

50TH ANNIVERSARY EDITION
THE WITS BUSINESS SCHOOL
JOURNAL

- Innovation
- Entrepreneurship
- Leadership
- Education
- Case Studies
- Alumni Interviews
- Burning Business Questions

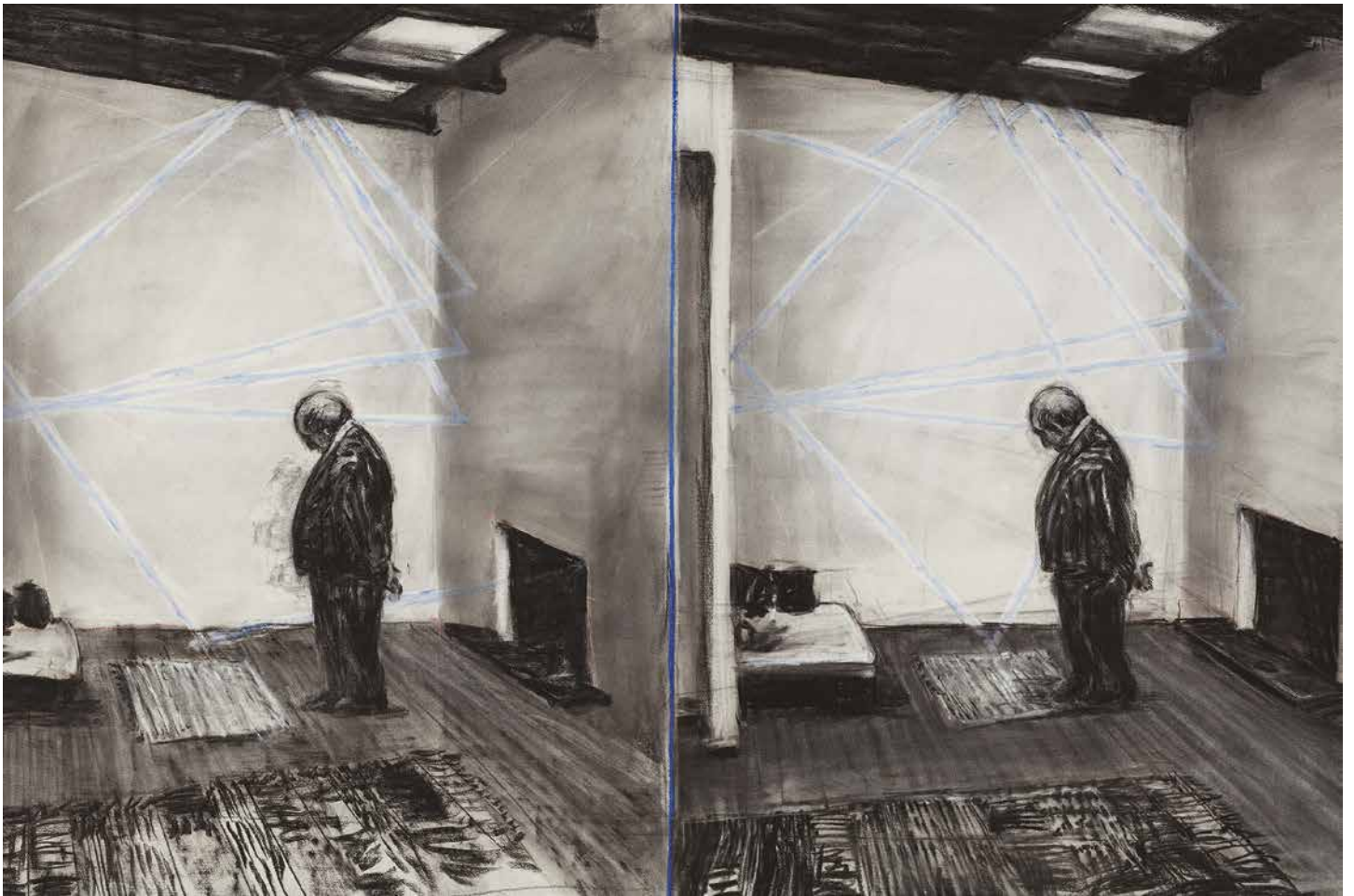


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William Kentridge, *Drawing from Stereoscope (Double page, Soho in two rooms)*, 1999

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LETTER FROM THE DIRECTOR



W

elcome to a very special edition of *The WBS Journal*!

2018 has been a watershed year for the Wits Business School. A 50th birthday not only is cause for celebration, but also forces us to take a retrospective look. To nostalgically retrace our steps and consider how far we have come: as a School, as a country – and indeed as global citizens.

When Wits University opened its graduate school of business administration, it was before man first walked on the moon, and way before personal computers – and even television in South Africa!

We can be very proud of the WBS of today. Not only does the School boast an enviable track record of academic excellence, but we are proudly leading the way in a number of teaching areas in response to the rapidly changing needs of the continent, including digital business, energy leadership and African philanthropy. *The WBS Journal* highlights our thought leadership in these and other areas through contributions from our faculty, whom we consider to be the ‘rock stars’ of WBS!

Our Case Centre is another source of pride, and you’ll get a taste of the phenomenal output through our ‘Faces behind the cases’ section. And then of course there are thousands of alumni who honed their business and leadership skills through WBS. We have featured just a few of them in this *Journal*, all of whom are extraordinary leaders in their fields.

As a business school located in the economic heart of Africa, we pride ourselves on having delivered a relevant, rigorous and transformative learning experience to students for five decades. But we are facing a new era, here in South Africa and globally. Now, and in the future, there is a pressing need for skilled leaders who can take businesses forward together with their communities and stakeholders, into a new age of responsible, connected and inclusive global economic development. And at WBS we are up for the challenge!

Happy reading, and to all our students, alumni, staff, friends and stakeholders – here’s to the next 50 years of ‘sculpting global leaders’!

Dr Sibusiso Sibisi
Director and Head of School
Wits Business School

“We can be **very proud** of the **WBS** of today. Not only does the School **boast** an **enviable track record** of **academic excellence**, but we are **proudly leading the way** in a number of **teaching areas** in response to the rapidly **changing needs** of the **continent**”

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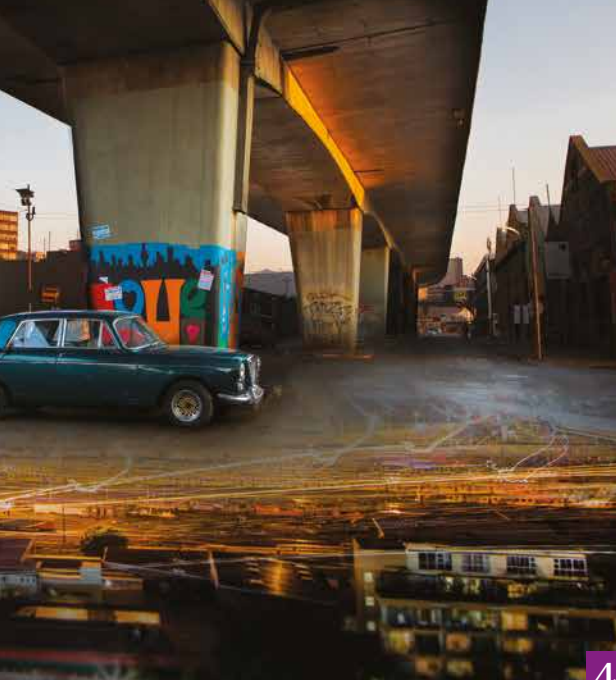


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50 YEARS OF WITS

Key milestones during Wits Business School's 50-year history, against the backdrop of local and global historical events.

Go to www.50yearsofwbs.co.za to view our commemorative website and share your WBS memories.

1968

WBS
Wits Business School opens its doors. The first programme is a partnership with Stanford University: Executive Development Programme for Senior Managers.

SOUTH AFRICA
The Prohibition of Mixed Marriage Bill is adopted.

GLOBAL
Rev Martin Luther King is assassinated in Memphis.

1970

WBS
WBS buys Outeniqua House from Wits University. Lecture theatres, an administration block and a library are built.

SOUTH AFRICA
The International Olympic Committee expels South Africa.

GLOBAL
US President Nixon orders an invasion of Cambodia.

1971

WBS
Graduation of the first MBA class of 14 students.

SOUTH AFRICA
Ahmed Timol, political activist dies in detention. Apartheid government claims 'suicide'.

GLOBAL
The world's first microprocessor is launched.

1974

WBS
Wits creates a separate Faculty of Business Administration.

SOUTH AFRICA
South Africa is suspended from the United Nations General Assembly.

GLOBAL
Mohammed Ali defeats George Foreman in Kinshasa in what was called "the greatest sporting event of the 20th century".

1993

WBS
WBS establishes new Graduate School of Public & Development Management (P&DM).

WBS runs a joint executive programme with the South African Police and uMkhonto we Sizwe.

SOUTH AFRICA
Chris Hani is assassinated.

Multi-party talks resume at CODESA.

Nelson Mandela and FW de Klerk win the Nobel Peace Prize.

UN lifts sanctions against South Africa.

GLOBAL
European Union formally established.

1996

WBS
New MBA subjects include Labour Problems and Issues in African Management.

SOUTH AFRICA
The new constitution is approved, guaranteeing equal rights for all races.

Truth and Reconciliation Commission begins.

GLOBAL
Dolly the Sheep, the first mammal to be cloned, is born in Scotland.

2001

WBS
WBS & the P&DM are integrated into Wits University's new Faculty of Commerce, Law & Management.

SOUTH AFRICA
Aids activist Nkosi Johnson dies.

The UN World Conference against Racism, Xenophobia & Related Intolerance is held in Durban.

GLOBAL
2,977 people killed in the September 11 attacks in America.

2003

WBS
The Higher Education Quality Committee reaccredits the WBS MBA programme.

SOUTH AFRICA
The Truth & Reconciliation Commission releases its final report.

Anti-apartheid activist Walter Sisulu dies.

GLOBAL
The Iraq War begins. US forces seize control of Baghdad; Saddam Hussein's regime falls.

The acute respiratory syndrome (SARS) spreads to 32 countries around the world.

2007

WBS
Executive Education programmes are ranked No. 45 in the world by the Financial Times.

SOUTH AFRICA
Jacob Zuma succeeds Thabo Mbeki as leader of the ANC.

GLOBAL
Steve Jobs unveils the Apple iPhone

Crisis in the mortgage market precipitates the Global Financial Crisis of 2008.

BUSINESS SCHOOL

1980

WBS
MBA elective courses are introduced for the first time. Three black MBA students registered.

SOUTH AFRICA
Hundreds of school children arrested under the Riotous Assemblies Act.

GLOBAL
John Lennon is shot dead in New York.

Robert Mugabe is elected Prime Minister of Zimbabwe.

1981

WBS
WBS has 48 full-time MBA students and 153 part-time students: of the total, 10 are black, 6 are Asian and 29 are women.

The first black MBA student, Sam Malabate, graduates.

SOUTH AFRICA
Bishop Desmond Tutu is arrested and his passport confiscated.

GLOBAL
The Centre for Disease Control & Prevention recognises AIDS for the first time.

1982

WBS
Constance Nkosi becomes the first black woman to receive an MBA.

WBS introduces first Certified Programme in Industrial Relations (CPIR).

SOUTH AFRICA
Activist Ruth First is killed by a letter bomb in Mozambique.

Nelson Mandela is transferred from Robben Island to Pollsmoor Prison.

GLOBAL
Time Magazine's Man of the Year is given for the first time to a non-human: the computer.

1985

WBS
The first IT course, Advanced Information Systems, becomes part of the MBA.

SOUTH AFRICA
PW Botha declares a state of emergency in South Africa, then delivers infamous 'Rubicon' speech.

COSATU is founded.

GLOBAL
Microsoft introduces Windows.

The hole in the ozone is first reported.

UK's first cellular network is launched.

1987

WBS
A group of WBS alumni join lecturer Dr Frederick Van Zyl Slabbert and a delegation of 61 business leaders to meet underground members of the ANC headed by Thabo Mbeki in Dakar.

SOUTH AFRICA
ANC headquarters in London bombed under orders from the SA government.

GLOBAL
US President Reagan challenges Soviet President Gorbachev to tear down the Berlin Wall.

Black Monday on Wall Street.

2012

WBS
WBS holds its first Careers Fair.

SOUTH AFRICA
34 mineworkers killed and 78 left seriously injured by police at the Marikana massacre.

GLOBAL
The European Organisation for Nuclear Research announces the discovery of a new particle after Large Hadron Collider experiments.

2015

WBS
WBS establishes the Chair in African Philanthropy, the first of its kind in Africa.

SOUTH AFRICA
Homo naledi unveiled by Wits Professor Lee Berger.

GLOBAL
Refugee crisis in Europe, mostly from war-torn Syria.

South African Comedian Trevor Noah succeeds Jon Stewart as host of the The Daily Show.

2016

WBS
WBS introduces a new MBA curriculum. First PDBA cohort.

