

# Newsletter

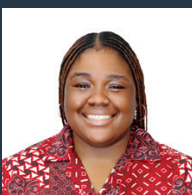
September 2024



Welcome to the latest edition of the Kreston Pedabo Newsletter!

In this Issue, we will delve into the newest industry trends, news, and opportunities. Discover insights in our featured article and case study, 'Navigating the Digital Landscape: Developing Comprehensive Digital Strategies.' Our goal is to equip business leaders, policymakers, and industry professionals with the knowledge to make informed decisions, drive growth, and stay ahead of the curve.

This edition promises to be an exciting and informative read. Dive in now!



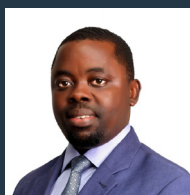
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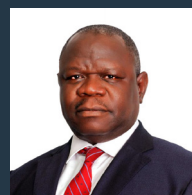
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## Navigating the Digital Landscape: Developing a Comprehensive Digital Strategy

In today's tech-driven world, where digital innovation reigns, businesses must adeptly navigate the intricate digital landscape to sustain growth and stay relevant. Crafting a comprehensive digital strategy involves more than just ensuring online visibility; it requires a strategic fusion of diverse elements to build a unified and impactful digital presence, while also innovating to deliver end-to-end services without the need for physical interface whenever possible.

This detailed case study and analysis explores the critical elements, challenges, and practical methodologies necessary for formulating an effective digital blueprint that drives business success in the continuously evolving digital environment.

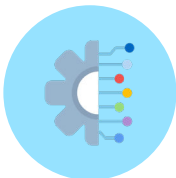
### Case study:

Is a Comprehensive Digital Strategy Necessary for Business Success? **Yes!**  
How can organisations Navigate the Digital Landscape to Develop this Effectively?

# Background

Taylor-Green Limited (TGL) is a mid-sized technology company founded in 2010. Specialising in software development and IT consulting, the company initially thrived due to its innovative products and strong client base. However, over the years, the digital landscape evolved rapidly, with the rise of cloud computing, artificial intelligence (AI), and big data analytics. TGL's management realised that their existing business model and digital infrastructure were becoming outdated, hindering their ability to compete in a market that demanded agility, innovation, and a customer-centric approach.

## The Problem as Identified:



**1. Outdated Digital Infrastructure:** The company was using legacy systems that were not integrated, leading to inefficiencies and slow decision-making processes.

**2. Lack of Digital Presence:** TGL's online presence was minimal, and their digital marketing efforts were ineffective in reaching a broader audience.



**3. Inadequate Data Utilisation:** The company collected a significant amount of data from its clients but lacked the tools and strategies to analyse and leverage this data for business insights.

**4. Employee Skill Gap:** The rapid technological advancements created a skill gap among TGL's employees, who were not trained in the latest digital tools and technologies.



These issues resulted in declining market share, reduced customer satisfaction, and missed opportunities for growth.

## Consequence:

The problems at TGL led to several negative outcomes:

1

**Decreased Market Competitiveness:** Competitors with more advanced digital strategies began to out-perform the company, leading to a loss of key clients.

2

**Inefficiencies and High Costs:** The outdated infrastructure led to operational inefficiencies, increasing costs and reducing profitability.

3

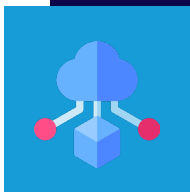
**Poor Customer Engagement:** Without a strong digital presence, TGL struggled to engage with customers, leading to declining customer loyalty and retention.

4

**Employee Dissatisfaction:** The lack of training and upskilling opportunities caused frustration among employees, leading to a higher turnover rate.

## Recommendations:

To address these issues, a comprehensive digital strategy is recommended, focusing on the following key areas:



**Digital Transformation:** Upgrade the legacy systems to a modern, cloud-based infrastructure that allows for better integration, scalability, and real-time data processing.



**Enhanced Digital Presence:** Revamp the company's website, invest in digital marketing, and leverage social media platforms to increase brand awareness and engage with a wider audience.



**Data Analytics Implementation:** Implement advanced data analytics tools to turn the vast amounts of collected data into actionable business insights.



**Employee Upskilling:** Launch a training and development programme to equip employees with the necessary skills to utilise new digital tools and technologies.



