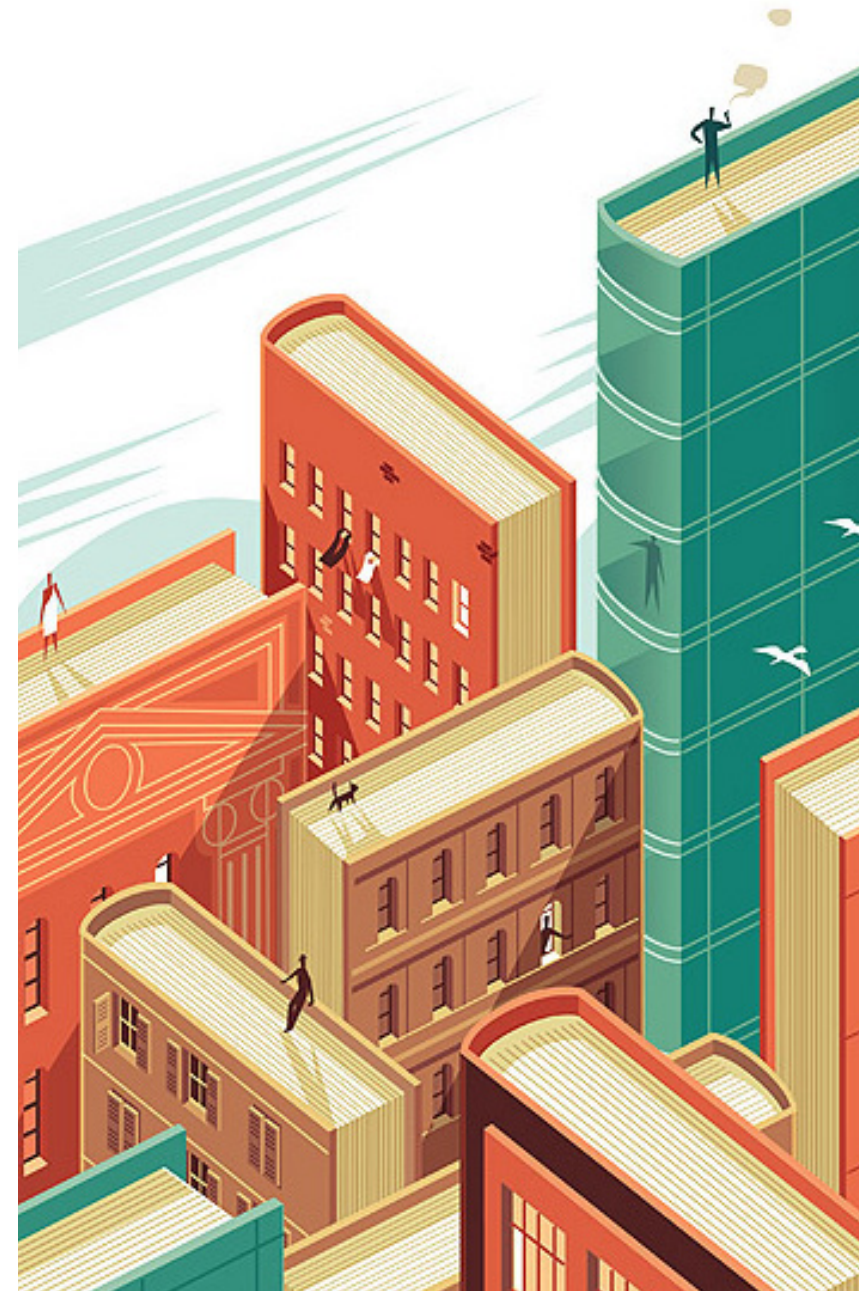
Our Services

MARKET RESEARCH AND ANALYSIS:

From market sizing and segmentation to consumer behaviour analysis and trend forecasting, our tailored research and data solutions equip our clients with the insights necessary to drive growth and gain a competitive edge. Our proprietary mixed methods approach combines primary research tools, data collection and analytics to ensure accurate, reliable and unbiased research outcomes. Our team's deep understanding of economic trends, local nuances and cultural complexities is reflected in context-rich insights and recommendations, delivered through clear and concise reports, dashboards and visualisations that empower you to make informed business decisions.