BCX Chair in Digital Business is launched, another first for Africa.

SOUTH AFRICA
South African sprinter Wayde van Niekerk wins gold, smashing the 400m world record at the Brazilian Olympics.

GLOBAL
Britain votes to leave the European Union: 'Brexit'.

Donald Trump wins the US presidency.

2017

WBS
WBS establishes the continent's first African Energy Leadership Centre (AELC).

SOUTH AFRICA
Severe drought in Western Cape.

Cyril Ramaphosa becomes President of the ANC.

GLOBAL
North Korea conducts a number of nuclear tests.

The year of the cryptocurrency, with Bitcoin's value growing over 1000%.

2018

Wits Business School turns

50!



THOUGHT LEADERSHIP

WBS academics share their expertise on key issues facing the African business world today.

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PROF BRIAN ARMSTRONG

heads up the BCX Chair in Digital Business at WBS

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PROF KALU OJAH
is Professor of Finance and
Director of the Master of
Management in Finance
and Investment
programme at WBS

DR RENEE HORNE

Dr Renee Horne, Senior
Lecturer: Business in
Africa, Emerging Markets
and Economics and
Director of International
Relations at WBS

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PROF ROD CROMPTON

Adjunct Professor Rod Crompton, Director of the African Energy Leadership Centre at WBS

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PROF BORIS URBAN

is Professor and Programme Director: Master of Management in Entrepreneurship and New Venture Creation at WBS

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POWER STRUGGLE

CLEARING UP SOUTH AFRICA'S ELECTRICITY MIASMA WILL TAKE
A NATIONAL MINDSET CHANGE

TEXT: PROF ROD CROMPTON



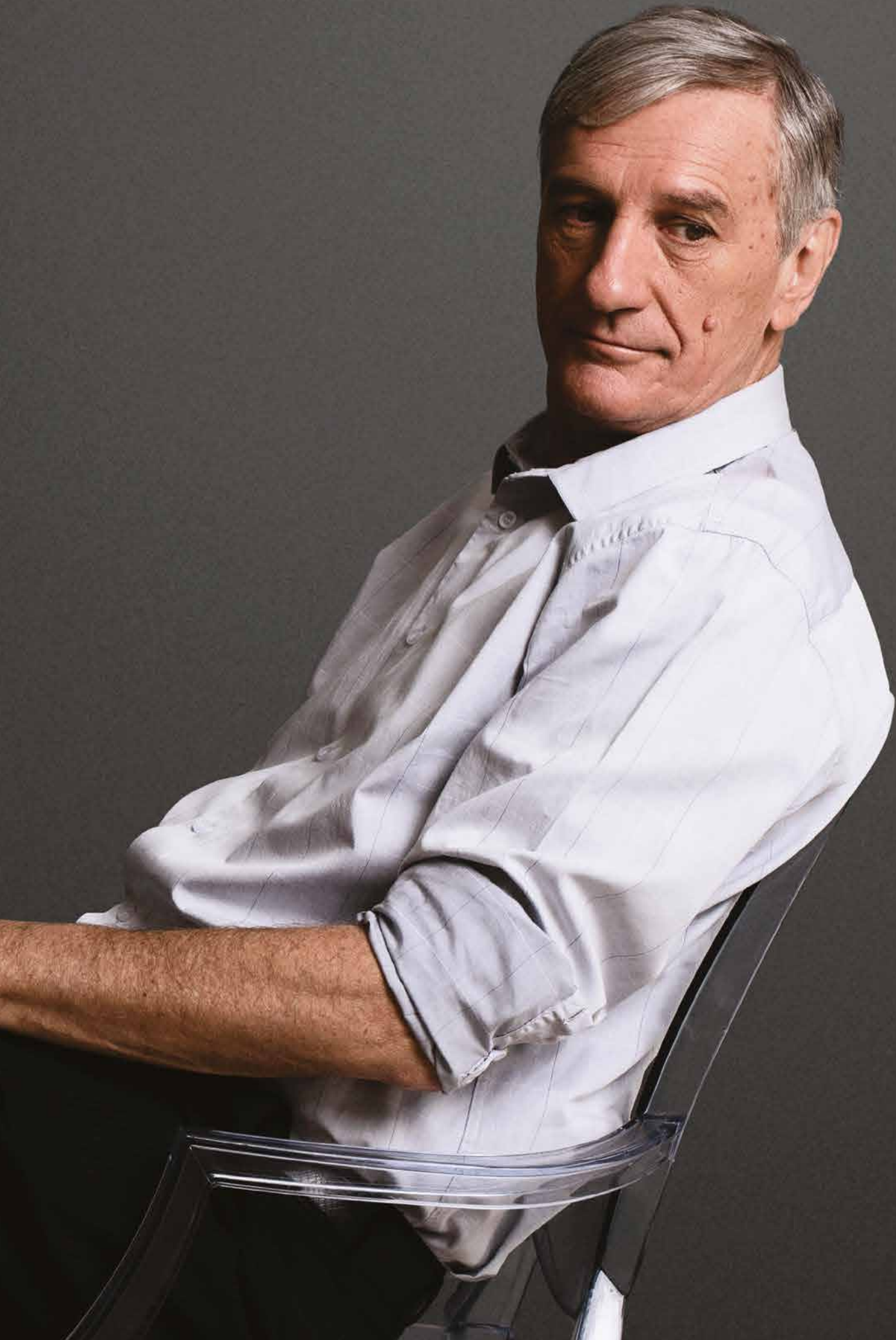
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he electricity industry has, in a relatively short period of time, shifted from relative anonymity to high-profile notoriety. The main cause of this change was the sudden introduction of power cuts in 2008, euphemistically called 'load shedding' by Eskom, and the subsequent continued threat of more. This change in public profile was also helped along by other positive and negative factors.

On the positive side, the procurement of renewable generating capacity was world-class, even though some of it came with exorbitant tariffs. On the negative side, there was the plunder and wreckage of Eskom by those associated with so-called 'State Capture', to the point that a Minister of Finance (Malusi Gigaba) warned it could collapse the whole economy.

The ease with which Eskom was changed from a well-run utility of global stature to a wreck has demonstrated unequivocally that the large state-owned companies are the soft underbelly of the state that leave tax payers seriously exposed to financial risk to the point that the very stability of the state and the survival of democracy is threatened.







South Africans and President Cyril Ramaphosa and his 'New Deal' are now trying to figure out what to do about the electricity industry mess they have inherited from the Zuma era. Can it be fixed, and if so how?

But State Capture is not solely to blame. Electricity sales volumes have been negatively affected by several factors simultaneously:

- Unreliable supply from Eskom and some crumbling municipal distribution capabilities have caused customers to become more self-reliant.
- Steeply rising electricity prices have led to lower demand in a vicious cycle known as the 'death spiral' now gripping Eskom and other utilities around the world. State Capture is a problem, but it is not the root cause of Eskom's inappropriate business model.
- These forces have brought about an economic restructuring and yielded an economy with a lower and declining energy intensity.

“Just as mobile phones opened up many new **business opportunities**, so too do the **changes** in the structure of the **electricity market**, especially for small and medium businesses”

- Unpaid electricity bills by failing municipalities as well as significant electricity theft also threaten Eskom's financial viability and contribute to higher tariffs.
- Disruptive technologies and innovation are

making it easier and more cost effective for businesses and residential customers to move towards self-sufficiency or reduced reliance on the grid. Even healthy electricity industries are being stretched to the limit by a wave of new technologies threatening existing business models and electricity market structures. The long list includes falling prices of renewable energy, smart grids, low gas prices, LED lighting, more efficient consumption technologies, increasing independence of large cities, blockchain-based technologies, electric vehicles and app-based controls. There are inexorable changes afoot that neither governments nor individuals can halt. Nimble change is of the essence.

Beyond regulation

Electricity supply is rapidly becoming less and less of the 'natural monopoly' that it used to be. This new reality means that the very conceptual underpinnings of the country's strategic considerations and regulatory dispensations have and are changing substantially. These changes are at least as profound as the move from fixed line telephony to mobile phones but with a much larger economic footprint. Just as mobile phones opened up many new business opportunities, so too do the changes in the structure of the electricity market, especially for small and medium businesses offering jobs that are better than underground coal mining.

Because market forces are stifled by inappropriate regulation in the electricity sector, market signals are not swiftly or properly communicated to suppliers and customers. Instead, the industry has to wait for policy change and then regulatory change, notoriously slow processes. And in the meantime, customers are voting with their feet. And herein lies perhaps the single largest threat to the South African electricity industry – the political and regulatory lag in accommodating change fast enough to avoid a significant disruption. The systemic issues outlined above need to be addressed urgently because the electricity system is hovering on the edge of the abyss and operational costs are rising.

There is much speculation in the media about government's next IRP (integrated resource plan) and which technologies the Minister of Energy is going to pick. All the various technology vendors are shouting "Pick me!" while the Minister should let the market do the work. Complexity is growing with the inextricable interconnections between the electricity sector and all the other energy carriers as the old sector silos disappear. Diesel is running solar plants at night. The heavy-handed regulation in our silo-based statutes is no longer able to manage.

South Africa finds itself in something of a perfect storm. Planners, policy makers and regulators have an electricity market structure for a previous era. But the world has moved on. Changing to a new one without significant disruption requires a whole new mindset.

The approaching tsunami of new technologies means that it is probably impossible to develop a workable market structure with the same level of market interference as there is today. More space will have to be created for markets to operate effectively.

In South Africa that is a tall order, given our proclivity for waiting until the last minute before addressing a crisis, and government's deep-seated suspicion of market forces, especially in what it thinks are 'strategic' sectors.

At the centre is a significantly bloated and broken Eskom, teetering on the edge of financial ruin. There are also volatile trade unions and coal truckers threatened by the changes that new technologies are unleashing on their previously stable jobs.

What is to be done? Government needs to move fast. Business and civil society need to move fast. The first objective is consensus on the basic principles underpinning the New Deal electricity market structure. Government would be well served by having a working colloquium of energy experts (not just electricity experts) with a range of expertise.

None should have vested interests. This group should be mandated to rapidly produce a set of basic principles.

“Complexity is growing with the inextricable **interconnections** between the **electricity sector** and all the other **energy carriers** as the old sector silos disappear**”**

These might include:

- Customer choice of electricity supplier/s at the generation level. Those who want to pay for nuclear or renewable or any other electricity technology must be allowed to do so at the real cost reflective tariffs of their chosen supplier – in other words, not the kind of opaque, averaged and cross-subsidised tariffs that Eskom currently uses. Radical economic transformation presumably means, at least, transparent real prices enabling informed consumer choices, before social measures are overlaid.
- No payment, no service.
- Ownership of electricity infrastructure assets must be such that they cannot become the soft underbelly of the state again.
- Entrenching a limit on state exposure to electricity infrastructure funding, by guarantee or otherwise, at a level low enough to preclude it from unleashing financial instability on the country.

This will be the easier part. The more difficult part will be massaging the consequential raft of policy and statutory changes through the political system. There will be significant opposition, especially in an election year. It will only be possible by constant reminders of how close we are to the abyss and by occasionally getting all the stakeholders to peer over the edge. 💡



ROD CROMPTON

Adjunct Professor Rod Crompton, Director of the African Energy Leadership Centre at WBS

ENTREPRENEURSHIP

BEGIN THE REVOLUTION!

SMALL BUSINESSES CAN BE GAME-CHANGERS, BUT THE
PHILOSOPHY BEHIND SUCH ENDEAVOURS MAY NEED TWEAKING

TEXT: PROF BORIS URBAN



The received wisdom is that the long-term solution to South Africa's unemployment crisis is to create a nation of entrepreneurs. Such well-meaning sentiments and populist events, with their usual clichés of 'entrepreneurs as heroes', tend to breed unreasonable and unpredictable expectations, which ultimately cause frustration and loss of confidence in entrepreneurship.

There has been
no increase
in the number
of **small**
businesses in
SA since 2008

'Red tape' is
often **code** for
rent-seeking
activities, such
as **nepotism**
and **corruption**

There is no disputing that entrepreneurship lies firmly at the heart of any functioning society and can be a powerful vehicle for growth, economic development and, most importantly, job creation. The high level of uncertainty caused by the unprecedented speed of innovation technology is pushing firms to employ different business models in order to achieve competitive advantages. The pace at which several market trends, including crowdsourcing, the sharing economy, gamification, the Internet of Things and Netflix, have been advancing is forcing businesses to be innovative and to develop unique sets of entrepreneurial capabilities.

The dark side

However, and despite entrepreneurship being conceptualised as a force of 'creative destruction', it is easier, for many ordinary people in South Africa, to see the destructive part of business rather than its creative side. Available evidence shows virtually no increase in the number of small businesses since 2008. South Africa continues to have low levels of small business compared to other middle-income economies. While small formal business in South Africa makes a significant contribution to employment, small business as a whole remains underdeveloped by international and African standards, where countries such as Madagascar and Egypt have considerably higher rates of established business ownership.

