Jogoo Kimakia: The Making of a Kenyan Entrepreneur

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By

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Introduction

Some people silently pass through this small planet unnoticed. Even the most sensitive radars do not notice their presence. Others, make a bang, and everyone notice them, admires them, envy them or at times hate them. The most noticeable ones are usually leaders, not just in politics but in their chosen area of endeavor. A few are noticed long after they have made their pilgrimage across this lonely planet. Jogoo Kimakia (Dedan Nduati Njoroge) made a mark when alive, and long after his departure. He made his mark in post independent Kenya through entrepreneurship targeting transport business, his legend has outlived him. In his hey days, it is joked banks in Thika town, the epicenter of his business had to close to give cashiers time to count his money. Though truthfully, it probably involved getting into one of the bank rooms to count money or carry out other bank transactions. It is also rumored that he gave every son-in-law a bus! One neighbor independently confirmed that. His fame was not localized in Thika, his hometown; some even suggest that the British firm Leyland Motors set up a plant in Thika to satisfy the demand for his buses! Jogoo Kimakia was the trade name for a firm owned by Dedan Nduati Njoroge (1926-2008). The name originated from Kimakia forest where he burned charcoal as a young entrepreneur. His success in burning charcoal earned him the name Jogoo (cockerel) which in local language means a star. In his hey days, he owned 113 buses that plied different routes from Central Kenya to Rift Valley and beyond. Jogoo Kimakia is an example of a family owned business that made a great contribution to the Kenyan economy. This is in line with such businesses elsewhere. In the US for example it has been estimated that family businesses contribute 40-60% of the GDP and create over half of the new jobs (Shanker and Astrachan, 1996).

Location of Business

Jogoo Kimakia Located his business in Thika, 40 km North East of Nairobi. It generally an agricultural town, a stopover on the way to Central, Eastern and North Eastern Provinces of Kenya. Kakuzi and Sasini, two Nairobi Stock Exchange quoted firms have vast agricultural interests around Thika town where they grow coffee and horticultural products. Del Monte is the most noticeable firm in Thika with her pineapple plantations. Flower growing has become another popular agricultural activity around this town.

In the 1960s and 1970s, the town was nicknamed the “Birmingham of Kenya” because of industrial activities. Since the economic doldrums of the 1980s, the town has experienced declined fortunes with a number of industries closing. Economic observers however see the decline differently; they argue that in future we shall praise Thika as one the towns that successfully transformed itself from “smoke stacks” into post industrial age. This is witnessed by the number of universities and colleges that have been built in the last few years. Real estate which has seen some of the coffee estates subdivided into plots is another thriving industry around Thika. In the colonial era, Thika was a thriving town with several settlers farming around there; some still remain. The Town is district headquarter with all the government facilities. The town is sluggish in its mannerism and activities as compared with its giant neighbor Nairobi. It is in this small town, sleepier in 1960s and 1970s where Dedan Njoroge created his business empire, which flourished and like any other empire eventually declined.
Jogoo Kimakia started his bus businesses in 1965, two years after (uhuru) independence. This was just an extension of his transportation businesses started ten years earlier, which at one time involved getting goods from the sea port of Mombasa to Uganda. By starting the Jogoo Kimakia Bus Company, Nduati was building on experience he has acquired earlier, in pre-independence period. By this time the Kenya economy was booming, experiencing a growth rate of over 10%. There were few indigenous African investors in this sector and the government through Africanization program encouraged the indigenous people to become entrepreneurs. The Economy did very well after independence, perhaps buoyed by the feel good effect, that uhuru was finally here, and everyone thought they would enjoy the lifestyles of their colonial masters, from beer seeping at the terraces of big hotels to big game hunting and golfing.
Table I: The First ten years of Uhuru

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Figure 2: Growth Patterns from uhuru to 2007

![GDP growth chart](chart.png)

Source World Bank; 2007

The data seem to indicate that Jogoo Kimakia accidentally or incidentally rode on the crest of the economic growth after uhuru. The sixties and early 70s were Kenyans golden years, economically speaking. During this period, transportation was dominated by railways (for cargo) and by buses for people. That all changed in early 1970s when the government allowed individuals to offer transportation through the popular matatus (minibuses). In addition, the Ndegwa commission of 1974 allowed civil servants to engage in private business. Jogoo Kimakia was already in bus business when this threat came. But it seems the population growth created lots of market for the firm as figure II indicates here. World Bank (2007) indicate that Kenya’s population growth averaged 3-4% from 1960-2007.

Figure III: Kenya’s population growth, 1960-2007
During the period from 1963-1991, Kenya was a single party regime with KANU political party wielding lots of power. Like any other regime with no competition, business and politics were closely intertwined, and some of the most successful businessmen today cut their teeth during these difficult days, not necessarily through entrepreneurship but through rent seeking. That practice despite the advance of multiparty politics is still common. But Dedan Nduati, shied away from the politics of the day, He started as small time entrepreneur with no big name behind him, he started dirty, selling charcoal, running a shop.