SOCIAL DUE DILIGENCE

Responsible and ethical decision-making is the foundation for creating a positive impact in society. We understand the importance of thoroughly assessing the social and political implications of any endeavour. Our team combines extensive experience in social responsibility and due diligence, ensuring a comprehensive assessment that goes beyond surface-level evaluations. With a multidisciplinary approach, we examine various aspects of a project to uncover valuable insights that enable individuals, organisations, and investors to make knowledgeable choices that align with their values.

POLICY & ADVOCACY:

Policies have the power to shape the social and economic landscapes. We help our clients navigate the complex realm of policy-making by leveraging our deep understanding of political landscapes, regulatory frameworks, and stakeholder dynamics to create compelling arguments and evidence-based recommendations. Our policy briefs and position papers drive meaningful dialogue with policymakers to yield tangible results and create impactful change.

THOUGHT LEADERSHIP & INDUSTRY REPORTS

Staying informed is key to strategic decision-making. We combine extensive market research, rigorous analysis, and expert perspectives to deliver in-depth, data-driven industry reports that provide the insights necessary to navigate evolving African markets. Through thought leadership reports and whitepapers, we deliver insightful perspectives that centre our clients in meaningful conversations and place you at the forefront of innovation.
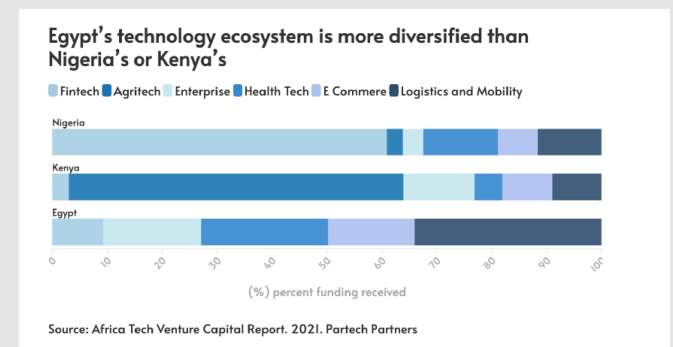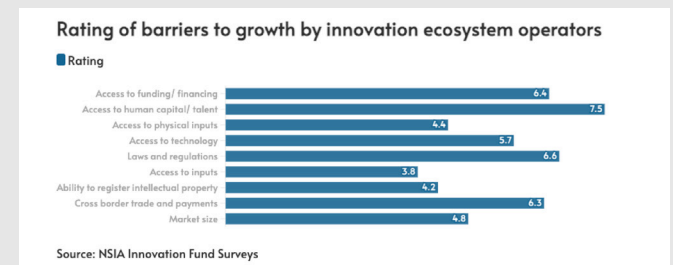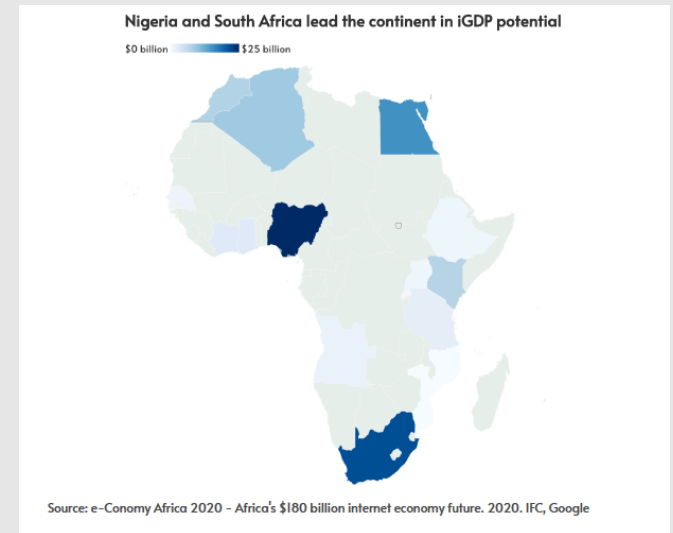
Case Studies

INVESTMENT THESIS AND PORTFOLIO RECOMMENDATIONS FOR NSIA'S INNOVATION FUND

The Nigerian Sovereign Investment Authority sought an investment thesis to guide their new Fund's investment strategy, specifically targeting the digital economy in Africa with a focus on Nigeria. Recognising the unique nature of this area for an institutional investor and the inherent risks associated with venture capital investing, the portfolio construction process relied on rigorous research and data analysis. This approach ensured that asset allocation and selection aligned with the dual objectives of achieving stable financial returns and fostering the long-term growth and sustainability of the ecosystem.

