



Creating Emerging Markets – Oral History Collection

Mo Ibrahim, Founder and Chairman, Mo Ibrahim Foundation

Interviewed by Tarun Khanna, Jorge Paulo Lemann Professor,

Harvard Business School

September 15, 2017 in London, United Kingdom

Video interview conducted in English

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TK: *This is Tarun Khanna with the Harvard Business School Creating Emerging Markets project, and we'll begin right away. Mo Ibrahim, thank you for agreeing to talk to me.*

MI: You're welcome.

TK: *You're an iconic figure in Africa, whether you like it or not—*

MI: That's kind of you.

TK: *—particularly as regards entrepreneurship and allowing youth to express their creativity, as exemplified by your own career. In this conversation, I'd like to speak with you about different facets of that part of your professional life.*

There are two phases, at least, to an outsider—the phase when you built Celtel initially, and any reflections about it subsequently, and the work of the Ibrahim Foundation.

Let's start at the beginning. I'd like you to reflect a little bit on how you came to start Celtel, and if you will, in a fairly open-ended fashion, some of the lessons that you learned along the way, and I'll ask a few questions as we go along.

MI: Yes, that's interesting. I've been in mobile communications all my life as an academic. I was a senior research fellow with University of Birmingham. My work there was in the area of the prediction of radio coverage in urban areas and rural areas, and that was pre-cellular. Preparation for the work started with really introducing this cellular technology, and we were part of that. British Telecom received one of two licenses, and they invited me to join as Technical Director, to design the first mobile network here in the UK.

So I left my academic career, and I went into the engine room. As an engineer, we always love to play with the large train set, it's more fun. So I spent some time there. We introduced the first network here, we designed that, and we then worked on the development of the GSM to be adopted by Europe, a common standard which was essential for the growth of the industry to bring the prices down and to enable roaming between countries. Because prior to that, there was various silos of different, small analogue systems.

TK: *Every country had its own.*

MI: Yes, you couldn't roam, you couldn't roam even within in one country. For example, in the US, for many years, you could not roam between different parts of the country.

TK: *So what time period was this, roughly?*

MI: That was in the '80s, the mid '80s, when we started that. It was wonderful, those years. I spent about six years with BT, really cutting my teeth on how this system really worked, and how to enhance performance. I found it difficult to work for a big company like BT, which actually was not focused on mobile. BT, at that time, was the largest company in the UK—240,000 employees, profit of £3 million every day.

The management of BT failed to see the importance of mobile. I recall the Chief Executive and the Chairman of BT, did not come to visit Cellnet cellular operation until six years after our launch—one week before I left, actually. By that time, I decided I had had enough, I need to go and do my own thing. So it was a drastic lesson of how major corporations fail to see the future. That operation was really very low down the chain of command, a very low priority. Nobody was focused on it. I always said, actually, the rise of Vodafone in UK was a gift of BT, actually—its inaction—more than anything else.

TK: *As you reflect on that period that you were with BT—was it arrogance? Lack of knowledge? Lack of resource allocation?*

MI: A little of both. BT had a 100-year history of being the established top dog in the country. It was the Ma Bell of United States and the largest company—huge revenue, no competition. It was also just privatized around that time. It was a bit of arrogance, lack of imagination, and overconfidence, really. It was a pity.

Anyway, so I left, but what you do when you leave a position like that? You say, “Okay, I’m going to be a consultant,” because I didn’t want to work for anybody. I started a company called MSI, Mobile System International, which was a consultancy and also a software company. We developed our own tools to plan networks, to automate some part of that operation. This became very profitable, and our tools became industry standard. We had over 110 operators worldwide licensing our planning tools.

TK: *In the UK, or worldwide?*

MI: Yes, worldwide. We had almost everybody.

TK: *So you managed to make a lot of connections with operators.*

MI: Exactly. And then, as consultants, we were very involved. We had a turn-key design contract for probably half of Europe, GSM networks. We did

Germany, we did Sweden, we did Norway, Denmark, and France. We did Moscow, we did Singapore, we did Shanghai. We become the largest independent technology consultants in Europe. Through that process, of course, I came to know all the players—there were not many telephone companies around the world, at that time, anyway. There were really quite few—it was a very small network there—but we worked directly with the chief executives of all the telephone companies worldwide, and we helped companies, because of all the alliances that emerged. So, BellSouth would partner with Vodafone to bid in Germany, and they would ask us to plan the network. So we come to know everybody.

What happened then was that the struggle to acquire certain licenses became feverish, and prices start to go up drastically. We worked everywhere, Malaysia, Singapore, Australia, the United States, Brazil and all over Europe—designing networks for everybody.