**Life and Times of Jogoo Kimakia**

He was born in 1926 when Kenya was still a British colony; he grew up in the rural areas before migrating with his mother to urban areas. He matured like all traditional men of his day by “going to the river” where the cold water was used as an aesthesia in circumcision. True to his times, he married three wives and begot several children. It was his “escape” from this traditional culture into the modern day capitalism that set him apart from his generation. He could be in the same league with another leading Kenyan entrepreneur, a former MP and cabinet Minister, Njenga Karume, who despite modest education rose to the citadel of Kenyan capitalism. Jogoo Kimakia and his generation have inspired a new generation of rugged entrepreneurs who see education as a nuisance.

Kimakia main motivation was pinpointed by American scientist Benjamin Franklin long time ago, poverty. His modest education seems to have been an advantage; he was not choosy and pursued any
opportunities that smelt money. He was aggressive and talkative according to those who knew him. He was an extrovert and hang around with fellow businessmen devoid of “big people,” particularly the politicians. See appendix I for an obituary.

**Growth of his Business**

It is this economic and political environment coupled with his own determination that made Dedan Nduati such a budding entrepreneur. He was a school dropout, but that did not deter him from running his businesses, with the military discipline. He dropped out at class two (grade II) and emigrated from his birth place in Mugoiri (Murang’a county) to Kiria-ini (same county). Stating with selling wattle bark (used for tanning hides) and charcoal, he went on to diversity into road transportation through cargo hauling and buses. At the height of his empire he owned over 100 buses. They were managed like any other modern fleet without the benefit of a tracking system. He had inspectors who ensured buses were paid for. He went to UK yearly to make purchases for new buses and had to be accompanied by an interpreter because of his modest education. The bus company made him a legend with Kenyans reporting how they travelled by “Jogoo” from one town to another. He owned petrol stations and garages for his buses. Talk of vertical integration and economies of scope.

The bus empire was threatened by introduction of matatus the same way safari ants can threaten any big animal. It is claimed that one day in the 1970s, a delegation consisting of bus operators visited the then President Jomo Kenyatta to plead for protection against matatus. He advised them to buy matatus after selling their buses!

It may be this episode that prompted Jogoo Kimakia to start diversifying into other sectors like petroleum retailing, coffee farming, dairying and real estate. A Jogoo Kimakia estate and many buildings bearing his name adorn Thika. He even went into philanthropy building Jogoo Kimakia High school and donating land to a church.

**Succession**

Today, there are no Jogoo Kimakia buses on the Kenyan road from the 113 that once plied our roads. There are questions on where the rain started beating Jogoo. Was he a victim of matatus, which like safari ants can scare any animal? Did he fail to come up with clear succession plan? Neighbors say the death of one of his sons greatly affected him. One son is said to have quarreled with him over his stinginess with money even asking when he will die to inherit him. In the ensuring debate, he argued that the son would die before him—it happened. Others say that he failed to bring in professional managers when the firm was at its apogee. Those he employed took advantage of his lack of formal education. It is reported that his bulk buying of buses once earned him two extra buses but they did not reach him. His managers also had unorthodox methods of interviewing prospective employees like telling them to ‘catch up’ with a bus to prove one can be a god tout. Could stock exchange have saved his empire? Was diversification into real estate a wise move? His tacit knowledge of the business accumulated over the years from pre-colonial period to post uhuru was not easy to pass on to the next generation. Was he a victim of the old order, attachment to land? Did the old order win over the new
order based on technology and ideas and not tangibles like land? Thika town today has re-invented itself; should he have re-invented himself? How? When he breathed last, we lost an encyclopedia of experiences and wisdom of how self learning, determination and taking advantage of the environment or falling a victim to it could make a nobody somebody. We shall ceaseless ask the question, shall there ever be another Jogoo Kimakia and if one emerges what shall be his business? One of his sons currently operates some minibuses by the same trade name.

Morris et. Al (1999) observes,”” relationships within the family has the single greatest impact on successful transitions. At the same time, smoother transitions do not necessarily result in better post-transition performance by the enterprise. This linkage to performance appears to be more complex”” Does Morris observation apply to Jogoo Kimakia transition? Being polygamous how did the family relations affect the transition. Would it have mattered if he had one wife?

**Teaching Notes:**

The case would be most appropriate for profiling great entrepreneurs, how they interact with the environment and how they handle or fail to handle succession. Suggested questions include;

a. Like Bill Gates of Microsoft, Larry Holmes of Oracle or Steve Jobs of Apple, Jogoo Kimakia was a school dropout. Should we therefore stop teaching Entrepreneurship in schools?

b. If Jogoo was 18 years today which area would you advice him to venture into? Why?

c. Would Jogoo have been as successful if he started his first business after uhuru instead of before in the colonial era?

d. Why did Jogoo keep off from politics? Was that a good idea?

e. Was diversification a good move for Jogoo? Why or Why not?

f. Jogoo migrated from his homeland, just like most entrepreneurs into Silicon Valley, or Nairobi. Why do immigrants tend to be very successful entrepreneurs?

g. What would you have advised Jogoo to do at the apogee of his bus empire?
Appendix I: The matatu and buses in Kenya; an echo from the past.

