



The Energy Changemaker

How an entrepreneur shifted dynamics in the Ghanaian Energy sector

“I don’t stop when the door is being shut. I find a way to make it work”



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1. Introduction

UBI Group, founded in 2007 by Salma Okonkwo, was established with the vision to become an iconic Ghanaian company delivering unparalleled energy solutions across West Africa. The company, which began with just one fuel service station on the outskirts of the capital city, eventually managed 22 stations in 7 regions of Ghana.

Having spotted the opportunity to serve regions within Ghana with relatively low fuel supply, Salma managed to grow UBI Group organically, yet rapidly enough to eventually attract the attention of Trafigura, which acquired a 49% stake in the group of companies for approximately \$150 million in 2013. Salma Okonkwo, throughout her entrepreneurial journey, has continuously created opportunities for the business each step of the way, despite being an indigenous player and female-entrepreneur operating in sector dominated by multinationals and male executives.

Salma is now expanding her reach across Ghana's energy industry, working on an independent project that will become the country's largest solar farm. At an expected output of 100 megawatts, Blue Power Energy will produce enough power for up to 50,000 homes. Blue Power is an embodiment of Salma's commitment to creating employment opportunities and green growth.

The purpose of this case study is to take the reader through the entrepreneurial journey of Salma

Okonkwo and her company UBI Group. It provides a general understanding of the energy and fuel sector of Ghana, highlights key motivations of Salma to dive into this complex, male-dominated and capital-intensive industry, and gives first-hand insight into the complexities of entrepreneurship in the West African energy sector.

Outline of the Case Study

The case study is organised into the following sections:

Section 2: Highlights the power challenges in Ghana and the socioeconomic as well as political forces that drive the industry

Section 3: Shows a timeline of Salma Okonkwo's UBI journey

Section 4: Discusses Salma Okonkwo's days as a budding entrepreneur and key decision points along the growth trajectory of UBI

Section 5: Sheds light on Salma's pivot into the renewable energy space with Blue Power Energy

Section 6: Highlights key factors that led to Salma's success as a female energy-entrepreneur

Section 7: Highlights some discussion questions readers could ponder about



2. Ghana's power challenges

The local power sector in Ghana

Ghana generates about 64% of its electrical power from hydro sources, the primary source of this hydro-generated electricity being from the Akosombo Dam¹. Electricity is the dominant form of modern energy used in Ghana, with about 65% of generated power being used by the industrial and services sectors and about 35% being claimed for residential use. Between 2012 and 2017, a severe rationing of electricity, locally dubbed 'dumsor' (meaning "off-on"), led to the government over-issuing energy-production licenses to Independent Power Producers with a long-term commitment to honouring higher prices per kilowatt produced. These were based on 'take or pay' contracts that, apart from being practically unaffordable, meant that Ghana has to pay for power not consumed at rates that far exceed Europe's.

In a short space of time, Ghana went from having an electricity shortage, to having an unaffordable oversupply and an inability to pass the cost of this very expensive power to its citizens. Ghana currently pays over \$500 million annually for power not used². With Ghana's energy sector in dire need of remediation, this poses severe fiscal risk in the coming years³. The unmitigated excess costs of an oversupply of costly energy and natural gas supply will need to be addressed by looking at alternate sources of green energy.

Meanwhile, state-owned electricity providers struggle to keep pace with the ever-growing demand for more reliable and sustainable energy. There is still a significant amount of kerosene and liquefied petroleum gas (LPG) being used in households in Ghana. Approximately 63% of Ghanaians are still reliant on alternate sources of energy⁴. For communities that do not have access to modern forms of electricity, their non-modern sources of

energy include wood, charcoal, grass and dung. country.

Independent Power Producers

Independent Power Producers started coming in to play as a knee-jerk reaction when the Ghanaian Government needed short-term solutions during the electricity crises. In 2000 the first Independent Power Producer entered the scene.

Some of the Independent Power Producers are:

- *Takoradi International Company (TICO)*
- *Sunon Asogli Power (Ghana) Limited*
- *Cenit Energy Limited (CEL)*
- *Tema Thermal 2 Power Plant*
- *Tema Mines Reserve Plant*

Ghana's petroleum sector

The petroleum sector in Ghana has since 2003 experienced significant growth, particularly since the discovery of oil in commercial quantities in the Jubilee fields in 2007. Ghana's petroleum industry is divided into the upstream and downstream sector. The upstream activities include the procurement and refining of crude oil by the nation's only petroleum refinery, Tema Oil Refinery (TOR). The downstream subsector in Ghana is predominantly characterised by the importation of crude oil and finished products, refining, storage, transportation (road, rail, lake and ocean), marketing and distribution of petroleum products by Oil Marketing Companies (OMCs) and the pre-mixing of petroleum products for other industrial uses.