We asked why nobody was willing to do work in Africa. Nobody's willing to go and do anything in Africa. I remember a conversation I had with the national director of one of the active Bell operators in US, who was quite active in the acquisitions outside United States. We were partners in preparing the bids and designing the networks. I said, "Our friends in Uganda, I know some people there. They called me and said, 'We really need to have a mobile network, we'd love to have one.' And it's free for you to help achieve this. You're paying top dollar to acquire licenses elsewhere, why don't you come to Africa and do it?" His answer was rather shocking to me, actually, but it was quite educating. He turned to me and said, "Mo, I

have no prejudice, I love Africa, but how can you ask me to go and build a network in a country run by Idi Amin? This guy's a dictator, a joke." I said, "Idi Amin left the country 15 years ago." He said, "Really?" And he laughed, and he said, "You know what? I am the most liberal board member in my company, and the most internationally traveled. I was a hippie when I was a young guy. If I think Idi Amin is still running Uganda, what do you think my fellow board members would think about all Ugandans?"

TK: *Well, I think most people wouldn't know who Idi Amin was.*

MI: He said, what he said was, "My fellow board members will think Ugandans still live up in trees." It was really a very interesting moment for me, I remember it vividly. It became clear to me that nobody was going to go and do anything in Africa. At that time, also, our company matured in terms of what we were doing. It was an exciting time for me. We had a good offer to buy the company, and we decided to sell. Around that period we said, "Well, let's go into Africa. Nobody else is going to do it."

TK: *How long had you run the consulting firm?*

MI: We started in '89, and we started Celtel in '98. We sold the first company a year later. We got a very good price for it, and for the first time in my life, I became almost rich. Everybody said, "Okay, Mo. Now you

should go to Barbados and just enjoy life.” I said, “No, no, no, I’m going to go to Africa.” They said, “You’re crazy.”

I think that the perception is that foreign companies go into Africa mainly for extraction. You go and you pick up some copper, or some iron, or some diamonds, and you go home. Here was an industry where we were not going to take anything out of Africa—we were going to put very expensive infrastructure there. If anything happened to it, you would lose everything, and that’s why people were afraid. Being an African, I’m more familiar with Africa. Africa’s not perfect, but it’s also a really normal place. There’s clearly a huge gap between perception and reality. Whenever there is a big gap between perception and reality, I think you have a great business opportunity. I think that was the situation, really, at that period of time. It was a mixture of business judgment and passion. I felt I needed to do something, also, for my people—I felt I had a debt I needed to pay back, because I left the continent very young.

So I decided to go and do that. It was a very interesting experience because building a mobile network in Africa was really tough. By that time, we had built so many mobile networks almost everywhere. Typically, all you needed to do was to overlay the mobility part of the network over the fixed network, because the incumbent—the telephone company operator—would have already brought all the wires, the microwaves, the cables—it would usually be theirs. Typically, you would just put some switches and some radio stations, and you would connect using the infrastructure of the incumbent, the telephone company operating.

In Africa, there was nothing like that. There was no infrastructure. Telephone companies in Africa have had a difficult time. They existed for so many years, but they could not really invest for the simple reason that their main customers were the government departments, and those guys never paid their bills.

TK: *These were all state-owned companies, right, for the most part?*

MI: Everywhere. Look, not only over there, but around the world—it was state-owned companies, it was government departments. I did my training with the GPO [General Post Office], which was the precursor of British Telecom—which was a government department, the General Post Office. Actually, they were called just, Post Office.

TK: *That's right, yeah, post and telegraph.*

MI: There was a telecom department that reported to the minister of transport, telecom, postal, and roads, and whatever. So it was a small department. The director of that department did not dare cut off the minister of defense or the foreign ministry. You would not just cut off your customers if they don't pay. So this telecom company was really bankrupt. They appear to have great leverages, but they all have bad debts—bad debts that could not be settled, actually. So there was no money to invest. If you made a profit, you had to hand your profit over to the treasury. And then, the finance

minister would decide whether to give you some money or not. So there was no investment, really. The total number of fixed lines in a continent of one billion people was no more than three million. Most of them were in South Africa, Egypt, Morocco. Sub-Saharan Africa? Nothing. The DRC, with 60 million people, had 3,000 lines—most of them not working, actually. So that was the situation. The continent was hungry for connection.

When you look at the equity in a mobile call, you always look at the value of a mobile call—a mobile phone. If I'm here in London right now, what is value of a mobile call? I have so many alternatives if I wanted to communicate. Let's not even talk about the Internet, because at that time we did not have Internet. But we had fixed lines. We had quite a high penetration of fixed lines, so that was one option. We have the tube, we have the underground, we have taxis we can take. We have a postal service that guarantees you delivery in 24 hours. We have all these sort of things. You don't have that in Africa. You don't have that. If you want to call or communicate with somebody who is just 20 miles away from you, that can take a whole day—a physical trip. So the equity in a phone call in a place so wide—Africa's a huge space—is really immense.

So that was the situation when we went to Africa. There were also fears around issues of corruption and rule of law. I never believed that Africa was that corrupt, frankly. It was like a caricature kind of picture, which we brandish about. I also believed—and found it to be true, actually—that business was really the instigator of corruption. Because if you think about it, no politician can bribe himself. You need to have a partner.

TK: *You need two people, yes.*

MI: It needs a partner. Who is the partner? We never talk about this partner, you know why? Because he's one of us. We don't talk about that, but that issue is very important. So we decided to go and build a company to a very high standard.