Due to South Africa's political history, the country has a highly concentrated economy where large firms dominate the competitive landscape, hold considerable market power and enjoy high entry barriers that prevent enterprises from participating meaningfully in the economy. Additionally, problems of red tape, inflexible legalisation and government bureaucracy stifle entrepreneurial activity, where in several instances red tape (in this case, a code word for rent-seeking activities,



such as nepotism and corruption) results in unproductive entrepreneurship.

At the same time, entrepreneurship development has become a sizable industry, with a proliferation of incubators, innovation and tech hubs, accelerators and start-up boot camps, most of which seem to have adopted a US Silicon Valley business model, a



somewhat clichéd start-up venture approach, as opposed to the European small business management practice. What is missing in all this activity is an African entrepreneurship model that recognises specific contingencies of the milieu, including recognising the informal sector as an entrepreneurial force in South Africa.

“The **entire** entrepreneurial **process** unfolds because **individual** entrepreneurs **act** and are **motivated** to **pursue** opportunities”

Entrepreneurial success depends on time, space, context and stakeholders. Consequently, understanding what works under what circumstances requires more than formulaic prescriptions and anecdotal war stories, because such ‘wisdom’ is often misleading or simply wrong. Instead, what is required is a systematic research-driven approach. Evidence-based research that is data-driven tends to result in high-quality findings. In whatever guise, good research always has valuable practical implications. Conducting rigorous and theoretically grounded research provides important insights for policymakers and practitioners in terms of what works under what conditions, and how such behaviour can be replicated. Such a research-driven approach will elevate entrepreneurship to its rightful standing.

Rewriting the guidebook

Currently, there is a dearth of evidence-based research to guide practitioners and policymaking in this field. Indeed, the Schumpeterian view that entrepreneurship is a major engine of economic growth has not been shown empirically for developing countries. Moreover, merely introducing new policies and practices does not change behaviour because behaviour is shaped by beliefs, values and attitudes. The entire entrepreneurial process unfolds because individual entrepreneurs act

“Entrepreneurs are certainly **not** **conventional** people, but instead have a mixture of **creativity** and **optimism** that can lead to individual **fulfilment** and **societal upliftment**”

and are motivated to pursue opportunities. Evidence suggests that perceived desirability and feasibility together with the propensity to act explains a substantial amount of entrepreneurial intentions and ultimately behaviours. As noted by scholars, action develops in a duality between agency and structure.

So entrepreneurial behaviour needs to be explained in the context in which it occurs, and institutional environments are formidable forces that can influence entrepreneurial behaviour.

In this regard, South African entrepreneurs need proper functioning institutions that render business-friendly legislation and mitigate potential business costs of corruption and crime. They need functioning institutions to enable them to operate in networked and systemic environments, thus gaining economies of scale and scope, which typically involves complex impersonal networks through multiple linkages among firms.

At the same time, institutional forces are not always constraining, but may act as

enablers as opportunities are opened for those entrepreneurs who can understand and make the most of the institutional regime. In this sense, entrepreneurs don't have to passively sit by and wait for the environmental conditions to be just right to start a business. Instead, entrepreneurs must try to overcome the adverse effects of the regulatory institutional environment and take advantage of its favourable impact by leveraging creativity and innovation. They need to build organisational structures that enable the exploitation of opportunities beyond the local level and grow their ventures. Entrepreneurs should not merely be concerned with survival, they need to climb up the value chain ladder and become globally competitive.

Nobel laureate Muhammad Yunus says, “We act in business as though money is the only game in town. But there are other games in town.” This is true insofar as entrepreneurship is concerned, which has often been equated with rapaciousness and obsession with profits. However, there is also a growing awareness of entrepreneurship as a powerful instrument of social innovation and inclusive development. Indeed, through social entrepreneurship, complex ‘wicked’ social problems can be solved, and effect an increase in the ‘total wealth standard of a country’. Entrepreneurs are certainly not conventional people, but instead have a mixture of creativity and optimism that can lead to individual fulfilment and societal upliftment.

Entrepreneurs are often compared with revolutionaries. Considering the narrative of radical and revolutionary economic transformation that has penetrated South African discourse, perhaps it is fitting to end with a word from an unusual suspect in the entrepreneurship space – Lenin – who apparently said, “If you think revolution, dream of revolution, and sleep with revolution for 30 years, you are bound to achieve a revolution one day.”

Let it be an entrepreneurial revolution! 🇿🇦

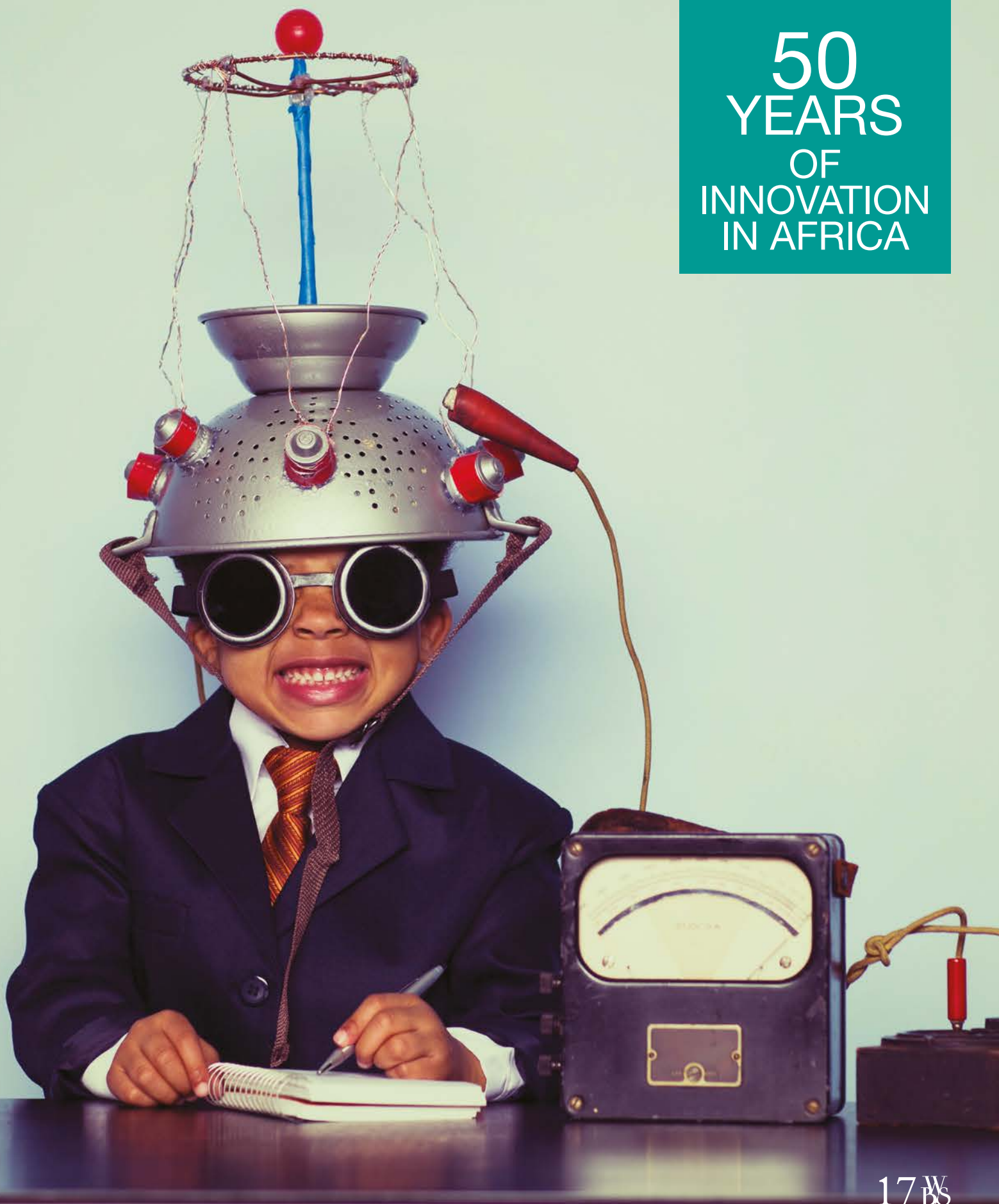


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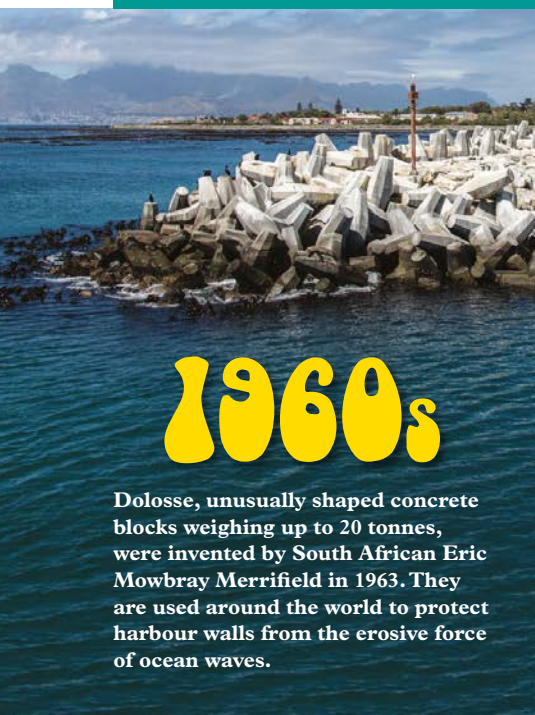
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50
YEARS
OF
INNOVATION
IN AFRICA



J

50 YEARS OF INNOVATION IN AFRICA



1960s

Dolosse, unusually shaped concrete blocks weighing up to 20 tonnes, were invented by South African Eric Mowbray Merrifield in 1963. They are used around the world to protect harbour walls from the erosive force of ocean waves.

“WHETHER
YOU’RE A FARMER,
BUILDER OR
ENGINEER, THE
OPPORTUNITIES
ARE EQUAL: JUST
ADD A LITTLE
INNOVATION”

– STRIVE MASIYIWA



1970s

Selig Percy Amoils, a specialist in retinal diseases, created a new method of cataract surgery. He developed this method at Baragwanath hospital in Soweto. Amoils achieved worldwide recognition for his invention and in 1975 received a Queen’s Award for Technological Innovation.



1980s

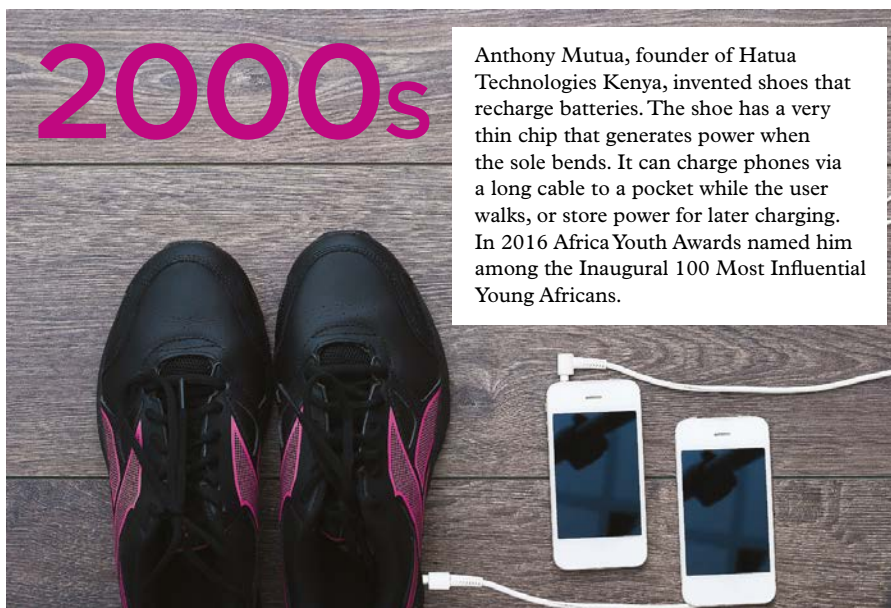
In 1980 Moroccan scientist Rachid Yazami demonstrated the reversible electrochemical intercalation of lithium into graphite. The graphite electrode he discovered is the most commonly used in commercial lithium ion batteries.

1990s

The Botswana Technology Centre (BOTE) invented a low-cost hearing device powered purely by the sun’s energy. The hearing aid won the Design for Development Award from the South African Bureau of Standards in 1998 and went on to win international recognition at the 2002 World Awards for Sustainable Energy in Austria.



