

## Nigerian startup has a job to do—many of them

July 14 2013, by Ben Simon



Ayodeji Adewunmi, co-founder of the Nigerian job-finder site Jobberman, speaks on June 17, 2013 at company headquarters in the upmarket Lagos suburb of Lekki. The university student started the leading site even as culture of cronyism makes breaking into business tough in Nigeria.

When university student Ayodeji Adewunmi faced daunting hurdles in starting his own business in Nigeria, he turned to an unlikely source of inspiration: the country's huge youth unemployment problem.

"Our mission was to have the largest active job list in the country," he



told AFP.

He may have accomplished the goal. Adewunmi's Jobberman.com now claims to be the leading job-finder site in Africa's most populous country, with a staff of more than 50 and some 9,000 companies posting positions.

His story is both an example of the possibilities here as well as a warning of the perils facing budding entrepreneurs and, in some ways, the country as a whole.

Jobberman's offices in the upmarket Lagos suburb of Lekki stand in contrast to many businesses in the city of some 15 million people.

A small fleet of polished cars branded with the Jobberman logo were parked outside, with a young <u>workforce</u> buzzing around the two-floor interior.

But Adewunmi's journey here wasn't always so smooth.

When he first considered opening a business, he confronted challenges facing many aspiring entrepreneurs, but which in Nigeria are especially daunting.

He had no cash, no contacts and little hope of finding either.

"I think in our own case we lacked all that...from a capital standpoint and from a connections standpoint," said Adewunmi.

Nigeria has long been regarded as one of the world most corrupt countries, where cronyism is rampant.

Starting a medium-sized or large business without the help of a powerful



patron can border on impossible, especially in dominant sectors like oil and gas, Adewunmi told AFP.

He turned to the Internet because it "has little or nothing to do with the establishment."

Adewunmi got the idea for a job-finder site from a friend who had developed the concept but taken no action.



Customer care department emloyees of the Nigerian job-finder site Jobberman work on June 17, 2013 in the upmarket Lagos suburb of Lekki.

It would be a business with a ready-made market. Some 37.5 percent of Nigerians under 25 are out of work, according to the National Bureau of Statistics.



In a 2010 report on the job market in Nigeria, the World Bank documented the continued rise of <u>youth unemployment</u> despite key economic reforms since the end of military rule in 1999.

The economy has grown, but poverty has worsened, according to official statistics, with the likely culprit an excessive reliance on Africa's largest oil sector, which generates few jobs.

Among its many recommendations, the World Bank report said forging closing ties between training institutions and job candidates was crucial if Nigeria hoped to improve its grim jobs picture.

## Youth unemployment: a time bomb

Analysts have described the problem of youth unemployment in Nigeria as a potential time bomb considering the risk of youths turning to crime or extremist movements if they view their economic situation as hopeless.

But beyond the obvious need for such a service, Adewunmi also had another major factor playing in his favour. Nigeria has seen fast growth in Internet access, thanks in large part to an explosion in the number of mobile phones.

In 2009, when his lecturers at the southern Obafemi Awolowo University were on strike, Adewunmi used the idle time to launch Jobberman.

In a country of some 160 million people, the list of potential users is massive and, according to Adewunmi, investors have shown interest.

Six months after the August 2009 launch, a Nigerian investor reached out, but later, Tiger Global Management, a large US-based hedge fund



that had been an early investor to Facebook and LinkedIn, got in touch.

Tiger Global declined to comment and Adewunmi did not want to discuss the size of its investment. He said Jobberman is not yet profitable, but he is optimistic.

Adewunmi believes both employers and trained Nigerian workers are desperate for a trusted platform where they can connect. He seeks to earn revenue through advertisements as well as a recently introduced paywall.



A man backs up a car belonging to the Nigerian job-finder site Jobberman, on June 17, 2013, in the upmarket Lagos suburb of Lekki.

Tomi Orunmuyi, a 26-year-old who studied electrical engineering at the University of Ilorin in central Nigeria, claimed there was no career



services department or opportunities to meet potential employers.

"You are totally on your own," said Orunmuyi, 26, when asked what university students face as graduation approaches.

Orunmuyi found his first job immediately after completing his year in the National Youth Service Corps, mandatory for all university graduates.

When he wanted to move on, he said Jobberman was the obvious place to search.

"A whole lot of people use it and they have a whole lot of jobs," he told AFP on a lunch break from his new position at Fun Mobile, where he designs products such as speciality ringtones.

He said he applied for 10 posts and received three offers.





Marketing officers with the Nigerian job-finder site Jobberman work on June 17, 2013, in the upmarket Lagos suburb of Lekki.

When Orunmuyi used the site there was no paywall—something Jobberman has since introduced in hopes of shifting to profitability.

Under the current system, employees pay nothing to post a job, but to see the full details of a listing, applicants must pay 500 naira (\$3) per month.

The rate drops for those who sign up for multiple months.

Orunmuyi said he knows people who have declined to use the site due to the paywall, describing the strategy as risky in a country where suspicions of fraud, including online, are justifiably high.

But when asked if he thought people would continue using Jobberman, despite the paywall, he said, "they don't have any other option."

© 2013 AFP

Citation: Nigerian startup has a job to do—many of them (2013, July 14) retrieved 20 April 2024 from <a href="https://phys.org/news/2013-07-nigerian-startup-job-domany.html">https://phys.org/news/2013-07-nigerian-startup-job-domany.html</a>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.