TK: *Can I pause you for a second?*

MI: Please.

TK: *To what extent was this an economic decision versus really an emotional decision, that you had accomplished something with the consulting firm, had some access to resources and had some technology and some skill sets?*

MI: Yeah, I think 70 percent of it was an economic decision, and maybe 30 percent of it was passion.

TK: *An emotional decision?*

MI: Not really, because if we found a project not feasible, we didn't do it. We'll turn down the project rather than build a bankrupt business.

TK: *When you talk about the equity value of a call, it's probably determined by two things: one is, what's the value to the person initiating the call and receiving it—which is very high because they have no alternatives—and the second is, how much can they pay for it? The paying capacity is low on average, so is that just a scale that—*

MI: That was, of course, one of the issues we were looking into. To our surprise, we discovered that the equity of the call was so overwhelming that people had to make a decision, at the end of the day—shall I buy a beer, or shall I buy a scratch card?

TK: *Yeah, a minute of calls.*

MI: Yes. What shall I buy? We ended up winning most of these deliberations, but our friends in the beverages industry would say, “You guys are hurting us.” So that was a challenge. Then, from the outset, I thought the main challenge would be putting in place the infrastructure, because we had to put in the infrastructure. That's why the job was harder—I had lay cable, I had to use microwave, I had to produce the backbone of connectivity in order to do it. But added to that were some other problems—take power, for example. We take power for granted, because in our experience, power comes from a small socket somewhere in the room, and we just plug into it. It's everywhere. Power is around us. Unfortunately, in Africa, we don't have that.

Power is not there for most of the geographical areas we work in, and when it is there, it is not reliable. So this means you have to use generators everywhere, and, of course, back-up batteries. Now, if you provide the country's coverage, this means you have to have an army of people who are visiting all these remote locations every day to bring the diesel for the generators and to check the batteries. Doing this is a massive operation, but you have to do it. It is something we didn't have to do in Europe. So that was a real challenge, especially because of the difficulties with roads. When you have to go to a mountain, sometimes you have to use helicopters to lift the equipment, or you have to use the mules to carry things. So it was hard work to put the infrastructure in place and keep it operational.

The main challenge, and it was a most difficult one, was the financing. Banks at that time did not want to do anything in Africa, all these great banks. It was such an unbelievable situation. I don't know of any other telephone company in the world that had to be funded completely by equity. Typically, with most of these companies, you have 50 percent debt of your capital. We had to fund by raising capital. In seven years (the lifespan of the company) we had nine rounds of financing.

TK: *All equity.*

MI: Yes. Because we had to fund it by equity. There was no other way, no debt. Banks didn't want to touch us.

TK: *And even the governments wouldn't step in over time, as the networks became viable?*

MI: No. The government was looking for more revenue, so actually they tapped us for more taxes. We were happy to pay taxes. Actually, we loved being the largest taxpayer in about ten countries. If I'm paying tax, it means I'm making a profit. So I'm happy, there's no issue there. But whenever there's a problem, they come and say, oh, let us invent a new tax. In one country they use something—they call it an air tax. It's using the air. I said, "I use air, you use air, you breathe, as well. Why are you charging me for the air?" But we understood. The business was so profitable anyway, though; it was not a major issue for us.

TK: *Can you talk a little bit about the investors who came into these multiple rounds? Initially it must have been you, yourself, and your friends?*

MI: We funded the business, largely, myself and my colleagues. A number of my colleagues also made good money because of one thing I always done—all of my employees were shareholders in the company. I insisted every employee should be a shareholder in the company. I'm not talking about the management, I'm talking everybody. So when we sold the first company it was good, we got \$900 million for it. So a lot of our colleagues became millionaires. Many of them wanted to continue to do the business, but I put everything I had in Celtel, the second operation. We were

the largest shareholders. The first people who came in were the international development agencies, finance people like the IFC and CDC Group, which is a development finance group owned by the government of the UK. They saw immediately the value of what we were doing, and they were the first people to come with us. Later on, the Germans came on, and OPEC from US came in. So they were first wave of partners, and each round of finance we would also follow—we would also fund. We always used an anchor, an external, to set the price.

TK: *But there were no domestic sources of equity money, either.*

MI: No way. No, we could not raise anything.

TK: *Not even from South Africa?*

MI: We did not operate in South Africa. We operated in about 14 or 15 countries, but not in South Africa.

But the point I want to make, which is very interesting, actually, is that the issue of corruption was immediately raised. In our first board meeting, we said, “Okay, how are we going to deal with that?” From the start, I had a very strong board. I always believe that as a chief executive, I have to have a very strong board, which I can recruit to work for the company for free, as well. Because in my case, at least, in what I’m trying to do, I think that was important for the credibility of the company. So I had the first Chief

Executive of Vodafone, Sir Gerry Whent, who just retired, Sir Alan Rudge, former Deputy Chief Executive of BT, Lord Jim Prior, Dr Salim Salim—who was head of the African Union. I had a lot of very senior people, and we said, “We’re going to institute a very high standard of governance, better than any listed company even in Europe. Can we do that? An African company—let us have a challenge here.”