The research methodology encompassed a comprehensive review of publicly available literature, data, and information from various stakeholders, including academic research, media resources, and industry experts. Additionally, primary research was conducted through stakeholder interviews, supplemented by secondary data and analysis. This approach allowed for a deep understanding of candidate profiles and key factors influencing portfolio construction while also considering global trends in fund management and notable drivers of portfolio construction.

Leveraging Stears' specialised framework, the investor gained valuable insights into the fundamental pillars, key players, and activities within the digital economy, strengthening their ability to support growth. The framework also highlighted emerging trends that would drive the growth of both the companies and the ecosystem. This knowledge equipped the investor to make informed investment decisions aligned with their organisational objectives.

Nigeria and South Africa lead the continent in iGDP potential

$0 billion — $25 billion

Source: e-Conomy Africa 2020 - Africa's $180 billion internet economy future. 2020. IFC, Google

Rating of barriers to growth by innovation ecosystem operators

Rating

Access to funding/ financing	6.4
Access to human capital/ talent	7.5
Access to physical inputs	4.4
Access to technology	5.7
Laws and regulations	6.6
Access to inputs	3.8
Ability to register intellectual property	4.2
Cross border trade and payments	6.3
Market size	4.8

Source: NSIA Innovation Fund Surveys

Egypt's technology ecosystem is more diversified than Nigeria's or Kenya's

Fintech Agritech Enterprise Health Tech E Commerce Logistics and Mobility

(%) percent funding received

Source: Africa Tech Venture Capital Report. 2021. Partech Partners

Case Studies

INVESTMENT THESIS AND PORTFOLIO RECOMMENDATIONS FOR NSIA'S INNOVATION FUND (CONT'D)

Stears identified specific opportunities for direct and indirect investment in companies within the digital economy. This information gave the investor a comprehensive view of potential investment avenues, enabling them to capitalise on promising prospects.

Through this collaborative effort, the Nigerian Sovereign Investment Authority and Stears facilitated a thorough research and analysis process, resulting in an investment thesis that supported the Fund's objectives and paved the way for future investment decisions in line with the investor's goals.

Following these recommendations, the $200 million Innovation Fund was established to serve as a catalyst for developing the technology ecosystem in Nigeria, with a seed commitment of $25 million from NSIA. In line with recommendations to invest in shared digital infrastructure, the Authority has made a pioneer investment in the Kasi 20MW hyper-scale data centre.
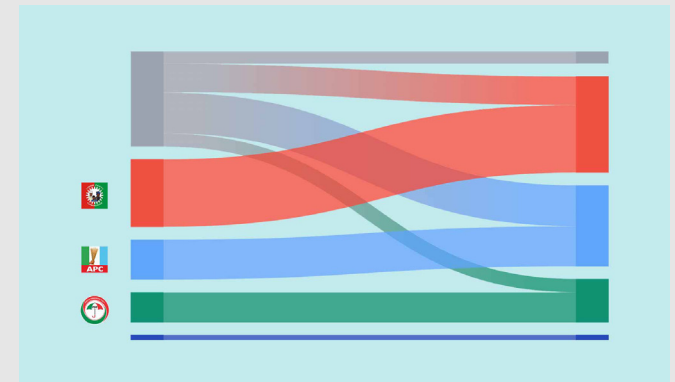
Case Studies

NATIONAL SURVEY AND PREDICTIVE MODELLING

Stears conducted a nationally representative poll covering 6,220 respondents across all states in Nigeria in anticipation of the 2023 Nigerian Elections. The primary objective of the poll was to address pivotal questions, directly catering to decision-makers who lacked the necessary data to adequately plan for the expected outcomes. The poll was conducted in five languages and gathered data on demographics, voting history, top-of-mind issues, religion, ethnicity etc.

Designing polls with consideration for local context is crucial to ensure their accuracy, relevance, and effectiveness. Recognising that elections in Nigeria are won at the state and regional levels, Stears' poll was statistically significant down to the state level. Further, we gathered booster samples from strategically important states to generate insights and make even more accurate predictions. The Stears sample mirrored Nigeria's voter registration database.