Over the years, the downstream sub-sector has witnessed increased activity, mainly due to the government's 2005 decision to liberalise the import,

distribution and marketing of petroleum products. Accordingly, the state-owned Bulk Oil Storage and Transportation Company has lost its monopoly on the storage and distribution of Ghana's oil products, now competing directly with private bulk oil distribution companies (BDCs). This deliberate policy by government has also brought in its wake a growth of more than 2,000 indigenous OMCs in the downstream oil sector, thus opening up considerable business opportunities for Ghanaian investors in this sector and career opportunities for the youth. Blue Ocean, one of the companies within UBI Group, managed to grow into the 4th largest BDC across the entire country.

The nation consumes significant volumes of petroleum products and importation of crude oil constitutes a significant portion of gross domestic product (GDP)⁵. With the growing population and increasing urbanisation rate in Ghana, domestic energy demand is increasing by 10-15% per year.

Currently, indigenous companies control 70% market share of petroleum products marketed and distributed, up from under 28% in 2001.⁶ Retail in the downstream segment is increasingly competitive. Thus, in order to stand out, players adopt various strategies including partnering up with fast food companies, banks and mini supermarkets, both as a means of increasing traffic and to unlock additional revenue streams as core margins are diminished.⁷ However, GOIL (Ghana Oil Company Limited), an OMC with roots linked to government, remains the biggest OMC in the Ghana in terms of both market share (17.5%) and number of stations.⁸

Ghana's downstream oil subsector is overseen and evaluated by the National Petroleum Authority (NPA) and includes the processing, marketing and distribution of petroleum products. The downstream gas sector, however, is also overseen by the Energy Commission.⁹

The Politics of Power

Whilst Ghana is considered to be one of the more politically stable countries in Africa, it is not without its fair share of own corruption scandals.

Transparency International's local Ghanaian chapter, *Ghana Integrity International*, estimates that Ghana loses close to \$3 billion to corruption annually¹⁰.

The sectors that are most affected by corruption include and are not limited to natural resource management, energy supply, the judiciary and the police. Opaqueness in the tender processes for state-required services as well as political hobnobbing can lead to unfair awarding of contracts as well as unnecessary barriers to entry for new players in the private services sector.

What is more, since the very first discovery of the Jubilee oil fields, the subsequent frenzy of oil discoveries has placed Ghanaian leaders firmly in the crosshairs of foreign interest. One of the leading issues of contention lies in whether Ghana should be using the proceeds of the sale of oil to further collateralise further loans. Should Ghana be using the prospect of further oil discoveries to secure foreign investment, particularly from China, to invest in basic infrastructure, including energy generation and distribution which is currently much needed?

Key takeaways

- *One of the biggest problems in the energy sector right now is oversupply coupled with prohibitively high cost*
- *Continued economic growth leads to increased energy demands and state-owned utilities are as yet unable to successfully meet these demands*
- *There is more room to increase efficiency in distribution networks of fuel to rural outlying areas in northern Ghana*
- *Sidestepping the need to engage in corrupt practices is not unheard of and leaves room for companies to be creative in engaging with the country in more honourable and ethical ways*

3. Timeline

2007	Salma Okonkwo launched UBI Energy, handling the sourcing, shipping, storage and financing of refined petroleum products from across the world to clients in Ghana and the West African Sub-Region
2008	UBI Petroleum commenced operations in Ghana as a licensed Oil Marketing Company (OMC). The division was responsible for distributing and retailing of petroleum products across the country via retail fuel stations and B2B deals First tank farm opened in Tarkwa in collaboration with Ghana Gold Fields The Group hit a \$1,000,000 turnover after one year of operation
2009	UBI Energy commenced bulk supplies to oil and gas exploration companies and producers in Ghana. Distribution was both nationally and to other parts of West Africa (Ivory Coast, Togo and Benin) Group hit \$100M in turnover by end of 2009
2010	Blue Ocean was incorporated to form part of UBI Group and commenced pre-development studies for construction of tank farms in Takoradi and at the Kotoka International Airport in Accra, Ghana. Blue Ocean managed storage and bulk distribution as a fully owned affiliate of the UBI Group, housing the Bulk Distribution (BDC) operations UBI acquired 2-Tanker Vessels (5400 MT Capacity) to support product supply. UBI was the sole provider of the fuel for the Jubilee Field
2012	Company hit a staff strength of 220, up from 3 employees at the time of its launch
2013	PricewaterhouseCoopers valued the business at a conservative \$350,000,000
2014	The group was able to attract a billion-dollar multinational (Puma Energy/Trafigura) to partner and invest over \$300,000,000 into two of the companies Salma Okonkwo became the board Chairman for the Group, which was now 49%-owned by the new partner and had a total turnover of over \$150,000,000 per annum despite being less than 10 years old
2015	Filling stations were rebranded to “Puma Energy” across the country The new group became the first indigenous company to own an aviation supply and storage facility in Ghana, which today serves global airlines such as British Airways
2016-18	Salma Okonkwo takes a sabbatical to focus on family time
2018 – present	She launched BluePower Energy on a quest to build the largest solar farm in West Africa with 100MW capacity and started raising funds for the project, which will create more than 650 jobs and produce energy for more than 50,000 households