It was very interesting, how we operated the company. So for example, when it came to the issue of corruption, we said, “We’re sitting in our comfy rooms here, and we can talk about corruption and make wonderful statements—because somebody proposed we use a slogan called ‘Not a Single Dollar’—but people use slogans all of the time, how we walk the talk? How do we execute?” We came with an answer. We said, “Okay, we know that, if somebody comes under pressure, it will not be me, it will not be board members, it will be the manager on the ground, the chief executive of the company in the country where we operate, this is the guy who is vulnerable.” So the minister of interior might visit you at night and say, “Look, we’re preparing for elections, and we know you love the president, and we need something.” What are you going to say? What are you going to do? We said, “These guys need support.” So we agreed in our regulations that any chief executive of any of our companies could not sign a check for more than \$30,000, we chose that number carefully. We’d just help to enable the small operation to keep ticking, and the board would be ready to really deal with any emergency, and would be able to authorize funds so that we wouldn’t hamper operations.

The board was amazing. For seven years of operation, I never had a problem. If there were any measures that required extra funds—some unforeseen condition where we needed to acquire some hardware or software to enhance our operation—I was able, in 24 hours, to communicate with the board and get the board’s approval. This system protected our people in the field. So we said, “Look, we don’t want heroics. If anybody comes to you asking for anything, say, ‘Fine, what you want? I will write to my board.’” On my board, I didn’t only have those great people, I also insisted on the IFC, CDC, OPEC, DEG of Germany, FMO of The Netherlands—they all came on board. I said, “I want a senior director from each of you guys to come and sit on the board.” And the people, you know, said, “Look, but I only have two percent. Why are you offering this position?” I said, “That’s my gift to you—you come to the board.” So I had all those people on the board, people from the governments of developed countries. Nobody can look at these names and those people and say, “Ah, you write to them, ask for a bribe.” So we never had a problem. In our experience, we found it was not an issue.

TK: *Were you able to set an example through this to other entrepreneurs working in Africa? Did other people emulate?*

MI: I believe so, because it’s something we also talk about a lot. Once I left that business and established my foundation, this was something that I talked about in Africa, and actually in Europe, as well, because we need our partners. We cannot do the job in Africa without their help. We need good

governance, not only at the state house, but also in the boardroom. That's something I hope your school really insists upon and tries to instill in your students. We have to have good governance, otherwise you are polluting the whole ecosystem.

Also, I found that if you develop a reputation that you don't pay, people will leave you alone. If you start to pay, you have a myriad of problems, because various people are going to come to you. And if the government changes, the new guys come to you, and if you stop paying, you become the enemy, because you gave to other people, but you don't give to me—that's a big problem. And then, this extends into other countries—your reputation goes ahead of you. All of this hits your bottom line. It just really doesn't work.

TK: *So as you said at the beginning of this conversation, one of the other perceptions of Africa had to do with rule of law, not just small corruption, but expropriating assets. When you put in so much fixed investment, people would worry about it. Did you have any experience of that sort of expropriation of assets?*

MI: We had issues. We had to fight some battles. I went to court in three countries where the government had committed a breach in our contract. We have clear contracts, and so if something goes wrong—if somebody gives a bribe to somebody or somebody later oversteps their duties, or if they try to force us to do this or do that—we will not tolerate it. So I went to court three

times in three African countries—in local courts, against the government—and I won every case. I tell my friends—business people, who complain about Africa and rule of law—that I fought these cases here [in Africa], and that I won against the governments in the local courts. Can you go to court in China, or even in India, against the government and hope to win as a foreign company?

TK: *In India you can, yeah.*

MI: Look, the Vodafone problems recently have been—

TK: *—Yeah, but anyway, that's a separate issue. But what are the three countries?*

MI: Zambia, Malawi and Chad. It doesn't matter which, but these were three sub-Saharan countries, and I went to court. In one country, we just walked away. We just walked away. What happened was, we won the license, we paid the license fees, and we went, but the environment was so bad, we said, "This is heartache, it's not worth it." And we walked away. We said, "Here is the license back to you, is a gift. We're not even asking for our money back, enjoy it."

We ought to be ready to make such decisions. If it doesn't work, it doesn't work, fine. We'll swallow that.

TK: *Let me shift gears a little bit away from corruption. In the past when we've spoken, you emphasize a lot the issue of skills and talent and so on. How did you manage the recruiting of talent to build this pan-African company? What are some of the attempts that you had to come up with?*

MI: That was very important, because management is crucial in all of what we do. We had some advantages, really. First, within the telecom industry—because we work in all these worldwide operations—people know us. When I say people, I mean worldwide, people in the industry. We had the reputation for technical excellence because we're doing all this wonderful stuff. But also, people noticed that we were the only company that embraced all of our shareholders. So it's an attractive company for people to work for.

