



Johannesburg

The financial director of health screening provider Better2Know explains why South Africa can be the ideal first step towards international expansion



Three years ago, Anthea Morris (left) and business partner Mike Asher bought Better2Know, a private provider of sexual health testing that had launched in 2008. "We're an alternative for people who want quick results or tests that the NHS don't do," she explains. "We offer privacy, anonymity and fast results. There's a quick turnaround."

When the decision was made to expand Better2Know overseas, research led the pair to focus on a country that wasn't their natural choice. "South Africa is possibly not the easiest place to launch abroad," says Morris. "But it's an attractive country in that people speak English, as the language barrier was one of the biggest obstacles we knew we'd need to overcome with our international expansion."

She adds that South Africa's

time zone – only one or two hours ahead of GMT, depending on the time of year – was also a deciding factor. "It meant we knew that as a small company we could service it from the UK," she says.

Morris visited Johannesburg twice before Better2Know set up in the city. "We were fortunate that we work with UKTI and were able to get a grant to help us go out there," she says. The duo's first visit was part-funded by the Export Marketing Research Scheme and a grant of £3,000 was awarded through the Passport to Export initiative for the second trip.

She adds that, despite doing plenty of research from the UK, there was no substitute for making local contacts: "We found once you get out there people will say 'Oh, you need to go and speak to so and so,'" she says. "Certain people also carry a lot of weight [in the

healthcare sector] so if they say 'Better2Know are coming to speak to you' it means 'I think you should do business with them' and that's been helpful – you can't do that remotely."

RED-TAPE CHALLENGE

The partners decided not to open a physical base in South Africa: "There's no doubt that we could probably grow faster if we did but at the moment – while we are testing the market and watching our costs – it's not something that we are doing," says Morris.

Instead, the company hired a South African lawyer to form a separate South African company operating from the UK. "As a small business this is good for us because we can watch how our model grows and learn from that as we expand further around the world," she adds.

Morris discovered that South Africa has a similar Companies



Economic powerhouse: the Johannesburg skyline, top, and the city's bronze statue of Nelson Mandela

Act to the UK, "except it is all paper-based and can take months. It takes a long time for the authorities to process the paperwork, as in real paper, not electronic admin. But, luckily, it wasn't too demanding – we were able to do everything remotely with our lawyer and we had the company set up two months after the initial approach."

However, when it came to opening a company bank account, things didn't run so



Big attractions: clockwise from top, a Sun City golf course, restaurants at Brightwater Commons (formerly Randburg Waterfront) and Nelson Mandela Square



Centre of power: Johannesburg City Hall. Better2Know faced bureaucratic hurdles as it prepared to launch

smoothly. "We ended up having to go to a bank twice, as we were told that we couldn't do what we wanted without a work permit, and we don't have one," says Morris. Better2Know eventually managed to acquire a South African account but soon encountered hidden charges. "After a month we found we were being charged £6 every time we logged on to internet banking," Morris adds. "So that's something we're reducing as much as we can."

LEGAL OBSTACLES

Morris says the company soon realised that laws governing South African healthcare are outdated. "They haven't been updated for the internet or mobile technology. Our business is one that is reliant on the internet, and everybody has a mobile phone now," she explains. "It's difficult to find out how that fits with South

African law. It means struggling to understand exactly how we should be operating in terms of the law and making sure we're not getting it wrong."

The South African equivalent of the Data Protection Act, the Protection of Personal Information Act, also affects how patient information can be stored. "How we store data meets UK regulations, but in South Africa the rules are slightly different," says Morris. "We need to make sure that all the data is secure, especially that of our patients – most of whom we don't ask for a real name. You can't always identify a real patient, so we need to be quite careful," she adds.

Two weeks before the South African launch, Morris adds, Better2Know had to alter its business model after regulators clarified guidelines for all health information providers. "Our initial model for dealing with



Rainbow nation: a street seller in Johannesburg

patients [with positive test results] was for a doctor to speak to them over the phone. We had to change our model so that a patient would see a doctor and have a mechanism for seeing a doctor if they tested positive. It's quite safe and legal in the UK [to have phone consultations] but that's something that they are really clamping down on in South Africa."

It's also illegal for companies to take payment upfront for healthcare treatment: "So we take a pre-authorisation of someone's card, like when you're booking a hotel, but we won't charge them until after they've seen a doctor," explains Morris.

Better2Know set up in Johannesburg last December and Morris estimates that it will grow by 10 per cent in the first year. Her advice to other businesses considering South Africa is not to be deterred as – despite high levels of poverty and inequality – the country is Africa's wealthiest.

"We have a high-end product and we're very pleased with the sales we've made there," she says. "South Africa is a lovely country and everyone we've met has been very friendly. It's about going in there and trying to make as many contacts in your field as you can."

Behiye Hassan

JOHANNESBURG FACT FILE



Population
4.4 million (Johannesburg Development Agency figure)

Currency
South African rand

Language
South Africa has 11 official languages. English is dominant.



Sightseeing

"Johannesburg is not well known for its sights but for those who enjoy cricket, the Wanderers Stadium is one of the most beautiful grounds I've ever been too," says Morris.

www.wanderers.co.za



Food

Morris recommends the Butcher Shop & Grill in Sandton, Johannesburg: "Steak and wine for two costs just £33. When we first saw the amount on our statement, we thought it was a mistake!" www.thebutchershop.co.za

Where to stay

The Radisson Blu Hotel in Sandton – a stylish, 290-room hotel in an upmarket district. www.radissonblu.com/hotel-johannesburg



Getting there
Virgin Atlantic and British Airways fly to Johannesburg from Heathrow. Emirates operates routes from Gatwick and Manchester via Dubai. Or book through WEXAS at www.iod.com (020 7838 5989).

Useful contact

UKTI, www.ukti.gov.uk