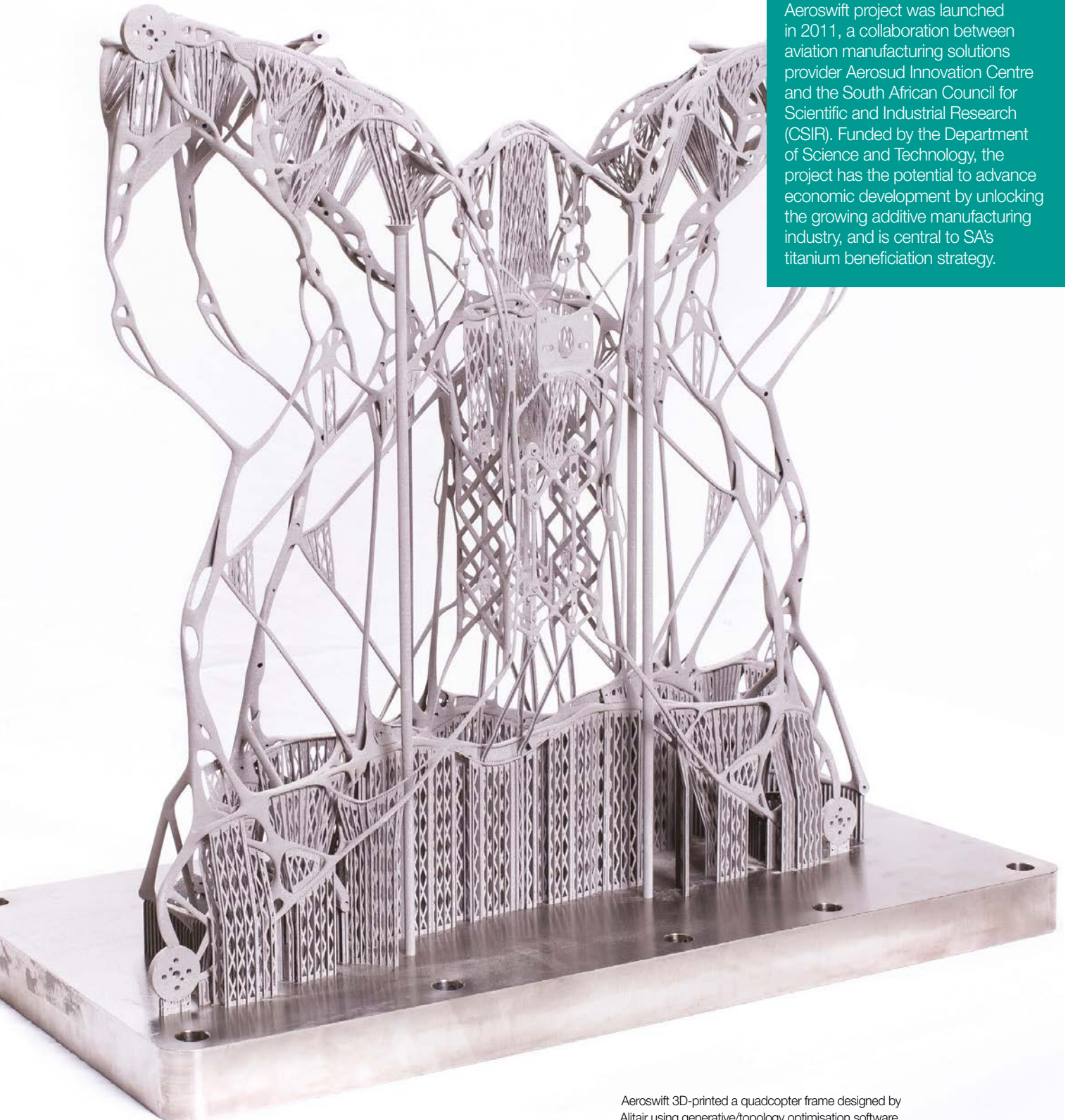
2000s



Anthony Mutua, founder of Hatua Technologies Kenya, invented shoes that recharge batteries. The shoe has a very thin chip that generates power when the sole bends. It can charge phones via a long cable to a pocket while the user walks, or store power for later charging. In 2016 Africa Youth Awards named him among the Inaugural 100 Most Influential Young Africans.

2010s

South African researchers have developed the world's largest and fastest additive manufacturing system that can 3D-print titanium aircraft parts from powder. The Aeroswift project was launched in 2011, a collaboration between aviation manufacturing solutions provider Aerosud Innovation Centre and the South African Council for Scientific and Industrial Research (CSIR). Funded by the Department of Science and Technology, the project has the potential to advance economic development by unlocking the growing additive manufacturing industry, and is central to SA's titanium beneficiation strategy.



Aeroswift 3D-printed a quadcopter frame designed by Alitair using generative/topology optimisation software.



BURNING BUSINESS QUESTIONS

WBS experts give their thoughts on challenging questions



PROF BRIAN ARMSTRONG

The most practical domain of innovation for African businesses lies in integrative, design-led, systems-thinking approaches to our real-world business problems, using building blocks of innovation from elsewhere but put together in a unique way and brought to market speedily and energetically.

DR SIBONGILE VILAKAZI

African businesses need to tap into African indigenous knowledge systems for innovation. Innovation for its own sake does less good and more harm, but innovation to solve context-based problems is effective and sustainable.



DR JABULILE GALAWE

African businesses (especially start-ups) need a functional ecosystem where relevant stakeholders are open to innovations that are African rather than copying Western ideas and treating African innovation as sub-optimal. Key stakeholders in this case are funders of innovative ideas who are prepared to take risks to create an innovative continent or country.

DR DIRAN SOUMONNI

In order to be more innovative, African companies should leverage endogenous (locally-developed) technological solutions as much as possible, in order to boost their productivity and achieve scale at potentially lower cost, while laying the foundation for organically-grown modern industries.



What do **African businesses** need to become more **innovative**?



PROF ZUNAID BULBULIA

African businesses need to innovate African solutions to African challenges: we cannot and must not simply follow the rest of the world.



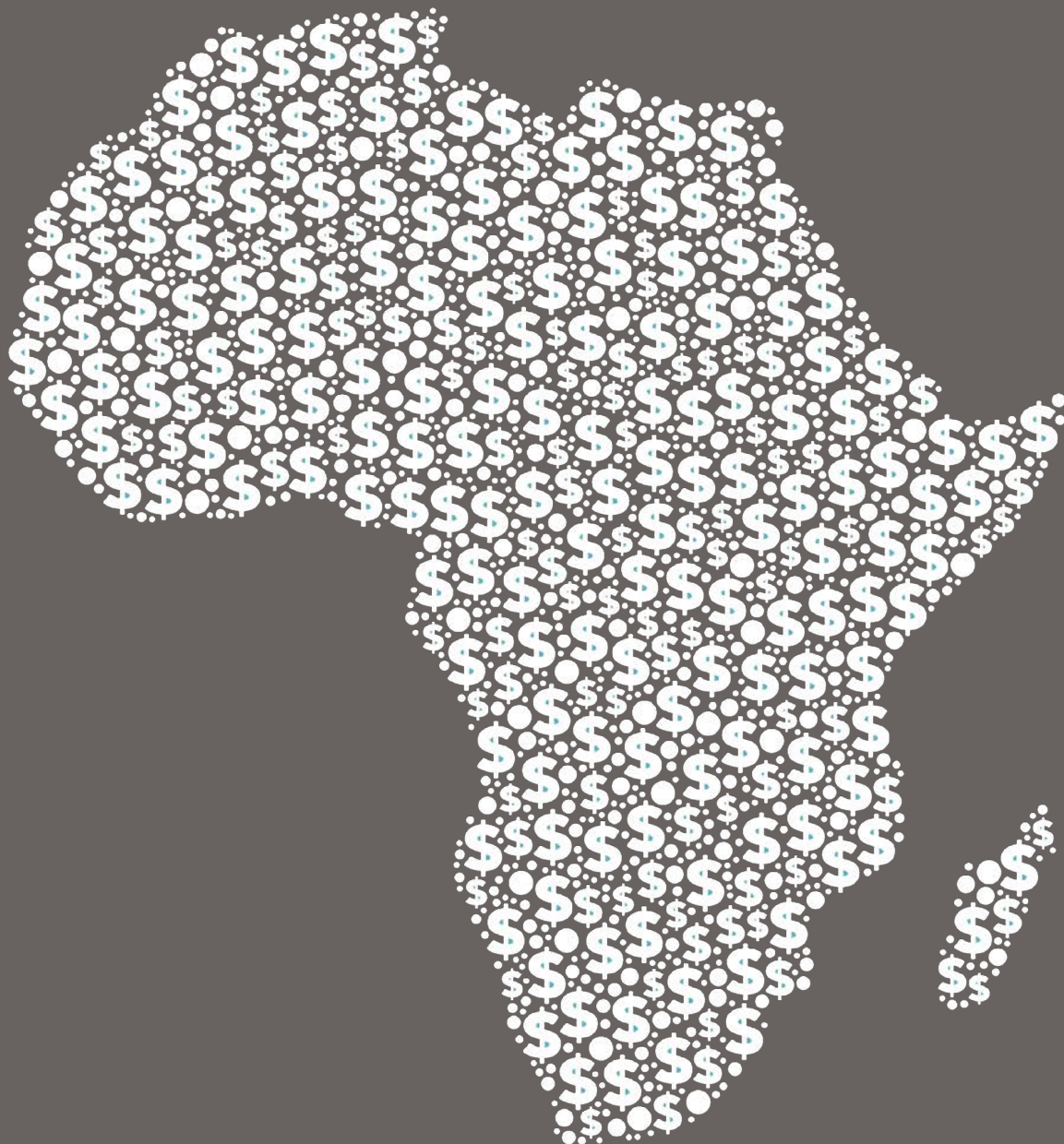
DR JOHNNY MATSHABAPHALA

Leadership agility and contextual maturity.

UPWARD TRAJECTORY

CHANGING PERSPECTIVES, AND THEN POLICIES, WILL
SEE AFRICA BEING A MORE ATTRACTIVE PLACE TO
DO BUSINESS. BRUCE DENNILL INTERVIEWS
PROF KALU OJAH





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ost outsiders – and many residents – use terms like ‘debt’ and ‘corruption’ to counter requests for investment in African countries. Yet the World Bank is saying that aggregate growth is up this year, and that six out of the top 10 fastest-growing economies in the world are African. How should local companies – and educators like yourself – go about changing these perceptions, and with what caveats?

Kalu Ojah: We don't necessarily have to worry about perceptions. We should rather worry about creating good news and making it sustainable. There are long-term prejudices about Africa being poor. Also, we have an unbelievably bad track record in terms of managing things at government level – it's hard to think of us in a good light.

The negative perceptions do cost us economically, of course. I had a student whose research centred around a hypothesis that African countries looking for funding are expected to pay higher rates than usual. A comparative analysis shows she was right – the normal models for those situations don't apply. This is what we facetiously term the 'Africa premium'.

There are a number of paradigms thrown around when it comes to growth and development in Africa. Sometimes what we do is look at international models. For instance, the World Bank will say that foreign direct investment (FDI) is the panacea to all economic growth problems, which leads to us rolling out red carpets we can't afford.

As an example, a recent study found that Swaziland has been building large numbers of factories and then inviting the Chinese and other nations to move in, tempting them by making it rent-free for five years. But there is no technology or skills transfer in the other direction.

Only unskilled workers are involved, and there are no restrictions on those nations repatriating their profits. There needs to be one of those benefits, at least – otherwise the return is far less than what we put in.

Cross-border flows are another thing. We've taken FDI and other cross-border capital inflows and correlated them with areas of need – where money is invested. That helps us figure out, for example, which area the increasing inflow of the remittances from Africans overseas are most beneficial in.

It could be real estate, manufacturing or a number of other industries. Based on this knowledge, we can effectively seek out appropriate cross-border capital inflows and channel them to appropriately matched production areas for the most possible returns.

Something else we need to do is find where the investment and development

bottlenecks are elsewhere, see what has worked there and see if we can adapt those approaches.

A change in government, and with that new policies: what is involved in making South Africa an attractive option for investors?

Kalu Ojah: The serious concern is that, as a portfolio investment destination, we're very volatile. So people will be interested in big South African companies and get involved with them, but then disinvest and leave when things go bad, especially on national policy and/or governance fronts.

Government must look at structural economic issues – things like production capabilities and making sure those match the resources that we have to work with. We need to ask the questions, "What are we best at?" and "How can we make that a comparative and competitive advantage?" Education around this is needed.

Look at the information and communications technology (ICT) sector. We have some big businesses, but a lot of small operators working out of garages as well. But India has a massive industry, as that sector was encouraged, which was never the case here. The motoring industry as well: we have a strong representation there, but we could do better – make the best, I don't know, fuel pumps in the world, and then source foreign investment and use our Schools of Engineering and Business Management in driving those products.

We should upskill to increase efficiency – but that needs to be part of policy rather than politics, and the government needs to be proactive in that regard. Even with this land appropriation issue, the government needs to intervene with a view to safeguarding currently productive land while facilitating access to land for socio-economic purposes. There are ways of managing the process well, and they need to be addressed.

South Africa has some of the best infrastructure – physical and institutional – on the continent; in some areas, we're in the top 20 nations in the world. But we're



unable to properly finance businesses in the way we should, especially for 'relatively un-banked' small businesses and individuals. Again, policies should be evolved to be more inclusive so that we don't have this situation where we have First World and under-developed economies in the same country.