We tried to recruit as many Africans as possible, because we wanted people who understand the environment. For a manager really to be successful, they need to hit the ground running. We discovered that a lot of capable Africans are working out there in the diaspora, as you call it. People working for Ericsson, for Siemens, for Nokia, for Motorola, people working for operators, etc.—many of them highly qualified Africans. They dreamed of going back to work in Africa. The problem was that there were no appropriate jobs for them to go back to that offered good salaries and good standards of living. So, here was an opportunity, now—we were an African company, but we operated as European company. Our salaries were competitive, and we had these share options and offered people to go back to

work in their countries. So we really had an easy time finding good management.

TK: *So the options—it was not a listed company?*

MI: No.

TK: *So what were the options on, the incentives?*

MI: It was a private company. Every year we offer some of our shares.

TK: *Shares of the company—*

MI: —shares of the company, and we tried to price it attractively. The general saying in the boardroom was, “Look, as shareholders, we never lose money by giving shares to our employees. We never lose money.” And it’s true.

It creates a complete different type of company, different type of atmosphere. Everybody’s responsible. That was really wonderful. We also tried to produce fast tracks for the locally employed people. The challenge for each chief executive and the management team was to try to identify who are the kids really with... with that, you know—

TK: *Special.*

MI: —special thing with bright eyes, and found them. We—sorry to Harvard—went to London the business school here and asked—

TK: *Good school. That's a wonderful school.*

MI: We asked them to design a program for our management, and this is middle management, which we are thinking of moving forward. We had an intensive, continuous program here. We were putting our people through that program. The fact that we were operating in fourteen Africa countries, offered, also, the option of moving people up from one country to another country—from a position in a bigger operation to a more senior position in a smaller operation. They get the teeth cut there, and then we move them to a bigger one. So that was the dynamic within the company. But we think this is a very essential factor in our success—creating a cadre of management which is effective and capable. I think that was a very important focus for us.

TK: *So you managed to avoid the corruption problem, and you managed to circumvent the talent issue in some sense—*

MI: The talent issue, yes.

TK: *—which are the two big constraints.*

MI: Right.

TK: *So you ended up selling the company to Zain. Did you not imagine something different? Did you not imagine listing it, building a pan-African company with African ownership? I wonder how you thought through that.*

MI: I'll tell you the story. The company, at that stage of development, I think our revenue was about \$1 billion. We were making a profit of around \$300 million a year—profit—after tax. So we were in a really good position. The problem for us was we, at that stage, were growing around 50, 60 percent per year. This requires a huge investment, and this job of financing is really tough—very distracting for the management. My CFO had no other job other than raise money. He had no time to do any other thing. Really. So we started to talk about our next phase. At that time, we had 14 operations. All of these operations, of course, were independent companies that we owned—if not 100 percent, at least 80, 90 percent of the operations. We had the diversity—the diverse operations—so it was very secure. I just couldn't understand how the banks were looking at it. It wasn't like there was civil disorder in this country, and then, if something were to go wrong here, I had fourteen operations...

TK: *It was a safe bet.*

MI: A very safe bet. Operations were all profitable. Our only problem was cash flow, because we were growing, growing so fast. I thought growth was a wonderful thing, and I needed really to keep building. But banks would not

deal with us. The same banks, which were piling on real estate in the US and doing all kind of stupid stuff elsewhere, they would not invest in an African company with such amazing financials. We just couldn't understand. Then we decided to list the company. We said, "By listing the company in UK, we can move quickly to join the Fortune 100, where we can easily access funds."

TK: *There was no real option for an African listing in Jo'burg or something?*

MI: We thought London would be—

TK: *Better.*

MI: —Yes, a good, a better listing. I also wanted to bring the story of investing in sub-Saharan Africa to the outside world. To say, "Look, guys, Africa is not a basket case. Here is a company we started six, seven years ago, and we're listing it now, as one of the Fortune 100 companies." That would have been a great story for sub-Saharan Africa. So we started the process. The board-appointed deputy chair at that time was Lord Simon Cairns, who was head of CDC before he joined our board to manage this process. We hired Goldman Sachs and Citibank to help handle it. Banks were not familiar with Africa, so it was difficult. Those guys came in and said, "Oh, how interesting. We'll see, you know, what the company's worth, how it work, etc." And then, in the first meeting they said, "We think we can float

it with a \$24 per share”—around that number was what they said. But they needed to go look at the company to see what was going on, so we said, “Fine, you can go around.” Then they started their due diligence and when they came back from their first trip, they raised the target price to \$30 per share. Another trip, the share price went up to \$34 and finally \$45. Meanwhile as we were going through this process, we started to receive unsolicited offers. We received six unsolicited offers and the Board formed another committee to manage that process and the final price came out at \$56.

TK: *Much higher than the listing price—the proposed listing price.*

MI: Yes, the suggested listing price, right. Now here is the problem. Besides the DFIs, at that time we had three or four private investors come in. Suddenly, those guys found that they’re making a hell of a lot of money. Our share price was \$2 when we started seven years earlier. It kept moving up. After six years, the last round of finance, the share price was \$15. Now, six months later, somebody’s offering us \$56 for that share.