4. Starting out as an energy entrepreneur

Being the Outlier Solution

Salma Okonkwo was born one of 14 children in the city of Accra in Ghana within the bustling suburb of Kaneshie. Her dad started out as a teacher and became a politician in the period of the First Republic of Ghana under Kwame Nkrumah, who had led the country to independence. He later became a businessman, supplying mainly livestock to corned beef factories and other bulk buyers across the country. Meanwhile, Salma's mother, who originally trained as a nurse, worked at the state-owned airline (Ghana Airways) as one of their first hires and subsequently went on to take over a real estate and services firm responsible for building clusters of bungalows across the city of Accra.

Unsurprisingly, Salma grew up in a strikingly entrepreneurial home, with a strong female role model to look up to. Through the sponsorship of her parents, she attended school in the United States and graduated from the Loyola Marymount University in 1994 with an International Business Degree. She thereafter worked for a Californian company but returned to Ghana with her husband and children in 2003, when oil and gas company Sahara Energy and Gas offered her a position in the company. She was 33 then. Granted that the demands of motherhood could be daunting, Salma never stopped working. She was keen on attaining financial independence, citing it as a key to a successful marriage. Upon returning to Ghana, she became the first female senior executive at Sahara Energy and Gas, charged with overseeing the Ghanaian market.

After a few years, Salma spotted an opportunity to expand the company's interests by setting up filling stations towards the north parts of the country, where infrastructure is usually scarce. Her employers however, were risk averse and decided not to pursue the idea. They raised issues about the wallet size of rural consumers, adding that the cost of operation would not be ideal for them. After all, margins in the oil trading business itself were extremely high and diluting the same with lower-margin business initiatives seemed too unattractive.

Thus at 36 years old, no longer wanting to be a part of the 'briefcase businessmen' world, Salma decided she had heard the word 'no' one time too many and resigned from her job to strike out on her own, marking what would be the beginning of her upward trajectory towards establishing herself as Ghana's energy heroine.

Briefcase Businessmen?

In Salma's words, 'briefcase businessmen' is a term she coined to describe businesses that are all about selling and taking what they can but leaving nothing behind. In many ways, the encounter with too many "briefcase businessmen" was one of the key drivers that made her start out her entrepreneurial career.

At the core, Salma's belief when she started was that such entrepreneurs did not leave behind infrastructure nor the betterment of the lives of communities they had engaged with. Salma wanted to do the opposite by building one of the biggest infrastructure companies in the oil and gas sector till date.

Running the gamut at Sahara had taught Salma the ropes and had unearthed a lot of opportunities that she spotted; she just had to get started.

Striking out and failing

Recognising that people in northern Ghana relied mainly on firewood and charcoal for energy, Salma forayed into attempting to supply LPG directly to the North in order to improve access. The idea had value from an efficiency and environmental standpoint. In terms of efficiency, LPG is extremely productive at generating heat and has a higher calorific value per unit than other fuels, such as coal and firewood, meaning the flame burns hotter. Meanwhile, it is also good for the environment because LPG does not produce harmful pollutants (e.g. sulphur and nitrogen oxides) as traditional fuels do.

What Salma did not foresee were the prohibitive costs and cumbersome logistics that accompanied such a venture. With most LPG coming from Europe at the time she started her business, she required specialised vessels to transport the LPG, alongside the right port infrastructure to extract the LPG from such vessels in specialised pipes. Both of these requirements implied that the idea of supplying affordable LPG to northern Ghana suddenly became extremely investment-heavy and harder to realise as a first line of services. After many months of research and business partner negotiations, she had to admit to herself that this initial idea was not going to work. Nonetheless, her goal of equalizing access to energy sources remained unchanged. It was time to start exploring other avenues that could yield a similar outcome to achieve her goal.

Salma decided to stay closer to her core expertise and hence started focusing on other downstream oil distribution. She set herself the goal of identifying poorly penetrated locations where access to fuel was difficult for Ghanaian citizens without accepting long commutes to the next biggest location. In 2008, Salma managed to identify an existing structure in Kasoa, the Eastern municipal district in the central region of Ghana, and started repurposing it to open her first filling station: this was the birth of UBI Petroleum.