Incorporating learnings from global phenomena, such as the Shy Tory factor, Stears developed a groundbreaking electoral prediction model unique to Nigeria, aiming to uncover the influential silent demographic—over 40% of respondents—whose behaviour would be crucial in accurately forecasting the election results. Our proprietary model provided conclusive predictions by estimating the most likely candidate for Nigeria's silent voters. Our analysis of the poll findings generated numerous statistically reliable forecasts at the state level, considering various turnout scenarios. Stears' precise predictions of the highly uncertain elections effectively validated that rigorous data analytics can lead to accurate forecasts, even in the dynamic and ever-changing African markets.
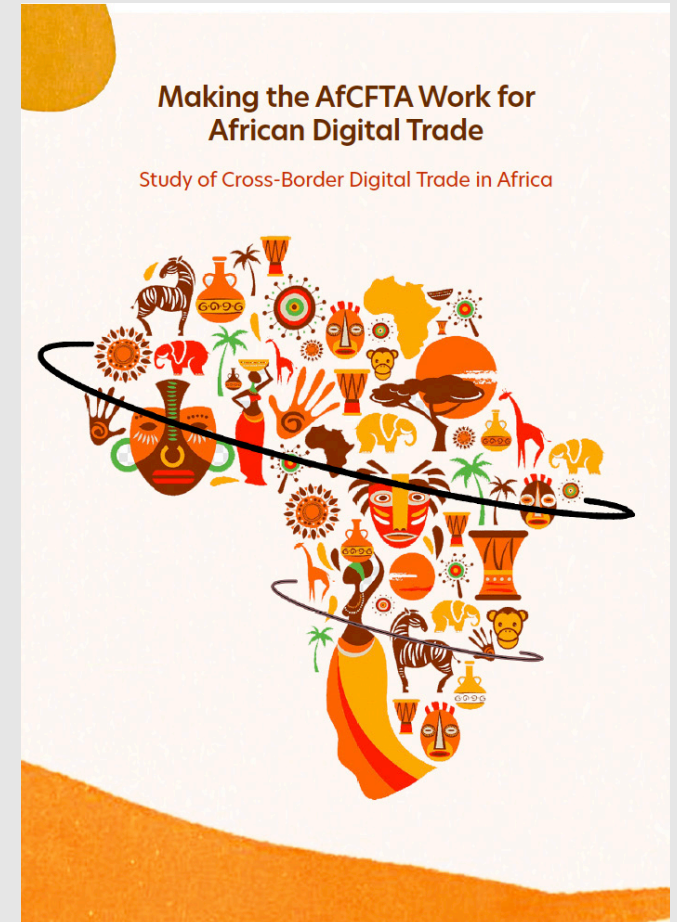
Case Studies

AFRICA-WIDE STUDY OF CROSS-BORDER DIGITAL TRADE

Stears was commissioned by the United Nations Development Programme—in partnership with the United Nations Economic Commission for Africa (UNECA), the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC)—to conduct a continent-wide study of digital trade in Africa. The study's objective was to gather practical perspectives on digital trade from business operators, policy-makers and enablers of trade, to support informed policy-making and implementation related to trade and the digital economy.

Stears surveyed over 1,300 business operators across Africa and analysed their responses to extract important insights on priorities, perspectives and challenges facing parties to digital trade. The team designed and executed quantitative research methodology and conducted in-depth, semi-structured interviews with regulators, policy-makers, business support organisations and African trade enablers. The output of the study was a report which analysed priority challenges hindering digital trade and provided actionable policy recommendations for negotiating and implementing the African Continental Free Trade Agreement (AfCFTA) E-commerce Protocol.

Making the AfCFTA Work for African Digital Trade

Study of Cross-Border Digital Trade in Africa

Case Studies

RISK ASSESSMENT FOR A DIGITAL TRANSFORMATION PROJECT IN CONGO

A global development bank embarking on a multi-million euro project in the Republic of Congo needed to understand the prevailing social and political environment and risks that could impact their investment in the country.

Stears conducted a social impact assessment of the digital transformation project to modernise the country's public administration. The assessment identified political risks as well as economic and social implications on the project's beneficiaries, provided mitigation strategies and highlighted likely residual risks.

Stears carried out an independent evaluation of the project's design and reviewed local laws to build a picture of the regulatory environment in the country. Our team also conducted local, on-ground interviews with government officials, project sponsors, technical experts and potential project beneficiaries. This was critical in developing a highly relevant assessment that framed the project within the Francophone country's critical social, political and economic contexts.

Insights from this assessment enabled the investment bank to set up appropriate processes, offices and regulatory protection to support the administration and use of investment funds.