So suddenly we had this pressure from the shareholders who said, “Wow, somebody paid \$15, and six months later is getting four times their money.” So the discussion around whether to sell or list became a little bit complicated. My personal preference really was to list. But as always, I referred to the board—I was the largest shareholder in the company by far, but I never exercised a veto in the company. I had only one seat on the board,

although legally I should have seven seats or so. I had only one seat, and we had thirteen board directors, because I really needed the advice and support of the board. Some people might say, “I can run the company myself. Why you need a board then?” But I don’t agree with this, so I tried to empower the board, to help them feel their responsibility. I got decent people anyway, so what’s the problem?

So I said, “I’m going to abstain through the whole discussion. I’m grateful for the people who funded the company and who guided the company. Well, the company’s fine, you guys do what you like.” Clearly people preferred to take the offer. Although I offered that, if we list, I’m not going to sell any shares. So all my allocations of the secondaries, I’m passing to my shareholders, just to help. But that still would not have not have been enough. So that’s how the decision was taken to sell the company.

TK: *As you look back, a lot of time has passed. They’ve been through Zain, so now, Sunil Mittal’s company bought it.*

MI: Bharti bought—

TK: *—Bharti bought it from Zain. What is your reflection on how mobile telephony has shaped up? And then, I want to shift to the foundation.*

MI: Of course, I always feel that we sold a bit too early. The same company was sold three or four years later for nine billion. Anyway, so what?

C'est la vie. It's a good story. Our people also did very well, which was great. We created over 150 millionaires in the company, which was nice. For me it is a slightly different picture now. Mobile phones became very popular, and investment in companies in Africa started to flow, because before, everybody thought they had lied about the amount of money you made there. So banks are all over themselves, now, to fund things like this.

TK: *So you accomplished—*

MI: Something there, yes. Imagine how much would have been achieved for shareholders if we had financed our operation by 40, 50 percent. Imagine how it would have doubled people's returns. But anyway, it doesn't matter. It was good job, it's done, it was wonderful. But then, the industry changed. Mobile phones became a utility, just like a water company or a power company. So, it lost a lot of the early excitement. But life is short, and I also wanted to do something else, that made the separation much easier.

TK: *Let's talk about the Foundation phase and so on. Do you have any thoughts on the transition, from being a cell phone entrepreneur to being a different kind of entrepreneur, setting up the Foundation?*

MI: No, not really. I was still working in the same space, except that I no longer had a commercial interest. That makes you even more free. When you have a license from a country, it's very difficult to stand up and criticize the

president or say the president is a thief, because if you do that, you cannot operate in that country. You have a license, and it would be irresponsible for your employees and your shareholders to do that sort of thing.

With the Foundation, there's more freedom, and I enjoy that freedom. I'm not beholden to anybody, and we can say it as it is. So I'm really enjoying this second phase of my life.

By the way, we have also created an investment fund—an operation in Africa— Satya Capital. We're also teaming with other people who had an impact fund—

TK: *You're still involved in funding entrepreneurs—*

MI: Yes, we have our own internal fund Satya Capital, our own money. TPG-Satya, a joint platform which is focused also on Africa and recently started an impact fund (the Rise Fund), which was initiated by TPG and includes a number of wonderful people such as Reid Hoffman, Jeff Skoll, Bono, Richard Branson etc on as the oversight Board and investors.

TK: *Social impact, yeah.*

MI: Yes, a \$2 billion fund—an impact fund—where we're targeting profits, because I don't believe in just charitable funds. But it also measures social outcomes and environmental outcomes. So we have some business activity, but most of my time is spent on the Foundation.

TK: *So, if I understand correctly, within the foundation, one of the early activities was the index—the governance index. Can you speak about some of the issues that you faced with getting that adopted in the early days, and how it's become part of the fabric, if you will, of governance?*

MI: We really wanted to talk about governance and to simplify the discussion about governance. How do we talk about governance? We don't want to talk poetry or to talk theoretically—we can quantify it. That was the whole idea behind the index. We said, “Okay, governance—what's good governance? It's about the rule of law, it's about paying attention to the education and health services you're providing. It's about the rights of women, civil society, management of public finance... about infrastructure, clean water, electricity, and all that. It's a basket of public goods that each government needs to deliver to its people.” We thought all that could be measured.

So why do we have to measure all this in all 54 countries and publish it every year? Because then there's a clear picture of what's happening, really, on the ground. People can talk about governance in an objective and measured way. It's not about good speeches. It's not about charming the people. It's about what you deliver. I think that's how people should be evaluated. To be honest, not only in Africa—

TK: *Everywhere, yeah.*

MI: —everywhere. So that was the idea behind the Index.

TK: *You must have faced some opposition to it.*

MI: Early on, some leaders would call and say, “Mo, why is my country down there? I thought you were a friend of ours?” I would reply, “Of course I’m a friend of yours, that’s why I’m doing it—because I want you guys to improve.” But yeah, let’s go through the numbers, because every digit we have in that index is referenced. Every single number is really referenced.

TK: *Documented, yeah.*

MI: Yes. We have 35 international organizations worldwide that work with us, all respectable people. Some huge—like the World Bank, the IMF, and some foundations or statistical offices. And we reference every number we put out.