Fundraising

The first fuel station Salma opened was financed from internally generated funds and support from her husband. Getting funding for her first venture into the filling station business was no easy task and

it became clear quickly that banks would not fund anything before she had gained considerable traction. The first support she got was from GT Bank after revenue had grown significantly. The financing was for procuring petroleum products and came in the form of a letter of credit with a 150% landed asset collateral (i.e. the collateral had to be 150% of the credit value). She ended up using assets she and her family owned as collateral. Hence, the early beginning of UBI Group mainly became a reality due to Salma's closely-knit family who were ready to support her entrepreneurial ambitions and saw the business value in her undertakings early on before banks started showing interest. Meanwhile, she did not fully bid adieu to the LPG idea, but would revisit it much later with better planning. At its peak, the group reached a valuation of \$500 million, which started allowing to build more successful bank relationships, even though access to finance remained the biggest challenge for the business.

Filling station after filling station

Salma's strong heritage and intrinsic understanding of Ghana created the necessary buy-in to open filling stations across the breadth of the country at a significant rate, specifically in environments outside the capital city of Accra, where Ghanaians had a strong appetite for more convenient access to fuel.



Figure 1: A 2011 news article about a UBI filling station opening in Kumasi, the second largest city in Ghana.

By acquiring existing or incomplete structures and branding them as a UBI petrol stations, Salma managed to organically grow from station to station rapidly enough to eventually attract the attention of Singapore-based energy company Puma in 2012. By that time, UBI was valued at more than \$300 million and had a strong contract pipeline, including Dallas-based Kosmos Energy and Hess Corporation. UBI Petroleum now owned 8 stations and managed 20 others through partnerships. Puma offered to purchase a 49% stake in this and one other UBI Group business in 2013 for approximately \$150 million. 51% of the shareholding was retained by Ghanaians. Salma agreed to the deal knowing that the cash injection would help create more employment and allow the business to take a stronger position in the national market.

However, it was not just the opening of filling stations that got Salma there.

Creating opportunities instead of waiting

UBI Petroleum (today branded “Puma”) became a top5 OMC out of more than 250 players in Ghana. Whilst expanding her filling station network, Salma was always on the lookout for other opportunities to expand the portfolio of the business. When leasing 3rd-party trucks for fuel delivery became too much of a challenge, she and her board decided to take the plunge and purchased their own, which were now used to supply her filling stations and to distribute fuel as a standalone business.

But running a major downstream oil distribution operation also meant staying ahead of the curve by winning large corporate contracts. Being more in control of the supply chain meant that, when large scale customers such as MTN faced supply challenges, she could confidently step up and offer her services. UBI at this stage supplied MTN with 80% of their diesel needs to run their generators at their signal masts across the country. This was a big win for a local player like UBI, given that all other distribution companies at the time where foreign multinationals backed with large capital.

Salma increasingly started looking at the mining sector, which, at the time, was equally notorious for being almost impenetrable to small, indigenous companies. Mining companies require excessive

levels of power to run their operations, with up to 15% of all electricity produced going to the sector. Notable companies in the industry include Goldfields and AngloGold Ashanti, both of which are subsidiaries of South African holding companies. According to Salma, “Unless you were Shell, Total, British Petroleum or Mobil, the chances of securing any contracts from these players were practically nil.”

Salma carefully planned her approach to commence negotiations with the subcontractors of these mining giants instead of directly proposing her services to the principal mining companies. After many months, she managed to win a major contract to supply fuel to the earth-moving subcontractors. This win opened up another opportunity to supply fuel to an Australian-based mining enterprise called GeoDrill.



Honoured at the Ghana Energy Awards in 2019, Mrs. Okonkwo is a professional who has defied all odds to succeed in the male-dominated industry; the oil sector. At her latest award by the Ghana Women of Excellence Awards, the citation presented to her read: “Salma Okonkwo is one of the most highly respected business executives in West Africa’s oil and gas sector”¹¹

- Daily Graphic Ghana



Looking upstream

At this point, Salma started to explore a change in her corporate portfolio and chose to look upstream. She quickly found that, by pursuing the upstream chain aggressively, she could supply to more companies. The tactic enabled UBI to land contracts with Anadarko, Kosmos, Afren and ENI.

Exploring upstream supply management was a major learning curve for Salma. Supplying fuel to offshore drilling companies is a very time sensitive endeavour and requires incredibly precise planning and time management skills.

With drilling companies spending roughly about \$1 million per day to drill, any delays on the energy supply side meant that machines could not run. At this point, she and her team were the only indigenous company trusted enough to be engaged with as a subcontractor, with a turnover of approximately \$3 million per month from such contracts alone. Salma attributes her success in scoring large contracts worth millions to her persistence and inability to quit, which eventually allowed her to become Tullow Oil's exclusive supplier.