Case Studies

POLICY ADVOCACY FOR REFORMS IN DIGITAL REGULATIONS

As a part of the Digital Access Programme, the Foreign, Commonwealth and Development Office (FCDO) committed £60 million to accelerate digital innovation and adoption in Kenya, Nigeria, South Africa, Brazil and Indonesia. In Nigeria, an enabling institutional framework is critical to unlocking digital potential, with consideration given to balancing the competing interests of the various stakeholders.

Under DAP, the FCDO funded an in-depth study into the Nigerian digital regulation landscape. Stears was commissioned to assess regulation in the digital ecosystem to address market inefficiencies associated with divergent regulatory frameworks, administrative bureaucracies and transparency in the sector.

Stears executed a rigorous research methodology involving private and public stakeholder engagement and secondary research. This enabled the team to develop a framework to help FCDO build a deep and contextual understanding of the sector and the different players in the space and to guide future advocacy direction for the organisation. The report highlighted the rules and legislation guiding digital activities in Nigeria, existing trends and developments in the space, identified pertinent gaps that must be addressed, and proposed recommendations to guide towards an effective digital regulatory environment.

Our findings formed the basis for ongoing and continuous engagement with relevant government and policy stakeholders to update and improve regulation in the digital technology space.
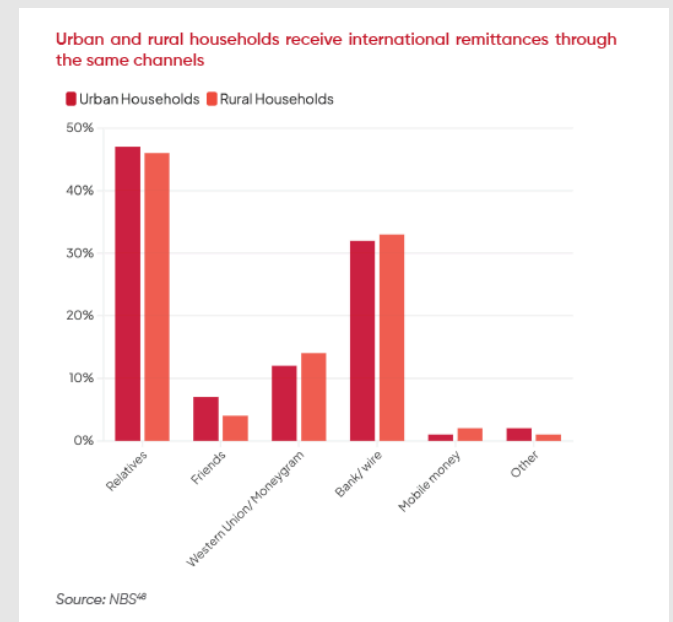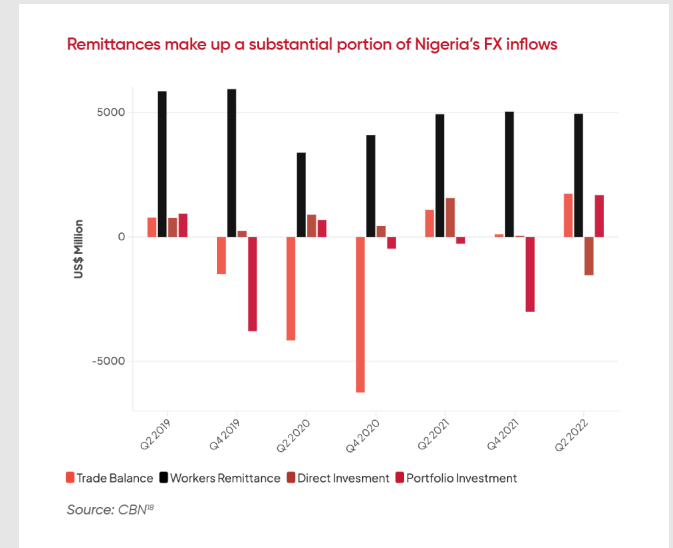

Stears
Foreign, Commonwealth & Development Office

Digital Regulatory Convergence Reforms in Nigeria

Report

Case Studies

ADVOCACY FOR REFORM IN FOREIGN EXCHANGE POLICY

In 2020, the Central Bank of Nigeria (CBN) released guidelines mandating remittances would be paid out in dollars, temporarily ending the regime of naira payouts. The policy was implemented to improve the CBN's visibility of remittance flows and boost FX liquidity in the parallel market. This led to disruptions for certain businesses—Fintechs and Digital International Money Transfer Operators (IMTOs)—who had to make significant shifts in their business models or cease operations altogether.