Major cities and metropolises see much of many countries' financial power concentrated in relatively small geographical areas – which often attract foreign labourers looking for higher earning options, which then undercuts the potential development of the rural areas they leave behind. What are the pros and cons of this established system or culture?

Kalu Ojah: That's a universal phenomenon. Big cities are magnets wherever you go – Lagos, Nairobi and Cairo are some other examples in Africa, but it also applies in Europe and the Americas.

As a phenomenon, it's not a problem provided the city is a centre of commerce. We live in a time of increasing globalisation, so people moving around to work is not surprising. Using Swaziland as an example again: they have no banks of their own. They – and a number of other major businesses – are all South African!

Overall, we need people who have skills we don't already have – those people, coming from wherever they do in Africa, must be welcome. But in return, South Africa has to view the rest of Africa as its oyster, to make it the market for its potentially larger scale products. Why get involved with the US about them not liking our chicken when all of that export output would be eaten in Lagos in one day? Let the appropriate (particularly skilled) people in, and take surplus products elsewhere, in collaborative and customer-sensitive ways. And, once again, government must be appropriately advised to develop


enabling policies and cross-continental friendships accordingly.

Eskom and SAA are just two of the state-owned entities that seem to be the direct opposite of sound investment or management. In terms of overall budget management and investor confidence throughout Africa, where is the thread between private ownership and political power-plays that will most benefit everyone?

Kalu Ojah: We seem to have counter-examples of good management. However, we tend to be swayed by media as to what the dominant view is – that government is, at the very least, terrible at productive deployment of resources. There is just as much greed and myopia in private sector business. China is a good example of where government management has worked, through the state capitalism that they practice.

We must look at areas, as they have, where private companies would do the job better, with the state saying, "Do it, but within certain boundaries." The Chinese systematically observed how incentives could drive output and productivity, allowing private individuals to chase their goals within the state envelope. And then they opened that model up to the market. Corrupt and incompetent officials were dealt with – there are strict consequences!

Look elsewhere, too. The US is not a free, unfettered market. The government has always played a strong role in evolving policies, allowing businesses to play in the space they want to, but with rules – royalties go to the government in order to meet the people's common needs and try to create a socio-economic landscape that works.

Effectiveness comes from enforcement of the rules of the game, which helps create a steady trajectory that's not dependent on the regime in place at the time. 



KALU OJAH

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DRIVING THROUGH THE TROUGH OF DIGITAL DESPAIR

LEARN TO APPRECIATE THE FULL
VALUE OF DIGITISATION

TEXT: PROF BRIAN ARMSTRONG



Lhose of us who have been around the block a few times have learned to be wary of 'the next big thing'. The world's first flying car was to have been launched by July this year; well, July came and went, and the Dubai skies have stayed car-free. There was a well-known company called

Wang back in the 1980s that promised to create 'the paperless office'; our offices are still remarkably filled with paper, but Wang filed for bankruptcy in 1992.

So a lot of technological claims need to be treated with a healthy degree of scepticism. Some developments will flop; others will remain pie in the sky. But one current development that is sure to impact almost every aspect of our lives is the process of digital transformation, and organisations of all kinds will ignore it at their peril.

The inexorable process of digitalisation, also embodied in the concept of the so-called '4th Industrial Revolution' (4IR) popularised by the World Economic Forum, gains its momentum not from a single new technology, or even only from the confluence of multiple new technologies. Rather, the phenomenon we call digitalisation is so powerful, so transformative, because it is based not only on the technology revolution sweeping the world, but also on the transformation of society, and on new ways of doing business and government. It is this intersection between the technology revolution, a transforming society, and radically new ways of doing business and government, that make digitalisation and the 4IR so disruptive and transformative.

The IT industry analyst firm Gartner is one of the world's leading experts on technology trends, and the 2018 Gartner CEO And Senior Business Executive Survey shows quite clearly that digitalisation is having a major influence on our world. This survey of 460 C-level executives across 32 countries shows not only that digital transformation is a real factor, but also that it must be tackled seriously. Gartner calls superficial digital change "a dangerous form of self-deceit".

Change tack

That's the challenge we all face. A shift in corporate culture is needed if we are to realise the true potential of digitalisation.

“A **shift** in corporate culture **is needed** if we are to realise the **true potential** of digitalisation”

Digital transformation is as much, or more, about what business we do, rather than simply how we do business. It's about how we engage customers, what we offer them, how we deliver it, and how we create and capture value. IT systems and infrastructure are important enablers, but digital transformation is much more than an IT project.

Digital transformation starts in the intersection of leadership and strategy. It requires leadership – the ability to inspire and empower people to change to deliver a vision – to create a force-field and momentum for change. And then strategy – deliberate choices about sectors and segments to participate in, and focused allocation of resources to create sustainable competitive advantage through distinctive competencies – to deliver the desired business outcomes. Successful digital transformation encompasses the full scope of the enterprise: marketing and sales, innovation and R&D, product management, core operations, back-office services, talent management, and, of course, technology.

Leadership challenges

Disruptions, and technologically powered disruptions, often have a shadowy side. Protests have followed each of the preceding industrial revolutions thus far. The famous Luddite protest happened during the first industrial revolution – where workers burnt down farms and weaving mills fearing job losses. It is said that the term 'saboteur' was indeed born out of the first industrial revolution, where workers threw their wooden shoes, termed sabots, into machines to deliberately break them. The second and the third industrial revolutions have also seen many work force and societal disruptions. This 4th industrial revolution is no different and poses significant challenges if not astutely addressed and managed.

These challenges include disruption of labour markets and impact on jobs; potential for increased economic concentration and inequality; challenges relating to new security and privacy concerns and the balance between these; concerns relating to the appropriate governance and ethical management of new



technologies like AI; and indeed the evolving meaning of human identity and purpose in a cyber-physical world. Emerging markets, and Africa in particular, will need to grapple with these challenges and develop appropriate responses to maximise the upside of the 4th industrial revolution whilst simultaneously minimising the downsides.

Leadership needs to be equipped with insight into the opportunities as well as the challenges of digitalisation to ensure that our businesses thrive sustainably, that our society benefits, and that unintended consequences are identified and proactively addressed.

At a very practical level, leaders need to manage the potential sense of disappointment felt in businesses that digitalisation isn't living up to short-term expectations. It was meant to deliver more agility, more transparency, more innovation and a more customer-centric focus, and ultimately greater revenue and higher profit. But it hasn't happened yet, and everyone involved is starting to have doubts. Gartner refers to this as the "Trough of Disillusionment"; I think of it as the "Trough of Digital Despair".

This is where leadership needs to step up. By making irreversible and public commitments to digital change before disillusionment sets in. By empowering themselves with insight and foresight. By inspiring and empowering their organisation with vision and strategy, awareness, skills, tools and systems. By transforming governance and control frameworks and cultures. By measuring progress and holding themselves and the organisation accountable. And all of this must be rooted in business

fundamentals, like adding real customer value, improved customer metrics and, as always, financial targets.


At the heart of all of this, businesses need to transform the talent base of the company through training, development and culture change. In fact, talent is fast becoming increasingly important to CEOs; surveys have shown that lack of talent and workforce capability are the biggest single inhibitors to digital business progress.

Prepare for the future

There are simply not enough well-trained people out there to deliver the digital transformation projects that companies plan to implement. That is great news for anyone with the necessary qualifications: you will be in demand. It's also good for anyone planning to attain the necessary qualifications in digital management.

With fortuitous timing, WBS has just launched its own postgraduate courses in digital business. They cover the full spectrum of subjects and their digital iteration, leading to qualifications that include a Diploma and a Master's in Digital Business, are available in both online and classroom-based formats.

The courses have been designed to provide the knowledge and skills that today's managers need to guide their businesses through the complexities of the digital landscape.

If you are a business leader with plans to deliver digital transformation within your organisation, or a graduate intent on playing a key role in the digitalisation process, this is the perfect time to investigate this new breed of tailored education. 



BRIAN ARMSTRONG

is Professor and BCX Chair in Digital Business at WBS



CONTINENTAL DRIFT

MANDY COLLINS INTERVIEWS DR RENEE
HORNE, WHO EXAMINES THE CHANGING
FACE OF BUSINESS IN AFRICA



Things are changing in Africa. Many misconceptions about doing business on the continent persist, but the focus is changing from why businesses should expand into Africa, to where they should expand, and how.

“Now that **companies** are starting to **see Africa** as a **solid investment** proposition, **interest** in business is growing across **the continent**”

A simple class discussion recently highlighted some of these misconceptions. In discussing how South Africa's informal waste pickers could expand into other countries, much of the debate centred around whether Africans were ready for these environmental industries like recycling, especially in the context of massive inequality, where people are struggling simply to survive. The mindset is that it's just not possible in Africa.

And yet, in the next decade, Africans will

have to step up and embrace environmental initiatives like recycling. Besides, Africans continue to surprise the world – whoever would have thought that something like Facebook would achieve the penetration that it has across the continent?

With this in mind, one of the pillars of the Wits Business School MBA programme is fieldwork. Of course, we have guest speakers from other countries to expose students to what doing business in other African countries looks like, but fieldwork allows students to get hands-on experience, and think out of the box.

Think small

We do this by sending them to work with small-to-medium enterprises (SMEs) and to assess and reconfigure those organisations' business plans. When it comes to multinationals, often the first one in wins. So it's important for smaller businesses to understand where their place is in that setting, and where they need to expand into. Knowledge about and understanding of the business environment is very important.



Multinationals have their tried-and-tested business strategies in place, so there's no real change our MBA students can make there. But when they work with SMEs, they find they can make a contribution. It allows them to see what the challenges are around breaking into the African market.

Once students get on the ground, they observe that there are many good business ideas within the SME sector, but the know-how is not there. So they help entrepreneurs to chart a new course, which is very rewarding. They rework those companies' business plans and think about how they can expand into Africa. It's learning by doing, which is powerful.

Now that companies are starting to see Africa as a solid investment proposition, interest in business is growing across the continent. But it's a complex business environment – one that many underestimate.

Many companies simply 'copy and paste' their South African business strategy and superimpose it onto their new African ventures. But business differs greatly across both regions and countries, and strategies need to be specifically developed. Business opportunities have increased in Africa, and there are many newer players in the market.

Some of the misconceptions around business in Africa include the aspects of competitiveness, productivity and tech readiness. Infrastructure is also a major concern – in many African countries the infrastructure is deteriorating, and this affects their competitiveness index. This is having an impact in South Africa too – Mauritius recently overtook South Africa for this very reason.

Opportunity knocks

But this challenge also creates a great opportunity for companies to make money from building new infrastructure, instead of focusing on resources, which is where most business has gone in the past. Companies



need to focus less on the resources industry if they want to achieve growth: there are great opportunities in areas like telecommunications and the service industry.

More and more Africans are looking for opportunities and employing fresh thinking about how to turn a profit.

Where we are lagging behind is in thinking about how to make business sustainable. Too many businesses focus on making the next million for the sole purpose of consuming it.

Furthermore, in the start-up and SME space, there's a tendency to give up very easily, whereas in more developed countries like the US, you see start-ups that started several times until they got it right.

We believe strongly that we need to create something unique for Africa, so we encourage our MBA students to look for gaps, to think creatively, to consider what the continent needs and how those needs can be met.

There is no 'paint-by-numbers' approach to doing business across our diverse continent – and nor should there be. But in exposing our students to a variety of business environments, and giving them hands-on experience in considering business across Africa, we hope to create future entrepreneurs who will think beyond our borders and be part of the continent's development and transformation. 🌍



RENEE HORNE

is Senior Lecturer: Business in Africa, Emerging Markets & Economics and Director of International Relations at WBS



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HIV/Aids advances can be used to achieve universal health coverage

PAST EXPERIENCES ARE VITAL TO MAKING IMPORTANT STRIDES FORWARD

TEXT AND PHOTOGRAPHY: SUPPLIED

The battle against HIV/Aids has topped healthcare agendas for over three decades and delivered a wealth of lessons learned – along with skills, resources and systems that have been honed while waging war against the pandemic. While continuing the fight, global role-players are now turning their attention to ways in which the progress made on the HIV/Aids front can be used to treat other diseases and achieve universal health coverage.

Learn from the past

According to Dr Iain Barton, Imperial Logistics Healthcare Strategy Executive, leveraging the lessons learned is integral to ensuring that all people, everywhere, can access quality, affordable essential health services.

“We have refined HIV/Aids supply chains and distribution networks, forged powerful partnerships and developed innovative strategies. Now we must ask how we can use these for cancer treatments, for managing diabetes and treating asthma in children – to name just a few examples. We must take what we have learned to address the critical issue of more than 400 million people who do not have access to even the most basic healthcare, as well as 100 million who are pushed into poverty every year due to out-of-pocket healthcare expenses,” he says.