## The Solution

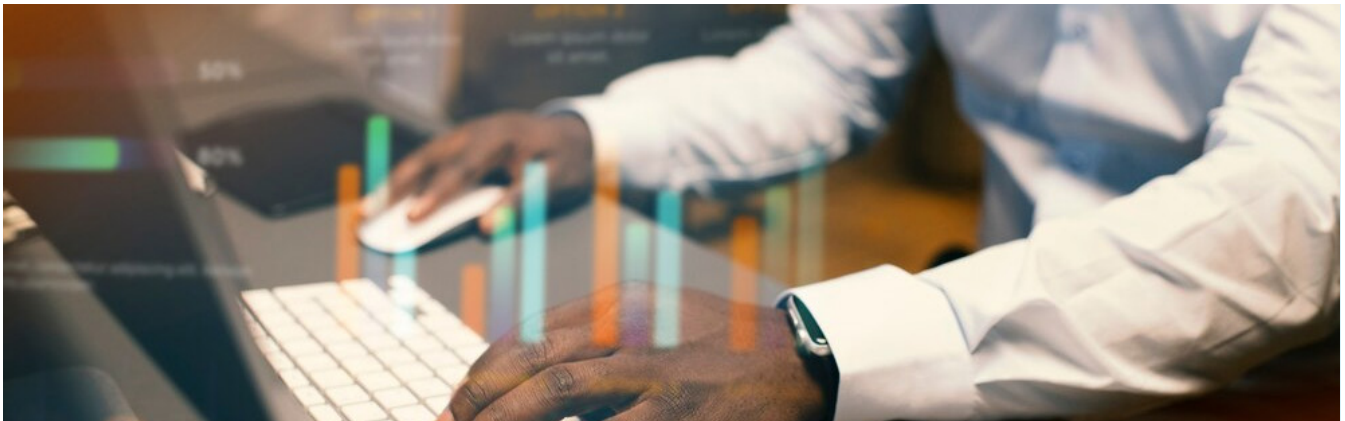
In driving TGLs digital transformation, the following actions should be carried out:

1. **Conducting a Comprehensive Digital Audit:** a thorough analysis of TGL's existing digital infrastructure, business processes, and market position to identify gaps and opportunities.
2. **Developing a Digital Strategy:** Based on the audit, a tailored digital strategy that aligns with TGL's business goals and market demands should be developed.
3. **Facilitating Implementation:** TGL's IT and marketing teams must be effectively coordinated to ensure the smooth implementation of the new digital tools, marketing strategies, and training programmes.
4. **Monitoring and Evaluation:** Key Performance Indicators (KPIs) to monitor the success of the digital strategy must be developed and reviewed intermittently for update as necessary.

## Implementation

The implementation of the recommended digital strategy can take place over six months and will typically involve the following steps:

1. **Infrastructure Upgrade:** TGL will migrate its operations to a cloud-based platform, which allows for seamless integration of various systems, improved data management, and reduced operational costs.
2. **Digital Marketing Campaign:** A new website may be launched (or upgraded), optimised for search engines (SEO), and integrated with social media channels. A targeted digital marketing campaign will ideally be rolled out, focusing on content marketing, email campaigns, and social media engagement.
3. **Data Analytics Rollout:** Advanced analytics tools will be implemented, allowing TGL to analyse customer data, predict market trends, and make data-driven decisions.
4. **Employee Training:** A comprehensive training programme will be conducted, focusing on digital literacy, new software tools, and data analytics. This programme is designed to empower employees to embrace the digital transformation.
5. **Change Management:** In parallel, a change management campaign to ensure buy-in, with identified champions will be rolled out to facilitate project success.



## Expected Outcome:

The implementation of the digital strategy is expected to yield significant benefits for TGL:

- 1 Increased Market Share:** The enhanced digital presence and data-driven decision-making will enable TGL to regain its competitive edge, attracting new clients and increasing its market share by up to 20% within a year.
- 2 Operational Efficiency:** The upgraded infrastructure and data analytics tools will streamline operations, and be able to reduce costs by up to 15% whilst improving overall efficiency.
- 3 Improved Customer Engagement:** The digital marketing efforts is expected to result in up to a 20% increase in website traffic, higher customer engagement, and improved customer retention.
- 4 Employee Satisfaction:** The upskilling programme will lead to increased employee satisfaction, reduced turnover rates, and a more innovative workplace culture.

In conclusion, TGL's journey to navigate the digital landscape and develop a comprehensive digital strategy will not only resolve their immediate challenges but also position them for sustained growth and success in an increasingly digital world. This case study highlights the importance of a well-planned and executed digital strategy, guided by expert consulting, in achieving business transformation.

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# August News Round Up

The month of August 2024 saw significant developments across Nigeria's Power, Oil & Gas, and ICT sectors. In the power sector, challenges persisted as Discos' rejection of allocated power led to a 1,400MW decline in generation, casting doubt on achieving the 6,000MW target by year-end. Meanwhile, the Oil & Gas sector witnessed a major acquisition as Oando finalised its purchase of Nigerian Agip Oil Company, expanding its upstream operations. In the ICT space, the Federal Government announced plans to deploy 90,000km of fibre-optic cable, while NITDA emphasised the need for digital literacy in Nigeria's education system. These stories and more are captured in this news roundup, as insights into the latest trends and developments shaping some of Nigeria's critical sectors are provided herewith.