Committed to easing market access for UK businesses worldwide, the UK Department for Business & Trade (DBT) commissioned Stears to recommend new policies to address these pain points. Stears engaged industry stakeholders, including banks, Bureaux de Change, IMTOs and CBN to collect their perspectives on the issues and develop evidence-backed recommendations, for proposals to relevant regulators.

Remittances make up a substantial portion of Nigeria's FX inflows

Source: CBN[18]

Urban and rural households receive international remittances through the same channels

Source: NBS[48]

Case Studies

WHITE PAPER ON TECHNOLOGY ECOSYSTEM IN NIGERIA

Stears partnered with Endeavor Nigeria, a prominent global accelerator, on a study on the impact of the COVID-19 pandemic on Nigeria's innovation ecosystem (i.e. scaleups and startups).

The white paper provided a policy framework for key private and public sector players to support a fast recovery for innovators during the COVID-19 crisis. It also included a scan of the marketplace for leading models (and instruments) that governments worldwide use to support their innovation sectors through this crisis. It also draws from that to recommend a model for Nigeria.

The Stears team aggregated data from impact surveys conducted by various innovation hubs, leading consultancies and research institutes, engaged extensively with startup founders, investors and accelerators and analysed investment and economic trends from previous recessions.
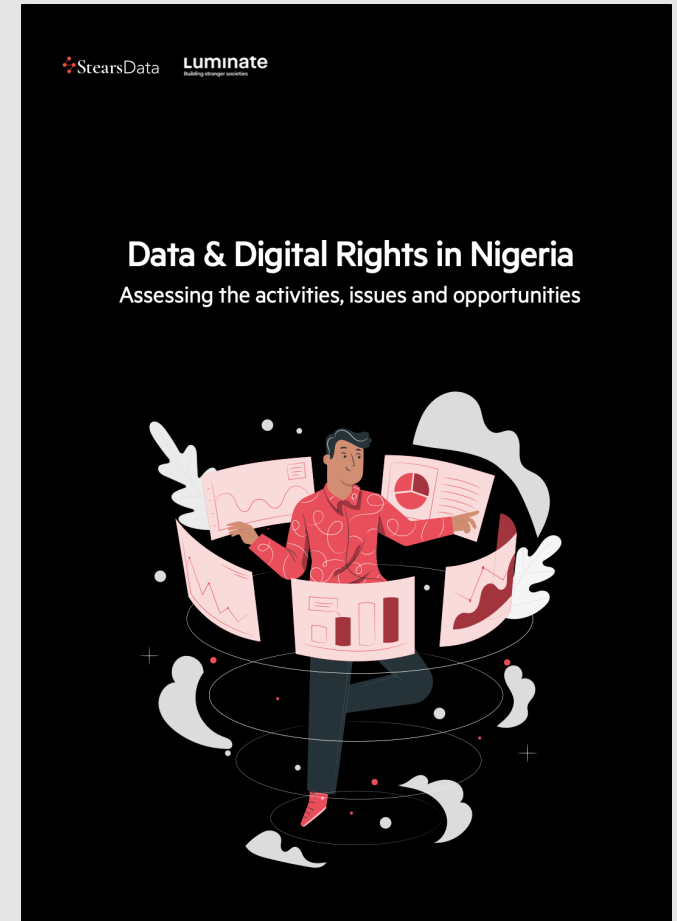

Protecting Nigeria's Entrepreneurial Future

A whitepaper with policy recommendations for Nigeria's innovation ecosystem as startups and scaleups navigate the fallout of the global pandemic

endeavor   StearsData

Case Studies

LANDSCAPE ASSESSMENT OF DATA AND DIGITAL RIGHTS IN NIGERIA

Luminate, a global philanthropic organisation founded by the Omidyar Group, one of the world's largest impact investors, commissioned Stears to conduct a strategic assessment of data and digital rights (DDR) in Nigeria. Findings from the exercise were used to support catalytic innovations within the DDR field through philanthropic and impact investments that aligned with the investor's efforts to improve citizen participation in governance, improve policy-makers' accountability and prevent/reduce actions that impinge on digital rights in Nigeria.

The output of this exercise was a report detailing the influential actors and their activities, identification and analysis of the key issues and gaps, and recommendations for the opportunities for impact that will help develop the data and digital rights landscape.