We were getting these calls and these irate messages. At least in one or two cases, there was a fallout with some leaders who were really upset. But with time, people appreciated that I don’t make the index. Like everybody else, I receive the results. It is the researchers who do this work. It is a collation of numbers—people just adding statistics, that’s it. Everybody now understands that, so I don’t receive any more irate calls.

TK: *Do you get the sense that it has influenced outcomes?*

MI: I think so.

TK: *In what way?*

MI: Because what is happening now, is almost all international development agencies—the ministers of international development in Europe, MCC (the Millennium Challenge Corporation) and USAID, all use the index. And this is public information. So when any of these organizations sit with the government to discuss what they need, or how they can help, they bring the index and they put it on the table, and that's how they start. So the governments find that they also need to also be ready, that they need to study the index, as well. So it became an agreed medium between different parties to really sit down and have a conversation—

And that's what we'd love, to have a conversation based on data, not based on slogans or anything else. Civil society uses it, we give it to parliamentarians, who give it to academics... because the value of this data is huge. It is evolved data, collected over a period of over 15 years now, because we started in 2000. You can see the dynamics of development, what is happening over 15 years in each area in the country. You can see the process of development itself—does the rule of law come first, and that helps investment, and then that helps infrastructure? Or, is it the economy that drives development—the economy grows and then businesses have to put pressure on the government to get its act together to improve this and

improve that. It's a subject for academics—it's a wonderful amount of data for people to look at and see what is happening.

A lot of different people—business people, my friends, for example—say, “Mo, thank you. This is the wonderful thing I'm getting for free. I always pay for consultancy, but you guys give me this for free.” We say, “Oh, wonderful, be our guest.” Because they say, “Look, before I go to the country, I check your index. If there's no rule of law, or this problem or that problem, then I don't go.”

TK: *So it influences capital flows and talent coming in and out.*

MI: It affects—yes, it affects many things. It's not decisive—it's not a bible.

TK: *But it's one important—*

MI: It is really a guide—for different people, for different purposes.

TK: *And now, around the index, you have many other—you mentioned the fund already, but you have many other initiatives, right?*

MI: Well, the prize for the leadership.

TK: *The prize, yes.*

MI: We have also a number of scholarships, a number of fellowships. A few things, yes.

TK: *The prize, of course, attracts a lot of attention, particularly when you don't award it. Can you say what you feel about that?*

MI: We offer this prize for leadership. We say, if an African president comes to office in a democratic manner, moves the country forwards (and we have the data to show this—reduced poverty, improved health, improved education), and then leaves on time, in a peaceful process of transfer of power, we say this is wonderful. We say, “We love you, you are a hero.” We live to bring these guys out of the shadows for people to know. Because the problem is we have a lot of a number of very good leaders, nobody knows about—even Africans don't know about good African leaders. Everybody knows about the bad leaders.

I told you about my friend talking about Idi Amin. In his Idi Amin is still sitting there. I hope he has changed his mind now. Everybody knows Mobutu, but nobody knows Festus Mogae, nor do they know Pohamba. Nobody knows Chissano. These names, nobody knows them. I say, look, this is—we need our kids—

TK: *We need our heroes.*

MI: We need our heroes. What is more, if you take people out of poverty, it's a wonderful thing. If you save the lives of so many thousand infants, if you help educate kids, if you can add jobs—this is wonderful. So we need to celebrate these people. That's one objective. The second objective is that our leaders don't have—I mean, our good leaders—don't have life after office.

TK: *Economic life.*

MI: Yes. Because there's nothing to do. Suddenly the palace is gone, the state house is gone, the helicopter is gone, the presidential plane is gone, the convoy of cars is gone, and you have nothing. Some of those heroes find it too difficult even to rent an apartment in a capital in which you used to rule.

TK: *If they're honest, yeah.*

MI: Look, your leaders here in Europe and the United States become rich after they leave office. How much money will your book bring in? Just write your memoir, and how much will that pay? Another \$200,000, \$300,000, even \$500,000 for a speech. The board of Morgan Stanley—they all go this path, so they all become rich after office. Our guys don't have that, so we say, “No, no, don't worry. We will take care of that in a modest way, and you just now go and do whatever you want to do, whatever you really want to do as a free person.” What we found is that all of our laureates are involved in mediation in Africa, in peace. Somebody goes and spends two or three years

in Madagascar. Nobody wants to go to Madagascar because of the problems there. It's our guys, Chissano, who went there. Somebody goes after Kony in Uganda, to try to sort it out. DRC—always trouble in DRC. Those people are running around in DRC, in Kenya. So this peace process, reconciliation, etc. is necessary.

Then, one of our laureates is focused on the education of young girls, because they are at a big disadvantage. Somebody else is just obsessed with the issue of HIV/AIDS and goes around to his fellow presidents—sitting presidents—to explain to them how they should come out and deal with this issue, because they have been reluctant to deal with this issue. It's like a stigma and nobody wants to say, well, I have a big problem in my country. It's a real shame. It's a shame to let people die. Another president took all his money and created an institute to train civil servants. So they're all doing wonderful work. I say, fine, you go around, go to schools, tell the kids how is it, what does it mean to be a good president, how it's done. So this is the real objective of what tried to do with the prize. And by the way, I don't sit on the prize committee, I'm not a member of that.