In her words 'I knock and keep knocking, I make my proposals better and keep knocking until I get in'. She maintains that it is not always about being engaged in a price war. Reliable, efficient and timely service earned her this seat at the table.

Securing UBI Petroleum's position in the sector

Wild success does not come free and untethered from the complications of politics and influence, as Salma soon learned. Being a small company and relatively unknown was not enough to protect her from being aggressively competed against by multinational companies with massive political influence and deep pockets. She found her company being scrutinised, from audits to competitors being able to get access to her turnover information at the banks. This led to her losing business to other companies that started copying her "local player" value proposition while being backed by foreign multinationals. She recalls incidents where contracts she won in public tenders would later be split with other international competitors for no apparent reason. Upon further investigation, she realised the chain of betrayal and backstabbing led deep into the public and private networks of the industry. Even though her tender was won fairly, political cronyism played its part. In Salma's case, political interference coupled with foreign investors with deep pockets playing behind the scenes are often at the root of all corruption in capital-heavy industries such as the energy sector.

It became clear to Salma that all contracts she won over the years to supplement her retail revenue from filling stations could be lost in a day due to politics of this nature. She had to move a step further in

securing the long-term position of UBI Petroleum in the Ghanaian energy industry. Salma recalls a meeting with government officials, where attendees vividly discussed that the First Lady of Ghana had gotten stuck at the airport due to a fuel shortage for planes. She recalls that this dire situation at the airport was a frequent one at the time: airlines not having enough fuel at an airport which lacked sufficient storage facilities. Fortuitously, she happened to be around while the government officials were discussing solutions to this issue. Salma went on to carry out research and feasibility studies on her own regarding fuel storage at airports and presented a solution to the Ghana Civil Aviation Company. She had found out that the initial layout of the airport, when it was built, had actually included fuel storage facilities. Land had been earmarked within the airport for years to build tanks. However, the storage facilities had never been built due to lack of funding.

Salma managed to secure a long-term lease for the land earmarked for the fuel tanks at the airport. She had won, despite the behemoths in the jet fuel industry such as Shell, Total and SVP. Her proposal had, at its very heart, proactively considered the need for proper infrastructure and won her a milestone contract for UBI Group, namely Blue Ocean Investments. Salma recalls the hard work it took to secure this deal quickly because she knew it was a race against time before bigger players would sense that there is an opportunity.

Fuel supply before Salma's installation of the airport tanks had been provided solely by the Joint User Hydrant Installation (JUHI), which had been operating at the airport for decades and was solely in the hands of foreign multinationals such as Total. However, JUHI had never upgraded the actual tank infrastructure for more than 50 years and was utilizing day tanks that had limited capacity, hence could not handle the increase in traffic at the airport. Salma recalls the long, multi-year process her company had to go through in order to be accepted into JUHI, which was a pre-condition for selling fuel directly to the airlines. Until then, the only business generated from the new tanks she had built was from selling storage to JUHI – which cost her margin. Today, she looks back at this challenge as another example of indigenous players not being let into the

field easily due to the strong control large players from abroad continue to hold in Ghana's oil sector.

Her risky gamble paid off, even though it did lead to capital shortages when banks tried to break her back by not extending credit lines as anticipated. Not only had this brassy move given UBI Group the monopoly of the aviation supply, it also brought valuable network connections and, along with it, successful partnerships. When the time came to look for investors, she did not need to; the partners came looking for her since she had the infrastructure and the market access.

That said, the airport fuel tanks were clearly a trade-off. Blue Ocean was building two tanks at the same time and had already sunk a lot of money to build the one in Takoradi, which had been launched ahead of the airport one. When the airport tank opportunity came up, Salma had managed to secure the contract well in advance and decided to focus on that instead since it had more income opportunity. That slowed down the tank build in Takoradi significantly and eventually made her lose a big contract to a competitor (Cirrus Oil), who was just better capitalised and hence well placed to build faster.

She realised more and more that funding was key to enable her to implement her innovations and business ideas while remaining competitive. This was why Salma eventually viewed the deal with Puma Energy to be attractive since it ensured that the business was well capitalised, in the absence of attractive local funding options (interest rates in Ghana for debt capital continue to range from 30-40%). The deal, however, did not allow her to maintain the original structure of UBI Group and generally meant that an era of entrepreneurship had come to an end in its original form.

Salma always knew that she wanted to maintain her company as a local player in the industry as that would maximise value for rural Ghanaians and negotiated through a long, tedious process with Puma Energy to agree to a deal that 51% of ownership to remain in Ghanaian hands and awarded her Board Chairmanship in 2013. This \$150 million deal became a landmark transaction in the West African energy industry and established Salma as a key business leader in the sector.