“Getting ARVs to the current 21 million people on treatment has taught us the benefits of moving from the old style of manufacturing-to-order to manufacturing-to-stock, as well as the advantages of forward placing of inventory and committing inventory to market. HIV/Aids has added impetus to the drive to standardise product registration, customs regulations and duties. These advances will minimise the hurdles in the path to universal health coverage.” He cites the partnerships fostered in the HIV/Aids crisis as one of the important achievements that must be leveraged in the drive for universal health coverage.

“We have seen partnerships between innovators and generic houses, and between donors and governments. Partnerships between care and treatment programmes

and supply chain organisations have changed the way in which inventory was managed, and how data was derived from clinics. Technology partnerships have played a vital role in progress made in monitoring and managing HIV/Aids, while public and private sector partnerships have maximised the utilisation of services and systems. We must leverage the power of partnerships like these – and continue to foster new alliances – to achieve universal health coverage,” he stresses.

New tools

Technology and infrastructure innovations that have emerged during the Aids pandemic will also be leveraged.

“The technology developed and employed in the serialisation and authentication of HIV medicines, for example, is set to have a massive impact in ensuring the quality and authenticity of drugs to treat all diseases. Similarly, blockchain technology and pharmaceutical control towers developed to provide visibility and track and trace capabilities for ARVs will ensure supply chain transparency for other medicines and healthcare products.”

Skills and knowledge transfer mechanisms developed to address the challenges around HIV/Aids must also be leveraged to advance and support universal health coverage.

“The combination of people and knowledge is the glue that will hold everything together in the drive for universal health coverage, because without trained professionals to manage the health supply chains, drugs and other health supplies will not reach the patients who need them,” Barton concludes.



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NEW INSIGHTS TO SUSTAIN CHANGE

BUSINESS AND EXECUTIVE COACHING IS A
DEVELOPING FIELD WITH GROWING INFLUENCE

TEXT: BETH NORDEN



he field of coaching is maturing and its rapid growth continues globally. Here are some numbers that put things into perspective:

- USA: 93% of Global 100 companies use executive coaches and the estimated coaching spend in 2011 was in the region of \$2 billion (R26.4 billion).
- UK: 88% of companies reported using executive coaches.
- Australia: 64% of business leaders and 72% of senior leaders stated they used coaches.
- South Africa: In a study conducted in 2011, the South African trend sees some 84% of top companies using coaching.

(ICF/PWC global survey)



DEFINITION OF COACHING

“Executive coaching focuses on improving the performance of leaders in organisations ... Clients need assistance in changing behaviours, attitudes, values ... That interfere with effective functioning ... The focus nearly always ... To help people who have already demonstrated ... Competence ... Get even better at what they do.”

(R Kilburg, 2004)

What is coaching and how does it work?

While there is still no universally agreed definition of business and executive coaching, it is an established methodology for the development of pipeline and high potential talent, which enables organisations to remain competitive and to deal with ongoing change.

- **What it is:** “A collaborative, solution-focused, results-orientated and systematic process in which the coach facilitates the enhancement of work performance, life experience, self-directed learning and personal growth of the coachee.”

(Association for Coaching)

- **How it's done:** “The coach works with the clients to achieve speedy, increased and sustainable effectiveness in their lives and careers through focused learning.”

(Jenny Rogers, 2012)

How are these changes sustained within the client's organisation?

Here the value of having a ‘thinking partner’ – recognised as a major benefit of the process by executives and managers – is to create a reflective space to explore and sustain changes, insights and new perspectives that enable the coaching client to improve their effectiveness through better leadership, greater cultural awareness and dealing with change.

How much of a footprint does business and executive coaching have in Africa?

Well established in South Africa, the field has great potential to impact African organisations regarding development, skills retention and coping with change.

For example, 66% of coaching practitioners in Africa were of the view that coaching can have a large effect on social change, as opposed to 46% in North America and 49% in Western Europe.

What are the theoretical underpinnings of coaching?

Coaching is an emerging field and it draws from various fields of study like psychology, adult learning, organisation development,

human resource development, management consulting and ontology.

What is happening in the coaching field today that potential leaders should be aware of?

There is growing evidence in leading scholarly journals that coaching works.

This is significant both from a business and academic perspective. Coaching works both from an individual and team perspective with many benefits to the organisation.

Academically any emerging field gains credibility through scholarly publications and not only anecdotal evidence. The implication of this for line managers and talented employees significantly increases the business case for coaching.

What is the latest thinking taking place in the coaching field globally?

As the field begins to mature the integration of the multidisciplinary nature of coaching



is receiving support academically. On the other hand, the numerous professional bodies that represent coaching are also attempting to develop common codes of conduct and alignment of their competency frameworks.

The ongoing development of knowledge and learnings in the field will provide organisations, universities, training providers and coaches with better information and practices to add value and improve.

What are some of the major challenges that managers who use coaching and coach practitioners face?

Dealing with untrained individuals who call themselves coaches, as well as market confusion around the different qualifications or credentials coaches say they have.

To manage this, ask coaches about their career track record and their coaching

philosophy – go beyond basic skills. Can they work systemically, are they a good culture fit and do they strike you as authentic?

What is the reason for this?

In the past, there were no barriers to entry, which did the field a great disservice.

While coaching is not a profession, there is a welcome emphasis on the professionalisation of the field.

So, when selecting a coaching panel for your business leaders, you should apply tried and tested selection criteria, for example the coach's track record; their qualifications in both development and business; and relevant coach qualifications or membership of an accredited coaching body, federation or council.

These decisions should not be made in isolation and it's a great idea to have diversity of culture, gender and thought among the coaches who work in the organisation.



METAPHORS TO DISTINGUISHING COACHING FROM OTHER DISCIPLINES

- A **therapist** will explore what is stopping you driving your car.
- A **counsellor** will listen to your anxieties about the car.
- A **mentor** will share tips from his experience of driving cars.
- A **consultant** will advise you on how to drive the car.
- A **coach** will encourage and support you in driving the car. (Jonathan Passmore)



BETH NORDEN

is Programme Director and Lecturer: Master of Management in the field of Business and Executive Coaching at WBS

What are the main coaching organisations in SA and globally?

There are many. Some examples of organisations that do excellent work and share the goal of improving ethics and standards in the field in South Africa are:

- COMENSA – Coaches and Mentors of South Africa
- ABCCCP – Africa Board for Coaching, Consulting and Coaching Psychologists
- IGCCP – Interest Group in Coaching and Consulting Psychology, which is registered with the HPCSA (Health Professions Council of SA)

International bodies (some represented in South Africa) are:

- ICF – International Coach Federation
- WWABS – World Wide Association of Business Coaches
- EMCC – European Mentor and Coaching Council
- AFC – Association for Coaches
- GSAEC – Graduate School Alliance for Education in Coaching

What are the most important qualities an organisation should look for in a coach?

Alignment of the coach's career track record and the organisation's culture, for one thing. Then, the ability to work insightfully to raise the coaching client's awareness of ingrained patterns of behaviour. Make sure they have the ability to both support and challenge, subscribe to an ethical code of practice and demonstrate an authentic presence.

Are all high-potential employees open to the process of coaching?

Sadly, no! Some people are not ready for coaching and do not see the value of developing themselves or their willingness to listen and be open to change.

What are the ethics that underpin this process?

Ethics are extremely important in coaching as you are dealing with human beings. A professional coach will be a member of a council, federation or association that subscribes to an established code of conduct.

What coaching offerings does WBS have?

There are many. On the academic side, the Master of Management in the field of Business and Executive Coaching (MM-BEC) is a two-year part-time degree in its eighth year of existence. Students from across Africa are invited to develop their coaching leadership through a solid education in coaching based on both scholarly and practical aspects. The MBA graduates can apply for the Certificate Programme in Leadership Coaching, and Executive Education offers shorter coaching courses that are specifically designed for organisations or the public who have an interest in this field.

Graduates receive interactive learning enabling them to work systemically in supporting the organisation's goals.

What do the MM-BEC graduates and students have to say about their learning journey?

This is a personal development journey. There is a strong emphasis on developing your self-awareness, listening for understanding and 'parking the ego'. It's not about you, it's about acknowledging that this process can affect one deeply.

That said, some of their comments are linked to the programme being "the best personal investment I have ever made", and "... I did not appreciate how much more I would learn about organisational and leadership development", so that's



50 YEARS OF ENTREPRENEURSHIP IN AFRICA



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50 YEARS OF ENTREPRENEURSHIP IN AFRICA



1970s

In 1971, Kenyan entrepreneur Chris Kirubi began buying run-down buildings in the cities of Nairobi and Mombasa, renovating them and either selling the renovated structures or renting them out. He has become an icon of the Kenyan property industry with more than 40 commercial and residential properties in Nairobi to his name with a total value of US\$200 million.

“BUSINESS IS ALWAYS A STRUGGLE. THERE ARE ALWAYS OBSTACLES AND COMPETITORS. THERE IS NEVER AN OPEN ROAD, EXCEPT THE WIDE ROAD THAT LEADS TO FAILURE. EVERY GREAT SUCCESS IS ALWAYS ACHIEVED WITH FIGHT. EVERY WINNER HAS SCARS”

– CHRIS KIRUBI



1960s

In his own words, “10% capital and 90% guts” is what it took for Raymond Ackerman to start Pick ‘n Pay in 1967. The previous year he had been fired from Checkers and used his severance pay and a bank loan to buy four small shops in Cape Town. Pick ‘n Pay grew to be one of Africa’s largest supermarket chains, employing more than 30,000 people in several African countries. Ackerman set up the Raymond Ackerman Academy of Entrepreneurial Development in 2005.



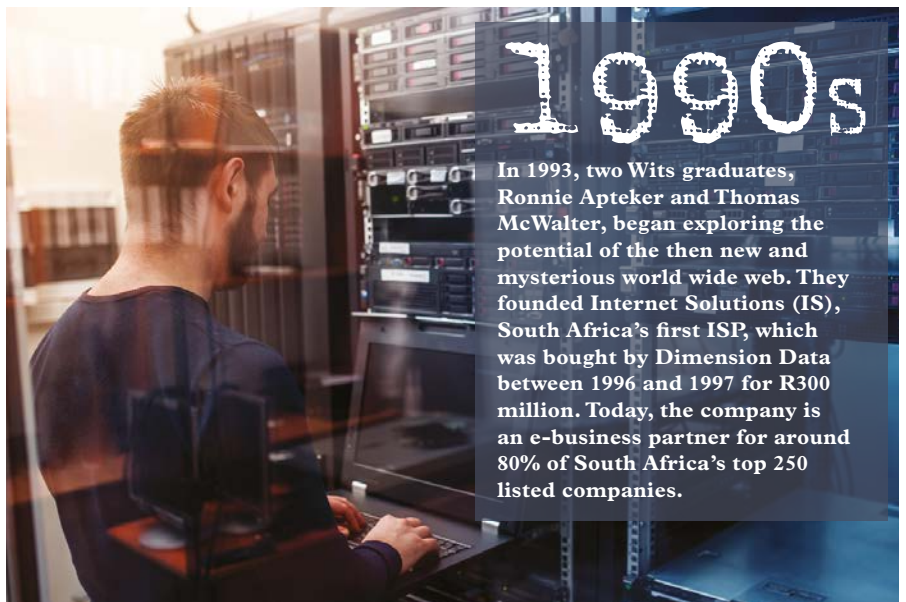
1980s

Ugandan-born entrepreneur Sudhir Ruparelia worked in menial jobs in the UK after he and his family were expelled from the country under Idi Amin’s government. He returned in 1985 and began making money importing salt, and later sugar and cigarettes from Kenya. When he was 29 he started the Ruparelia Group. He now owns more than 300 residential and commercial properties in Uganda, making him the country’s richest man, as well as one of its most notable philanthropists.



2000s

Kabirou Mbodje is a 53-year-old Senegalese entrepreneur whose company Wari is his country’s most popular money transfer service. Mbodje founded Wari in 2008, and now the company does more business in Senegal than more established industry stalwarts including Moneygram and Western Union, with more than 20,000 outlets in that country alone.



1990s

In 1993, two Wits graduates, Ronnie Apteker and Thomas McWalter, began exploring the potential of the then new and mysterious world wide web. They founded Internet Solutions (IS), South Africa’s first ISP, which was bought by Dimension Data between 1996 and 1997 for R300 million. Today, the company is an e-business partner for around 80% of South Africa’s top 250 listed companies.

2010s

Cameroonian Vanessa Zommi is a problem solver, and when she realised that diabetes posed a risk to her mother's life, she decided to do something about it. She came across the *Moringa oleifera* tree, which grew in her region, and discovered that one of its benefits was that it could reduce blood sugar levels to treat diabetes. At the age of 17, Zommi started manufacturing moringa tea and established the company Emerald Moringa Tea. Today the company employs nine people and is looking at expanding its distribution to other regions in Cameroon, as well as Africa. She also works with small-scale farmers to help them grow moringa. "I teach them how to plant the moringa and I give them seeds so they can go and plant it and make money."