StearsData   Luminate
Building stronger societies

Data & Digital Rights in Nigeria
Assessing the activities, issues and opportunities

Case Studies

INNOVATIONS IN AGRICULTURE

Sterling Bank commissioned Stears Data to produce a report focused on identifying emerging trends and innovations across Nigeria's agriculture value chain. The report provides a critical perspective of the frontier of agriculture and agri-business in Nigeria and is targeted at investors and operators looking to understand available opportunities for intervention and seeking to transform the sector into a productive, advanced and resilient industry.

Stears Data is committed to helping stakeholders understand the trends, opportunities, and themes shaping the future of traditional industries in Africa. The report provides a critical perspective of the frontier of agriculture and agri-business in Nigeria. Recent innovations in the sector embrace digital transformation and data as integral to improving productivity, and resilience in the sector. The report helps operators, investors and policy makers in Nigeria to understand the emerging opportunities across the value chain and is specifically useful for policy-makers looking to craft policies that prioritise and enable innovation in agriculture.
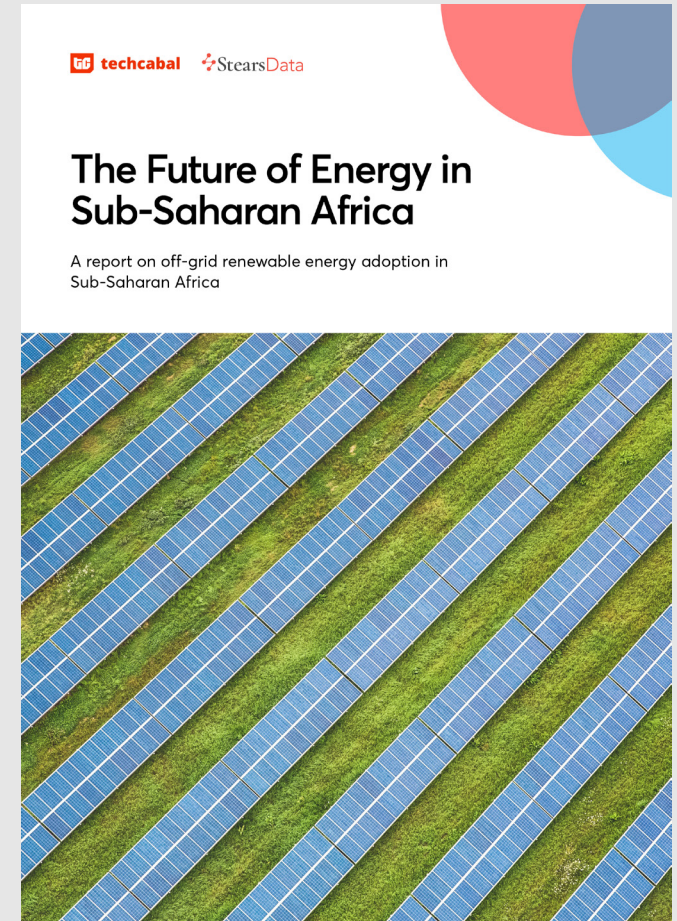
Case Studies

OFF-GRID RENEWABLE ENERGY ADOPTION IN AFRICA

In partnership with Big Cabal Media, Stears Data published an in-depth report analysing the adoption of off-grid renewable energy technologies in Sub-Saharan Africa. The report provides an in-depth analysis of the patterns & drivers of off-grid renewable electrification in Sub-Saharan Africa. It helps investors, operators, and policy-makers to better understand the conditions that precede and promote the rapid adoption of off-grid renewables and where they can be found on the continent. The report also uses maps to visualise the markets for electricity, solar PV technology, and green mini-grids in the region.

Stears Data conducted an in-depth assessment of critical technologies and emerging economies in the four regions of Sub-Saharan Africa (East Africa, West Africa, South Africa, central Africa), through detailed primary data collection and extensive stakeholder engagement with experts and operators across the continent. The report drew on expert insight and data from South Africa, Nigeria, Côte d'Ivoire, Mali, Kenya, Malawi, Burkina Faso, and more.

techcabal · StearsData

The Future of Energy in Sub-Saharan Africa

A report on off-grid renewable energy adoption in Sub-Saharan Africa

Team

Abdul Z. Abdulrahim
Chief Operating Officer, Stears
abdul@stears.co

Michael Famoroti
Head of Intelligence, Stears
michael@stears.co

Ugonna Iheme
Director, Stears Advisory
ugonna.iheme@stears.co