After the acquisition in 2013 by Puma was complete, Salma responded to the increasingly urgent calls globally to move towards renewable energy solutions and started developing her solar energy company Blue Power Energy.

Salma's values dictated the way she ran every single enterprise and this one was no different. Deciding whether to pursue a venture was always driven by the likelihood of whether she could leave things better than she found them.

Key takeaways

- *It's never a bad idea for an entrepreneur to pivot the business model if the costs outweigh the benefits of an intended venture*
- *When entering a market with dominant forces, it's sometimes a good idea to penetrate through subcontracts to learn the ropes and develop your own voice and brand*
- *There are always opportunities to generate multiple streams of revenue: the entrepreneur needs to study the value chain and emerging customer segments to find out how else to offer value*
- *To be able to take calculated risks, the entrepreneur must be informed and observant of the gaps in the market through scanning the market, engaging in conversation with key stakeholders, among others – these give you an edge*



5. Building the next age of Ghana's power sector

Environmental considerations

The recent discovery of another oil and gas reserve off the coast of Ghana by the Springfield Group in 2019 totalling about 1.5 billion barrels of oil which, according to the company, should equate to estimated production of 250 000 barrels per day, has led to serious concerns among environmentalists regarding the consequences of deep-sea drilling such as unintended spillage, harmful chemical use, drill cutting and atmospheric emissions.

The International Energy Agency predicted that, by 2020, the global oil demand would be about 104 million barrels per day. Given the advent of the Coronavirus global pandemic, that number has decreased slightly.

Climate change heavily affects the economic factors on which Ghana's growth and prosperity depends; agriculture, forestry, energy and fishing. In many sub-Saharan African countries, the concern around the environmental crisis has become a point of great concern as the developing world or lower-income countries bear the burden of the downstream effects of hyper-inflated consumption of the developed world. Environmental degradation has become a major factor in the decline of social and economic conditions. Energy choices in most African countries, Ghana included, are based on three factors:

- Growth in productivity,
- A shift in the mix of energy resources from primary fuels to more modern, secondary resources,
- Efficiency in transforming and utilisation of all energy resources regardless of type.

Just like many other African countries, Ghana has been proactive about seeking sustainable solutions to reduce dependencies on fossil fuels and reducing carbon emissions.

According to the National Climate Change Policy Action Programme (for implementation between 2015 and 2020), Ghana has been committed to defining goals and targets around alternative sources of energy such as solar and nuclear; with the goal of at least 10% of country's consumption coming from renewable sources. Global warming and climate change affect the population of Earth very unequally. Although Africa as a whole is not a significant contributor to greenhouse gas emissions, lower income countries situated on the continent bear the brunt of the negative effects of rising temperatures as they are located in some of the hottest places on Earth.

Going Solar

Despite the abundance of sunshine in Africa, solar power is not the first choice for most energy providers around the continent. Most existing solar farms are concentrated within South Africa and Kenya.

Salma started research and development of a solar business in 2015. By 2018 she had secured most of the regulatory requirements and signed an agreement with the Ghanaian Government's renewable arm *BUI Power Authority* to develop a portion of their solar portfolio as a BOT and also take over an earmarked site near Salma's paternal ancestral home to build a 100MW solar farm.

Blue Power Energy, recognizing the need and essence for partnership, has a structure of a 60%

equity – 40 % debt where equity is available for partners to ensure the vision becomes successful.

The energy output from this farm is enough to power 50,000 homes in Ghana. The biggest driver behind her insistence on building this farm in the north is the employment and upliftment possibilities that lay within the success of this monumental project. With a projected 650 additional jobs in the near future from this project alone, the company's focus is mainly on empowering and uplifting the women of this deprived, disadvantage area. The adage of 'you empower a woman; you empower a nation' has never rung truer.

Blue Power Energy is a personal project for Salma. Half of the solar farm will be situated in her father's ancestral village and the other half, distributed around the disadvantaged north. According to UNICEF, the north has seen the least amount of progress in poverty elimination in Ghana since independence in 1957.

The ultimate goal of Blue Power Energy is to deliver inexpensive power to Northern Ghana. She believes that this will incentivise corporations and businesses to create opportunities for themselves and thereby create opportunities for the people that live there.

While access to finance was a key contributing factor for deciding to sell of a considerable stake in UBI Group to a foreign player, Salma hopes that Blue Power Energy will follow a different trajectory by tapping more directly into international capital markets from the start.

Key Takeaways

- *African countries are bearing the burden of climate change more so than developed countries because of a variety of factors stemming from lack of access to basic healthcare*
- *An opportunity exists to enter the renewable energy market, not only from a financial point of view, but from a critical developmental need point of view*
- *If Ghana is to fulfil its 10% renewable energy commitment to reducing its carbon output, then more must be done in the renewables space in order to meet those commitments*



The UBI Group

UBI Group is Ghana's renown energy solutions provider with a proud heritage and enviable track record.