WBS TRAILBLAZERS

Five new ventures by young
WBS alumni to watch



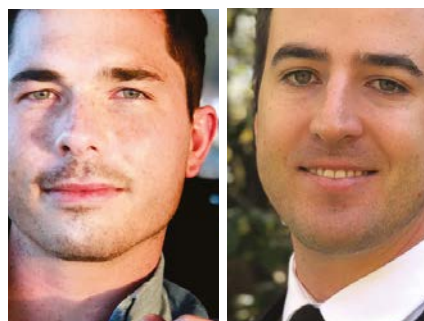
VUYISILE ZONDI

WBS alumna Vuyisile Zondi, owner of Corium Skincare, launched her business in April 2016. It took her less than a year to start seeing profits. The key to her success, she says, is interacting with her customers and sharing with them the benefits of using only natural skincare ingredients. "If Mother Nature didn't make it, you won't find it in any of our jars," she says. Zondi, also a management consultant, markets her products on social media, and the official Corium Skincare Twitter account boasts over 10,000 followers. The Corium Skincare staff complement comprises five employees.

**African
ideas** are
changing the
world

NHLANHLA DLAMINI

"Being an entrepreneur is a daunting responsibility, but I believe that the only way to reduce unemployment in South Africa is through entrepreneurship," says Nhlanhla Dlamini. He considered many options before a friend from WBS days suggested exporting pet treats. Maneli Pets, based in Sebenza, Edenvale, launched in 2016 and produces premium pet treats made from exotic proteins such as ostrich, crocodile and game. Dlamini exports his products mainly to the US and EU. Last year, he received R26 million from the IDC.



AIDEN DINSDALE AND RICHARD SMITH

Aiden and Richard, former classmates at WBS, founded their business PizzApp in 2015, an app-based pizza delivery service franchise. The business has a unique (patented) delivery mechanism that uses ovens installed on the backs of motorbikes. This allows their customers to order on the app and have the pizza cooked at their house. "Starting a business, especially a disruptive one, is a rollercoaster ride consisting of unmatched fulfilment combined with unrivalled heartbreak," says Aiden. "Three years later we are still finding new challenges every day – but we wouldn't have it any other way."



JOVANA KORAC

After starting several tech-for-social-impact initiatives, Jovana came to the realisation that not all problems necessarily require a high-tech solution. This is why Nandi Pads, a social enterprise she co-founded, is proudly low-tech. Nandi sets up business-in-a-box mini-factories in low-income communities that are owned and operated by women, who in turn manufacture and sell affordable and 100% compostable sanitary pads. "The need for shared value from projects is increasingly becoming evident across all of society's sphere," Jovana says. "I wholly believe that social entrepreneurship is the future of doing business, solving social ills and driving thriving economies."



KATLEHO NYAWUZA

A short while ago, WBS alumnus and project manager Katleho Nyawuza was struggling to find a barber in his hometown of Tokoza in Ekurhuleni. It was then that he realised there was a need for a better way to access and promote consumer services in townships, and ExploreiKasi was born. ExploreiKasi is an app that targets both formal and informal businesses: from barber shops to shisa nyama, decorating services to wedding planners, and private tutors to accommodation. The app is free for users and businesses, and since it went live in March 2018, more than 550 businesses have listed.



FUTURE JOBURG

SOUTH AFRICA'S BIGGEST CITY CAN INCREASE ITS
INFLUENCE WITH SOME CAREFUL PLANNING

TEXT: SCHALK MOUTON



W

e Joburg residents love to hate our city. There is always something to complain about and we continuously find fault everywhere. The grass always seems greener elsewhere (even in Cape Town). However, as far as international investment and the future sustainability of the city are concerned, we perform better than expected.

We all know where Joburg came from. Built on the mining industry, our city is unique in many ways. For instance, we boast that Joburg, due to the discovery of gold, is one of the few cities in the world that is not built on a major river or sea, and that despite this, we live in the largest 'man-made forest in the world'. However, since the days of the gold rush, Joburg has become less reliant on mining and industry, and has grown and diversified into a tertiary economy.

According to Professor Ronald Wall, who holds the Chair of Economic Development of the City of Johannesburg in the School of Economic and Business Sciences (SEBS) at Wits, Joburg is a real global city – but we don't even know it.

"Psychologically, we don't think globally," he says. "Our mainly 'local newspaper' mentality has to change into a more global one. We need to become more engaged with Africa and the rest of the world and internationally diversify our economic and social connections. This will depend on aspects like innovating and specialising our industrial sectors, curbing socio-economic

inequality, increasing the participation of women in the labour market, and developing food security in the Gauteng region."

As an economic geographer and urban planner, Wall uses big data on roughly 15,000 world cities to analyse the strength of their economic connectivity, for example, foreign direct investment (FDI). What he found would surprise us all: Joburg is right up there with the best. It ranks 69th in terms of inward FDI, and in Africa is second only to Cairo. With strong investment connections to London, Tokyo and Paris, Johannesburg competes better in the rest of the world than many cities in the US, like Atlanta and Washington DC, but it is shadowed by New York, and Vancouver and Montreal in Canada.

"In terms of sub-Saharan African FDI, Joburg is king – but statistically speaking, we underperform to what would be expected of us, and should be much more powerful," he says. One of the important keys to the city's future wellbeing and sustainability lies in its ability to attract foreign direct

investment, and to increase the diversity of international cities investing in it. This will make it a truly global player.

“South Africa is increasingly subjected to global changes, but our government is not assertively participating,” notes Wall.

While a large part of Joburg’s business community is internationally active and competitive, uncertainties in politics, high crime levels and high levels of wage inequality negatively impact our ability to attract FDI.

“Compared to other global cities, Johannesburg’s international industrial sectors are not specialised enough to give it a competitive advantage over others. It needs to compare itself to top global cities and form this understanding, smartly diversify and specialise its economy so as to compete with them,” says Wall, whose analysis for the UN State of African Cities 2017 report showed that Joburg’s closest global competitor is Bogota in Colombia, followed by Chicago in the US, then Istanbul, Delhi and Buenos Aires, while our closest African competitor is Cape Town, followed by Casablanca.

Internationally specialised economy

One example of how Joburg could specialise services – and thereby revitalise the inner city – is to follow the advice of former Reserve Bank Governor and honorary Professor at Wits’ School of Economic and Business Sciences, Tito Mboweni, to turn the inner city into an International Finance Centre. This Centre, envisaged between Empire Road, Joe Slovo Road, the M2 highway and Hillbrow, should allow for special incentives to operate in the area.

“This place will be transformed in a very short space of time, which will minimise the flight of companies from Joburg to Mauritius,” Mboweni said.

Professor Barry Dwolatzky of the Wits Joburg Centre for Software Engineering, however, believes that Johannesburg – specifically Braamfontein – could be Africa’s first Silicon Valley. According to Dwolatzky, the establishment of a Silicon Valley has certain prerequisites: It has to be connected, be close to a major research hub, have an existing business hub, be supported by government, and

69th

Johannesburg's rank
(among cities worldwide)
in terms of foreign direct
investment



The 2040

mayoral strategy will include food security and urban agriculture as one of the top 9 priorities for the city

be located where people want to live and work. While Braamfontein was not that place several years ago, it now has all the right ingredients.

“We’re in close proximity to both Wits and UJ, with 80,000 students. There are over 50,000 residents living in the area, there is an existing business hub and there are lots of businesses still in the area that work in the digital space – and we are well connected,” says Dwolatzky.

Wall agrees that we also need to comparatively study which local skills and technologies we need to produce to match the demand of international and domestic firms, which in turn will boost inward FDI.

“For Joburg to become a truly Smart City, it will need to technologically connect local supply – skills, technologies, services, knowledge and creativity – to the changing demand of firms in the global economic system,” he says.

Establishing sustainable food security

One of the future critical sectors where South Africa – and Africa in general – could play a massive role is in contributing to continental and even global food security. According to Wall, “Africa has some of the most arable land in the world, yet we are vulnerable in that we import most of our staple food, while 60% of Africa’s youth are unemployed. We have the potential and opportunity to flip this around and become the food secure basket of the world,” he says, adding that we should invest in capacity building in the agriculture sector,

create low-tech, medium-tech and high-tech agriculture hubs (products, services, processing, logistics) in and especially around the city, and establish the business collectives to support it. This is exactly what Professor Michael Rudolph, founder of the Wits Siyakhana Initiative, is working towards – with much support. According to Rudolph, the Wits initiative is currently working with the City of Johannesburg in several urban agriculture projects in the city to promote food security and city greening.

“The new mayor’s 2040 strategy includes food security and urban agriculture as one of the top nine priorities for the city, making it part of broader policy and strategic interventions, which clearly demonstrates local government’s guiding principles and course of action,” he says. Not only would urban agriculture – which includes rooftop gardens, green walls and food gardens in open spaces within and outside the city – contribute to food security and improved nutritional health and knowledge in Joburg, it would contribute to job provision, sustainable livelihoods and much-needed skills for large numbers of residents.

According to a report by Rudolph and co-author Florian Kroll, between half and three-quarters of people in poor areas in Joburg are affected by food insecurity, and food is the biggest household expense in most poor households, which become highly vulnerable when food prices increase.

By focusing on agro-ecologies – which encompass building local food economies

by supporting all stakeholders in the food chain, including local producers, processors and retailers, and building links between consumers, local farmers and local food businesses – in an urban setting, we can increase dietary diversity at the local level, as well as reduce the multiple health risks from industrial culture, says Rudolph.

“The City of Johannesburg Food Resilience Programme includes interventions to address food insecurity, such as the establishment of co-operatives as hubs connecting several small farms to markets and government food supply contracts, which are managed through a government food procurement company; the promotion of cheaper food products through subsidised ‘people’s restaurants’ located in deprived neighbourhoods, which provide healthy and affordable meals; distribution of food packages procured from small farms to deprived households and school feeding programmes; and linkages of a conditional cash transfer programme to other state welfare interventions including health, education and workforce entry,” he says.

Wall believes that’s contrary to current thinking, and one of the things that counts in our favour is the large numbers of migrants who come to Joburg.

“A lot of them come from urban environments, and bring with them naturally acquired skills in agriculture, which we can put to use. This talent should be harnessed and advanced by means of capacity building centres,” he states.

In pursuit of happiness


Establishing a strong food sector in the country, which includes food production, processing, marketing and entrepreneurship,

FACTORS AFFECTING JOHANNESBURG'S ATTRACTIVENESS FOR INVESTMENT

- 1 Compared to other global cities, Joburg’s international industrial sectors are not specialised enough to give it a competitive advantage over others. It therefore needs to diversify and specialise its economy.
- 2 Its high level of wage inequality (GINI) negatively affects its ability to attract foreign investment.
- 3 Its large number of foreign citizens has a positive effect on foreign investment attraction.
- 4 The high levels of migration into Joburg have a positive effect on attracting foreign investment.
- 5 Its productivity has a positive effect on foreign investment.
- 6 Its high level of communications has a positive effect on attracting investment.
- 7 Its moderately high level of human capital is good for attracting investment. However, skills development needs serious attention if Joburg wants to compete with its global competitors.
- 8 Its good level of infrastructure positively attracts foreign investment.

will also contribute to better skills, and improved dignity and self-esteem for people who currently don’t have jobs.

“Results from the increasingly important field of ‘happiness economics’ verify this. A country’s level of happiness is a strong predictor of FDI attraction. Statistical results show that the happier people are, the more productive, and hence the more investment that is attracted, even in Africa,” says Wall.

“Happier people express a much more positive outlook on their country.” 

CURIOS.TY

This story was first published in *Curios.ty*. For more information, go to wits.ac.za/curiosity

FROM CRISIS

LESSONS FROM CAPE
TOWN'S WATER SHORTAGE

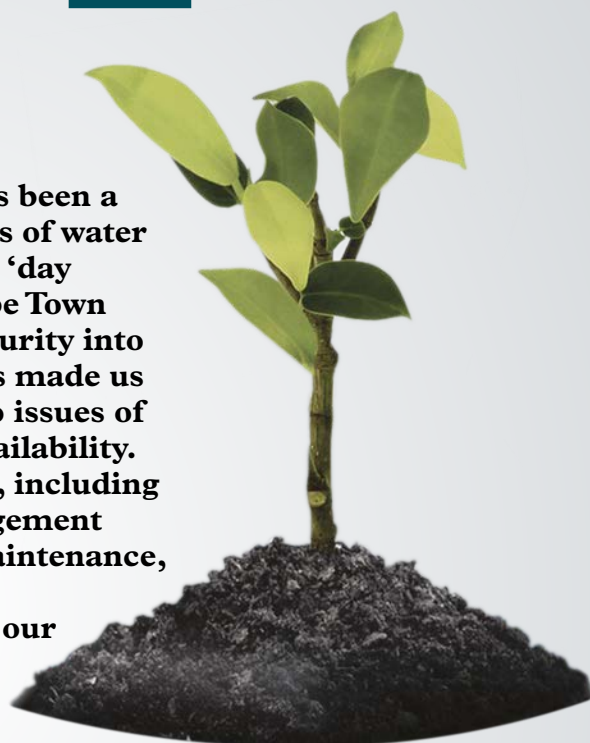
TEXT: SCHALK MOUTON



TO HOPE

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outh Africa has always been a country with problems of water scarcity. The ominous ‘day zero’ narrative in Cape Town has brought water security into our daily lives and has made us pay closer attention to issues of water demand and availability. Additional challenges, including pollution, poor management and infrastructure maintenance, wastage and excessive consumption, burden our resources.