A matatu that replaced buses, like Jogoo Kimakia’s

Double decker buses in Nairobi in 1960s, By Malcom McCrow

Appendix II: Jogoo Kimakia’s Obituary in the Daily Nation

The Nation (Nairobi)
News Article By Oliver Musembi

Dedan Njoroge Ndiiuti was a testimony of the rags-to-riches adage. From very humble beginnings as a petty trader in hides and skins, charcoal and wattle bark in the 1940s, he rose to become one of the most successful fleet transport entrepreneurs, owning over 100 public service buses commonly called Jogoo Kimakia.

They traversed the length and breadth of Kenya - Central, Nairobi, Eastern, Rift Valley and parts of North-Eastern provinces. The businessman, who died last week, ran the fleet with a strong yet gentle hand, imposing on the crew a strict drill of physical exercise and moral discipline.

Many are the times he woke them up at 3am for a rigorous routine of body fitness, saying it was necessary for alertness on the road to ensure passenger safety. He also ran a parallel cargo transport company, besides vast businesses - coffee plantations, real estate, commercial buildings and dairy farming.

The latter were a divestiture from his core trade when woes beset the transport industry, eventually leading to collapse of Jogoo Kimakia and other big names like OTC (Overseas Trading Company) and, later, Kenya Bus Service (KBS).

Born 82 years ago to a poor family in Ndutumi village of Mugiari location, Murang’a district, he later migrated with his widowed mother to Kiria-ini in Gatanga, Thika district. He dropped out of formal education at class two, owing to lack of enough money for family upkeep and fees.

Ageamate Samuel Mugi Mundia, who grew up with him and “faced the knife” together, remembers him as ambitious and energetic. “He had an unmatched business acumen,” he says, adding: “Nothing seemed to satisfy his energy. He zealously searched for challenges and new opportunities.

“It was this that made Ndiiuti open a shop and a restaurant at Kiria-ini village, almost concurrently with his skins and charcoal business,” recalls Mundia.

Subsequently, Ndiiuti ventured into cargo transport in the 1950s and bought several lorries to ferry goods from Mombasa port to Kampala in Uganda. In 1965, he acquired his first bus, a brand new Austin registration number KKA 605.

He bought it from Gailey and Roberts and christened it Jogoo Kimakia. It was the birth of what become a legend in local transport. In a short spell, he had a fleet of buses. They traversed Nairobi, Thika, Embu, Meru, Kitui, Nanyuki, Nakuru and Kisumu routes.

Jogoo Kimakia grew to be arguably the largest indigenous passenger transport firm in Kenya, and perhaps eastern Africa.

It served the entire Central, Nairobi, Eastern, Rift Valley and parts of North-Eastern provinces. At one time, the fleet rose to 113 buses, and spawned a parallel cargo transport business.

A legal advisor and trusted friend, Prof G.S Munoru, remembers Ndiiuti as a strict disciplinarian. “He would wake up as early as 3am to put his drivers and conductors through physical drill. Ndiiuti said it was meant to ensure alertness and sobriety before starting work, adding that the crew should not gamble with the lives of passengers.”

The professor of law admires Ndiiuti’s ingenuity and mastery of business - never being taken aback by the complexes of management or the bewilderments of huge cash transactions despite lacking adequate formal education.

As a reward for promoting their business, Leyland Motors gave “Mzee Jogoo” one bus free of charge and an all-expenses-paid trip to London every year, says Prof Munoru.

When fortunes of the transport business began to wane, Ndiiuti diversified into petroleum retailing. He operated a number of petrol stations in Thika town.

In the mid 1980s, he cut down on the fleet of buses and invested in real estate, mainly in Thika town. Notable projects include the flourishing Jogoo Kimakia housing estate, Jogoo House and other commercial buildings.

He also went into coffee and dairy farming, with a great measure of success.

In all these ventures, he was assisted by his three wives, Rachael Njeri, Beth Wanja and Teresia Wathira.

Ndiiuti steered clear of controversy and politics. As a community responsibility gesture, he built Jogoo Kimakia secondary school in his rural home.
Local MP Peter Kenneth, who is also an assistant minister for Finance, pays glowing tribute to the departed icon, describing him as a pillar of strength and a source of inspiration to many people.

Mr Kenneth recalls the many times Nduati assisted various development projects, especially in education. Along with other Christians, Nduati founded Mugumo ini AOK church in 2004 and donated a plot on which it is under construction.

Beat the odds

Former Thika mayor Mumbi Ng’aru, who is a pupil of Nduati in business and a close friend of the family, says he was a shining example to locals.

“We should respect people like him. He acquired wealth through hard work and beat the odds to build an empire without stealing or looting public coffers.”

Her sentiments are echoed by former Thika mayor and close associate Douglas Mundia, who says Nduati was very humble despite his wealth.

Family members, particularly his children, saw him as a role model for society and a source of inspiration.

Says daughter Ann Nyambura: “He is a success story. We should all emulate him. He respected both the old and the young, the rich and the poor.”

Nduati mentored many people outside his family, especially fellow businessmen.

He died at Aga Khan Hospital, Nairobi, on December 5. This was after a stint of ill health that saw him in and out of hospital several times. He is survived by his wives, children and grandchildren.
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