Vision

To become an iconic Ghanaian company delivering unparalleled energy solutions across West Africa



Mission

To offer seamless supply of petroleum products in a safe and eco-friendly manner



Values

Energetic, Discipline, Integrity, Commitment, Teamwork (EDICT)



Trading



UBI Energy is the trading arm of the UBI Group with priority focus on **physical oil trading**

UBI Energy is actively involved in sourcing competitively priced refined petroleum products from across the world to clients in Ghana and the West African sub-region.



Shipping & Bunkering



Hargis Limited offers bunkering and chartering services to the shipping industry. Based from its home port of Tema, Ghana the company also supplies Takoradi in the West and covers Ivory Coast, Togo and Benin waters

Hargis owns 2 vessels with combined dead weight of **6,000mt** dedicated to offering bunkering services along the West African coast and since its inception in **2008**, the company has generated vessel charter revenues in excess of **\$3m** and provided bunkers in excess of **\$1.2m**



Import/Export, Storage & Distribution



Blue Ocean Investments Limited was incorporated in 2008 to make strategic investments in storage facilities for petroleum products and bulk distribution of these products to the local market. The company is commenced the construction of two (2) storage tank farms

- A tank farm for white products at Takoradi (Gasoline and Gasoil specifically) with an initial storage capacity of **34,000mt** and **16,000mt** work-in-progress
- An **8,000mt** Jet-A1 fuel tank farm at the Kotoka International Airport in Accra. This will be the first privately-owned Jet-a1 Fuel tank farm in Ghana



TRANSPORT & LOGISTICS



Transportation

UBI Transport & Logistics is responsible for all the services related to the logistics and distribution of petroleum products within the group. Company has a fleet of **10 trucks**, to move a range of refined petroleum products in a timely and efficient manner to our clients.



PETROLEUM

Marketing



UBI Petroleum is the marketing arm of the UBI Group. It is an **Oil Marketing Company (OMC)** registered in Ghana in **2007** to undertake marketing of refined petroleum products in Ghana. The company is also the sole distributor of the Repsol brand for lubricants in Ghana.



6. Winning the “Salma way”

Currently, Salma is developing green energy businesses under the Blue Power Energy brand that will likely kickstart a new age of the power sector in Ghana. Looking back at the UBI journey, she has distilled learnings for herself that have lifelong relevance for any future business ventures of hers.

No Longer in the Back Seat

When starting out, Salma knew that her visibility as a CEO of the business would not necessarily enhance the prospects of her success in northern Ghana. Inherited biases and patriarchal practise are quite common social norms in northern Ghana and Salma knew from the start that she would have to be considerate in her dealings with the rural, traditional societies that she was committed to serving. She decided to keep a lowkey public profile whilst only attending meetings with important chiefs in the municipality where she opened the first filling station. She ensured that all publicly viewed content and official launch events featured representatives of the business.

Over the years, Salma views the important choice of her low visibility in the market while building UBI Group as another success factor. She firmly believes that credit comes with time and does not need to be demanded upfront by being “out there”, especially if:

- it is not necessary to grow the business or
- has potential to slow down the expansion of the business.

Behind the choice of remaining obscure from public view lay even deeper reasons. The first being that Ghanaian and indeed, African culture, would tire of the same face. It can also be common for Ghanaians to prefer supporting people that either come from

their own clans or villages, which is impossible to meet as a criterion when building a country-wide business.

She maintains the only reason her businesses have survived and thrived this long is because of her choice of invisibility. ‘I keep a low profile, build steadfastly and do not have to waste energy fighting the corruption that power and money brings’ she maintains. At some point, she naturally is discovered as being the brain behind a certain operation; however, she believes that the discovery is often too late for vindictive parties to do anything serious about harming whatever business initiative she is working on at that particular time.

Looking at her visibility now, Salma feels that the tides have turned due to the consolidated professional success she has attained; she believes that now is the best time to be visible, it is now required to make sure other young women founding businesses can learn from her mistakes and strengths.

Family matters

Today and back then, Salma views her family as an important element of her professional success. She is a wife, mother and business woman. The question of work-life balance was never a career-breaking issue for her because she ensured that her family became the backbone of the business she was building from the start. Her brother would run the business on her behalf when she had family commitments to honour and her husband became her most important business advisor. Salma strongly believes that there can be a different narrative around combining family and business as a female entrepreneur; one that starts from a viewpoint of complementation. Oftentimes, female entrepreneurs fall into the guilt and shame cycle when it comes to taking time out to fulfil business or familial obligations. Salma candidly explains that the idea of 'having it all' is false and near impossible to achieve. Knowing that she made a commitment to shareholders had to mean that she would miss certain moments with her children and extended family. However, she was very strict about making up for time not spent with her family and believes that the success of her as a mother and woman in the workplace is because of the comprehensive support structures she spent time building.