TK: *So in a sense, you're creating more role models.*

MI: Exactly. We need to bring them out of the shadow because nobody knows about them.

TK: *Tell me about your recent Marrakesh event—or your annual event that your foundation has. How has it shaped up? How does it help to spotlight other issues? What are you accomplishing with it.*

MI: Right. First, there are our core events. One event was the leadership ceremony where we have a conversation about leadership. It runs about an hour and a half. We had President Köhler from Germany, who did a wonderful speech. I hope people check it out. It's on our website and YouTube, about leadership. Then we had Amina Mohammed, a Nigerian, Muslim woman who is the deputy for Secretary General of UN—a mother of six children who worked hard to do the SDGs, and now she's in that great position. Amazing story. How can she manage to do all these things? She also delivered a speech. We also had some wonderful music, with some of the best artists in Africa. It was moderated by Zeinab Badawi of the BBC. That is one event.

Then we had a forum. The forum focused on the issues of young people, jobs, violence, terrorists, and migration—we discussed a number of these issues. We had the president of the International Crisis Group, we had the Emir of Kano, Sanusi, who used to be head of Central Bank, because he has a good insight. He come from the north of Nigeria where there are a lot of issues. We had a very good discussion. I had the UN envoy to Libya, another area which is affected by terrorism and migration. So we also had wonderful people on this panel.

In between, I had one to one discussions with three prominent characters. One of them was Kofi Annan, where we had a discussion about UN—where is it going, why it's not being reformed, the relationship between the UN and the African Union, the issues of the ICC and Africa. So I had that discussion, it was about half an hour discussion. The ICC Prosecutor, Fatou Bensouda, was also there to present her case. I had another one with Bono, who's running ONE organization, and who is also an activist besides being a rock star. And then, the last one was with Paul Polman of Unilever, where we talked about the role of business in this current environment. We see inequality, we see dissatisfaction with the issues of climate—we are going through a very strange phase. Where is business, what is business doing, and what should it do?

TK: *I gather from your earlier comment that you're not satisfied with the role that business has been playing?*

MI: I think business can do more, frankly. Yesterday, actually, I was having dinner with a group of business people. It was a business dinner, with some people from different firms—about 20 people were there. In the discussion, we talk about Brexit. I had this issue with them. I said, “All of you are upset with Brexit. I haven't heard any voices from you guys during the referendum. You were silent. Why?” We have an organization called the B Team, which—I don't know if you've heard about the B Team—agreed that all CEOs should help to explain the issues around, because a lot of lies

were thrown about. People didn't know the facts, what was going on. People thought they were going to make a lot of money if the UK left the EU. Now we discover we're going to lose a lot of money, actually. We have to pay to leave. Anyway, so—

TK: *So they have to speak up and be advocates.*

MI: Speak up. Why you were silent? There are so many issues. People have clear views but they never spoke about it. Never indicated to people. But I was also pleased that so many people are coming to join the B Team. The number of business people coming and standing up is really interesting. I don't think businessmen are evil. Just it can get so much into the siloes and—

TK: *Well, I think business people need role models, too, just like anybody else.*

MI: Exactly.

TK: *I have one last question because our time is running out. Going back to your first phase as a telecom engineer and operator-entrepreneur, and then as a philanthropist-entrepreneur, in a sense, how do you compare the two phases?*

MI: I think each of them has its own excitement. Each of them, they are exciting because they have purpose. You have a mission, and you're convinced of what you're doing. I really believed in the future of mobile phones in Africa—the continent needed that, we knew how to do it, and we decided we were going to do it. So, really, you wake up in the morning focused on that. It has to happen. There is huge satisfaction when you start to see that it's really happening. Working with a team of talented people, committed people, it's really invigorating. So it was a wonderful phase. That adrenaline was pumping. The foundation work is really satisfying to me as a human being, because at the end, you do what you do. You teach, you do business, you sell your labor.

But then at the end of the day, as a human being, what have you really done? What was the value? What did you add to this planet or to the people around you? I think at the end of the day, that's what matters. So if you really think, when you go to sleep, that you know what, "I'm really glad to help. I may succeed, I may not succeed, but at least I tried." So it's a nice feeling to feel that as a human being, that you're acting really as a human being. So the work on the foundation is nice in that way, it's satisfying. So maybe it's selfish feeling, but it is nice.

But also when you meet people—not here, because nobody in Europe knows what you do, but when you go to Africa—everybody knows what you're doing. The guy who carries your suitcase at the airport says, "Oh, God bless you, please keep doing what you're doing." You see the taxi driver, you

say, “Oh, we are reaching those people.” It’s interesting. Those people know what we are trying to do and they love it. This is such a satisfying feeling.

TK: *Well, Mo, you’ll be remembered, I’m sure, as someone who tried to help. Thank you very much.*

MI: Thank you.

TK: *Thanks a lot.*

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