## Power & Natural Resources (PNR) Sector News

### Power

#### Discos' Rejection of Allocations Leads to 1,400MW Decline in Power Generation

Minister of Power decries rejection of allocated power by electricity distribution companies, describing it as 'regrettable'. Despite efforts to increase power generation, Discos' refusal to accept allocated power

led to a 1,400MW reduction, from a peak of 5,170MW on August 30. This setback casts doubt on achieving the 6,000MW generation target by year-end, as promised by the Minister.

#### Electricity Distribution Companies Generate ₦3.95 Trillion in Five Years

Nigeria's electricity distribution companies (Discos) have seen a steady revenue increase over the past five years, generating ₦3.95 trillion between 2019 and Q1 2024. Revenue grew from ₦482.6 billion in 2019 to ₦291.6 billion in Q1 2024, driven by tariff adjustments and the National

Mass Metering Programme. However, despite this growth, Discos face challenges like unpaid bills, electricity theft, and infrastructure deficits, thus limiting their ability to fully tap into the Nigerian electricity market's potential.

## DisCos Allege 20 States Have Unpaid Electricity Debts

Nigeria's electricity distribution companies (DisCos) have decried that 20 out of 36 state governments owe them electricity bills, including State houses and secretariats. This culture of non-payment stems from government agencies being accustomed to free electricity before privatisation. Recently, Kaduna Disco disconnected power supply to Kaduna State Government House

and offices over ₦2.9bn in unpaid bills. This led to the offices of the disco being sealed by the Kaduna Internal Revenue Service over alleged unpaid taxes. Similarly, the Federal Inland Revenue Service sealed Abuja Electricity Distribution Company's headquarters in July 2024 over ₦362m in debt.

## NERC Hands Over Electricity Market Regulation in Edo State to Edo State Electricity Regulatory Commission (ESERC)

The Nigerian Electricity Regulatory Commission (NERC) has transferred regulatory oversight of Edo State's electricity market to the Edo State Electricity Regulatory Commission (ESERC), effective August 21, 2024. In addition, NERC directed Benin Electricity Distribution PLC

(BEDC) to establish a subsidiary, BEDC SubCo, to handle intrastate electricity supply and distribution in Edo State. BEDC SubCo must incorporate within 60 days, obtain a license from ESERC, and establish a standalone network in Edo State with boundary meters at state borders.

## Oil and Gas

### Nigerian Agip Oil Company Sold to Oando After Protracted Negotiations

Oando PLC finalised the acquisition of Nigerian Agip Oil Company (NAOC) from Eni for \$783 million, after 11 months of negotiations. This purchase aims to expand Oando's upstream operations and solidify its position in Nigeria's oil and gas industry. As a result, Oando's stake in oil mining leases (OMLs) 60, 61, 62, and 63 has

increased from 20% to 40%. The Company expects a significant boost in cash flow from this transaction, which has been hailed as a major success for Oando, with its stock returning 314% since the start of the year, making it Nigeria's second-best performing stock.





# Information, Technology & Telecommunications (ITT) Sector News

## The International Telecommunications Union (ITU) urges Federal Government to Streamline Digital Space Regulations

The International Telecommunications Union (ITU) has advised the Nigerian government to streamline the regulatory roles of NITDA and NCC to avoid overlap and clarify responsibilities in the digital space. Currently, both agencies share responsibilities for ICT regulations, data protection, and content control, which may lead

to regulatory conflicts and increased costs for ICT companies. The ITU recommends using the NITDA Amendment Bill to define NITDA's role and address overlaps with NCC and NOTAP, thereby promoting clear role distinctions and accelerating Nigeria's digital transformation.

## Federal Government to Launch 90,000KM Fibre-Optic Cable Initiative Within Six Months

The Federal Government plans to start deploying 90,000km of fibre-optic cable across Nigeria within the next six months, aiming to increase the country's backbone network from 35,000km to 125,000km. The project, funded by partners like the World Bank, aims to enhance connectivity, improve telecom services, and increase internet penetration to over 70%. This is

expected to stimulate economic growth, reduce internet access costs, and include 50% of the 33 million Nigerians currently excluded from internet access. However, ICT stakeholders warn that the project may fail if Right of Way challenges across the 36 states are not addressed first, thus emphasising the need for State Government buy-in.

## NITDA DG Advocates for Digital Literacy to Equip Students with 21st Century Work Skills

NITDA's Director General has urged the integration of digital literacy and skills into Nigeria's formal education system to prepare students for the modern workforce. The agency aims to achieve 95% digital literacy by 2030, with a midterm goal of 70% by 2027, as directed by the President. To meet this target, NITDA seeks partnerships

to develop digital literacy curricula, recognising that achieving this goal requires collaboration. The President has tasked the ministry with using technological innovation to enhance productivity in key sectors and accelerate economic diversification.

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