Keeping things simple and long-term

In her own words, Salma's leadership style is 'as elementary as possible.' She's a level-headed strategic thinker who takes very calculated risks. Some of the questions she asks herself before diving into any new venture is 'will I be able to fulfil my obligations to the suppliers and everyone else?', 'if I do x, will I still be able to pay my employees' salaries?' Her considerations are always around benefit to shareholder and risk to the environment.

Over time, from the very first UBI station to Blue Power Energy, Salma's focus has consistently been on the long-term. Creating opportunities for tomorrow, the long game, benefit that far outlives her has always been a priority.

Her calm, inbuilt leadership capabilities she credits to her upbringing in a house of extended family and her childhood. She frequently heard the words 'it's not about you' and as an adult she wholly agrees. The bigger picture lays in making sure one can be of benefit to the community. Success for her means not only happy shareholders, but satisfied communities, residents – everyone who would be touched in some way by her business.

Salma believes that the focus on stakeholders instead of shareholders is a source of power in itself. She says "if you employ more than 5,000 people across your business group; that will equate to about 15 000 immediate dependants and extended family dependents". In Africa, it is not even uncommon to either hear of large families or one employee being financially responsible for more than six or seven dependants. Being in charge of the secure income for this many people puts a business leader into a position of political power that is worth more than financial wealth. This is long-term influence that she strives for.

The value of partnerships and networking

Salma was and is extremely strategic about her associations; an alignment of values is what drives her to want to partner up with any concern. For her, considerations lay in understanding that her products are not used to cause harm to anyone downstream to ensuring that franchisees have similar value systems to her business. She doesn't kowtow to authority and would preferably communicate with the aide to a CEO if that is the person who is actually the implementor and the one that actions ideas.

When asked how she thinks about networking, Salma says:

"By building personal connection usually through introductions or being in a setting that forces a dialogue. It is not a bad idea to do some research on people before you attempt to connect, this will help in engaging them without irritating or putting them off. Keeping the relationship is the hardest. I believe treating people with compassion, being genuine and showing care coupled with sincerity is almost always a sure win. Selfishness and greed is always a sure

way to ruin relationships thus cripple a solid network. Just be a decent human being.”

Being strategic about gender

On being a woman leader in an inherently male dominated industry, Salma says that the choice of obscurity was even more crucial. In traditional environments, women do not have a voice, in politicking, women do not have a place; so her strategy was to be the brain and the pocket behind everything whilst her brother or other business representatives would be the ‘face’ that was presented at initial meetings.

She laughingly recalls a time she cemented a very beneficial relationship with a senior licensing officer. He had no idea who she was and she gave him her middle name only. Her middle name was that of his sister’s and they struck up a friendship that saw him being more efficient with processing her documents. She nurtured that friendship tenderly, taking Christmas hampers to his family. Naysayers have in the past insinuated that Salma had used her female charm to get ahead in the game, but such accusations remain unfounded in comparison to what is commonly acceptable for the male professional.

Salma grew up went to boarding school in Ghana’s Central Region and gained a lot of character from family, but also her secondary school, *Mfantseman Girls’ Secondary School*. Her school adage ‘Obra nye woara bo’ (i.e. ‘life is what you make it’) is one she takes seriously and has helped her in making important decisions.

Whilst Ghana is rapidly developing, traditionalism within the rural areas still force women into roles of domestic subservience. There are so few employment opportunities for them that many still end up working as ‘Kayayei’- women who are simply porters (“living shopping baskets”) in a marketplace for other shoppers. They live in slums, endure regular harassment and unwanted sexual advances, theft and sometimes rape.

Salma’s companies have already created hundreds of job opportunities for people living in these areas and she has her sights set on creating 650 more in the near future. Her ultimate goal is to break the cycle of poverty and illiteracy by creating early learning and development centres for the children of these Kayayei women as a key goal of her legacy work.

Key Takeaways

- *The entrepreneur should have a balanced outlook in making decisions considering whether a particular plan of action will benefit shareholders and at the same time impact key stakeholders and the environment*
- *In balancing family with business as a female entrepreneur, one must start from the view of complementation*
- *The entrepreneur should be strategic and deliberate about his/her associations, considering alignment of values.*



7. Discussion Questions

1. Could UBI Group have continued successfully without selling an equity stake to a large multinational?
2. What does the acquisition by Puma Energy imply for the positioning of UBI?
3. What are the critical factors in the solar energy space to be considered by Salma as she transitions into renewable energy?



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