We’ve heard it so many times before. Every time a government official speaks about water issues in South Africa, they mention that South Africa is a ‘water-scarce’ country. However, until the current water ‘crisis’ fully developed in Cape Town, and the ominous-sounding phrase ‘day zero’ became a daily headline in newspapers, few were actively mobilised around water as a valuable resource.

Water has always been cheap and, for the middle-class South African at least, there has always been a constant, reliable supply of water. But will such a situation continue without careful risk management and planning?

The current water situation in Cape Town can teach us a number of lessons that could assist us in working towards a more water-secure Gauteng – and the country as a whole.

Acclimatising to change

“What is going on in Cape Town, scientists argue, is the ‘new normal’ with climate variability and climate change,” says Professor Coleen Vogel, Distinguished Professor in Climate change, Vulnerability and Adaptability at the Global Change Institute. “Although we cannot say with certainty when droughts will occur, projected outlooks are that we could experience more frequent events, such as drought occurring with greater magnitude.”

South Africa is a dry country. It has an annual surface water runoff (from rain) of 49 billion cubic metres. With an annual rainfall average of 490mm, South Africa has just over half the annual rainfall of the global average of 814mm. Of the water that we do have, 98% is already allocated for use, which means we have only 2% left over as a

useable resource. Various provinces, including Limpopo and the North West Province, have struggled with serious droughts in the past 10 years, and the Eastern Cape and parts of KwaZulu-Natal are suffering from water shortages. Gauteng was saved from a serious drought in 2016 (some would argue not necessarily by careful water planning) when good rains fell.

South Africa is also struggling to manage water effectively. According to the Department of Water and Sanitation's (DWS) National Water and Sanitation Master Plan, 'A call to action', the country "is facing a water crisis driven by a massive backlog in water infrastructure maintenance and investment, recurrent droughts driven by climatic variation, glaring inequalities in access to water and deteriorating water quality".

"This crisis is already having significant impact on economic growth and on the well-being of everyone in South Africa, which will be exacerbated if it is not addressed," the DWS says.

Grim statistics

The DWS Master Plan estimates that:

- By 2030 we will have a water deficit of 5%, yet 35% of our municipal water is lost through leakage.
- 41% of our municipal water does not generate revenue, which, at a unit cost of R6/m³, amounts to R9.9 billion each year.
- 5.3 million households do not have access to safe household drinking water, while 14.1 million people do not have access to reliable sanitation.
- 56% of the country's 1,150 municipal waste water treatment works and 44% of the 962 water treatment works in the country are in a poor or critical condition and in need of urgent rehabilitation, while 11% of this critical infrastructure is dysfunctional.

The country's rivers are not faring any better. Between 1999 and 2011, the extent of SA's rivers classified as having a poor ecological condition increased by 500% with many rivers pushed beyond the point of recovery.

To achieve water security, the DWS says, an estimated "capital funding gap of around R33 billion per year is needed for the next 10 years".

In order to find sustainable solutions to South Africa's water problems, all roleplayers in the water sector should start to work together, says Professor Craig Sheridan of the School of Chemical and Metallurgical Engineering and Director of the Centre in Water Research and Development at Wits.

"We need a 'democracy of discipline-values', where policy, economics, engineering, science, social science, law and politics are all treated equally. This can only happen if we can embrace humility as the tool to understanding the other," he says.

Even with rainfall figures declining since 2015 (in 2014, Cape Town got 511mm of rain. In 2015, this went down to 321mm and in 2016 and 2017, the region got only 221mm and 153mm of rain respectively), the Cape Town drought was hard to predict.

Although the water storage graphs for Cape Town's two main water sources (Berg River Dam and Theewaterskloof Dam) show that both have dropped below 'very low' levels since 2015, Professor Barend Erasmus, Director of the Global Change Institute, says that declining surface water levels do not serve as a clear "early warning".

"The likelihood of a prolonged drought such as the one in Cape Town is extremely low, so the more years with low rainfall, the less likely it is that a drought will persist," says Erasmus.

"The magnitude of the crisis was too big for a 'business as usual' incremental response. This is a typical example of how a system

R33bn

is the estimated capital funding gap needed for the next 10 years to achieve water security

shift in terms of a different attitude towards water is required.”

Be proactive

Gillian Maree, Senior Researcher at the Gauteng City-Region Observatory, says a more proactive approach towards droughts should be implemented throughout the country.

“You cannot solve a major drought quickly. There are no short-term interventions three years into a major drought,” she says.

“The concern is that we’re still reacting to a ‘crisis,’” says Vogel. “We need to change the focus of the country. Cities need drought plans and, as far as I know, Johannesburg does not have a focussed drought plan.”

Maree believes Gauteng can expect to run into water shortages in the near future, with high levels of urbanisation and growth leading to increased demand pressures on the limited water supply.

“In the past 20 years, Gauteng has experienced such rapid growth that we just haven’t been able to keep pace with it,” she says. Johannesburg is expected to become a mega-city by 2030, housing a population of over 10 million people. By that time, over 60% (5.05 billion people) of the world’s population is expected to live in urban areas.

Some of the earlier Water Balance models from the DWS showed that there would be a water deficit in Gauteng by 2025, says Maree. The idea was to have the second phase of the Lesotho Highlands Water Project (LHWP) operational by that point. Phase 2 of the LHWP is scheduled to increase the current supply rate of 780 million cubic metres of water per year to 1,260 million cubic metres per year.

The construction on the project has been delayed.

“The LHWP2 is way behind schedule. There’s no way we’re going to have large

A 10-POINT PLAN TO MAKE GAUTENG WATER-SECURE

- 1 Build cities water-wise (incorporate green infrastructure with current water infrastructure).
- 2 Start to value our water catchment areas.
- 3 Ensure we look after our rivers and wetlands.
- 4 Look at innovative ideas around grey water use.
- 5 Improve and maintain our storm water management systems.
- 6 Become more water-aware and water-sensitive about how we build the Gauteng city region.
- 7 Decrease consumption in Gauteng.
- 8 Advance to the LHWP Phase 2 as soon as possible to augment our water sources.
- 9 While taking the basic water needs of all our citizens into account, we have to make water more expensive and place a higher value on it in society.
- 10 Urgently deal with the backlog of maintaining water treatment plants.

* Compiled from recommendations that Gillian Maree made in a presentation to the Gauteng Department of Economic Development and the Gauteng Department of Agriculture and Rural Development.

augmentation by 2025. This means that the current and future water demands will have to be accommodated for within the current water availability.”

Data on water consumption is very limited and varies greatly across different types of households, but the studies we do have shown that Johannesburg households consume around 330ℓ of water per person per day. This is double the global average of around 170ℓ per day.

“The consumption here is very high. For those households who have reliable access to potable water, we use nearly double the global average – in a water-scarce part of the world,” says Maree.

“The **consumption** here is **very high**. For those **households** who have **reliable access** to potable water, **we use** nearly **double the global average** – in a **water-scarce** part of the **world**”

“We live in a region far from our water supply, we live on top of a watershed, and we spend great expense piping water here (from the Katse Dam via the LHWP). We have to deal with the consumption and wastage issue.”

What must also be addressed is the unacceptably high levels of non-revenue water (particularly water losses from poorly maintained and leaking infrastructure) and ensuring that consumers are billed fairly for water, and the revenue collected.

A second aspect of water security is making sure that the water that we do have is safe enough to use. “We are a heavy polluter,” says Maree.

“Johannesburg lies on top of the watershed, so we pump a lot of fresh water up the catchment to use, and then we release return flows that are often very polluted. We don’t see the cost of our pollution downstream, and how we waste water.”

While industrial wastewater contributes to the problem, Sheridan says the two main sources that pollute our rivers are acid mine drainage (AMD) and broken sewage treatment plants.

“We have to fix AMD and sewage plants,” he says. AMD is a massive problem, but – if you’ve got political will behind it – not difficult to fix. The problem, however, is that AMD is usually just neutralised for pH levels, and many sulphates stay behind in the water. This is not good for rivers.

“Sewage is a disaster,” says Sheridan, pointing out that a lot of research is now going into making water treatment plants on a local level resilient and easy to operate and maintain. However, there is no single solution to fix the problem.

“You need to engage with each locality in a different way. You need to consult with local communities and establish their own needs, before you can start to search for a solution,” says Sheridan. “How do you design a resilient system for a specific community?”

In order to solve our water crisis, we need to change the way we think about and treat water – from a government perspective right down to consumer level. Water must be managed in such a way that consumers value it more.

“Effective water management has to be carefully considered,” says Vogel. “We need to find socially just ways of ensuring effective water management.”

Maree agrees: “We have to deal with the consumption and water wastage issue, which is a technical issue as well as a political issue and leadership issue around changing behaviour.”

We have to see water in a different light and start to respect it as the valuable resource it is. If we put our minds to it, all South Africans should be able to have a sustainable, water-secure future. 💧

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THE CHANGING FACE OF PHILANTHROPY

ALISON GAYLARD INTERVIEWS
DR BHEKINKOSI MOYO, CHAMPION OF
PHILANTHROPY IN AFRICA

PHOTOGRAPHY: DEBBIE YAZBEK



The recent appointment of Dr Bhekinkosi Moyo as an Adjunct Professor at WBS, has seen him tasked with establishing a Centre that will focus on African philanthropy and social investment. Moyo will be building on the work of Professor Alan Fowler in setting up the Chair in African Philanthropy.

“In Africa, it is uniquely befitting that philanthropy be studied alongside social investment,” says Moyo. “The private sector is a key player as an engine for economic growth and as is normally the case, philanthropy gets its financial muscle from this sector. It will be the role of the Centre to influence how this money is ploughed back to communities.”

Moyo has dedicated most of his career to researching civil society and philanthropy in Africa. Lessons learnt from teaching and football coaching in Zimbabwe led him to dream of doing more, not only for his

community, but for his country and continent. Naturally drawn to community development, Moyo moved to Johannesburg to further his studies at Wits in 2000. His doctoral studies in 2001 proved the turning point.

“The philosophy of service not only to the community, but to humanity at large, has always resonated with me,” says Moyo. “I was fascinated by African-based community structures and the indigenous practice of giving: of mobilising resources and giving back to the community. My time at Wits opened my world and put me in touch with key thought leaders in this field.”

Moyo researched the role of philanthropic foundations in supporting civil society in southern Africa for his PhD, which he obtained from Wits University in 2005. Through his studies, he met Fowler and learnt about his work on international development through organisations such as the International Society for Third-Sector Research (ISTR). Fowler, a renowned ‘pracademic’, is an honorary professor at WBS and emeritus professor at the International Institute of Development Studies, Erasmus University, The Netherlands.

On the back of his PhD research, Moyo was awarded a fellowship by the Mott Foundation to study philanthropy and civil society at the City University of New York. He realised that the study of philanthropy was at an advanced stage in other parts of the world, but Africa lagged far behind.

Continental opportunity

“When I got an opportunity to study philanthropy, I realised that this is a field that has not been studied or researched anywhere in Africa. There are over 300 programmes around the world that teach or research philanthropy. The irony is that philanthropy is practised in the most natural way every day on our continent, in various forms, and has for hundreds of years. It has just never been documented.”

Moyo is a prolific author, researcher and thought leader on African democracy, governance and civil society. Before joining WBS, he was CEO of the Southern Africa Trust, and prior to that spent seven years with TrustAfrica as Director of Programmes,

contributing significantly to the body of knowledge on African philanthropy and public policy. He co-edited, with Tade Akina Aina, the only major publication on African philanthropy: *Giving to Help, Helping to Give: The Context and Politics of African Philanthropy* (2013).

While excited about his new role at WBS, Moyo sees it as coming “full circle”. A Chair in African Philanthropy, which he articulated in a strategy document for TrustAfrica back in 2007, is the next logical step in formalising the study of philanthropy in Africa.

Sharing the vision

“My vision for the Centre is that it will be the ‘go-to’ hub of knowledge generation in African philanthropy. It will be a Centre dedicated to interpreting the philanthropic and donor landscape in Africa, as well as a teaching platform and, importantly, a repository of recorded knowledge. The Centre will also explore the role played by small, medium and large enterprises in communities where they are located, and beyond,” he says.

“In Africa there are many, many people with a wealth of experience in philanthropy, but the knowledge is in their heads. One of the primary focuses of the Centre will be to encourage those practitioners to share their knowledge and experience in all aspects of philanthropy, including setting up foundations, fundraising and grant making. It will be the first institution on the continent that will bring both business and public policy makers together to identify solutions to challenges affecting the continent, while putting the citizens at the heart of the conversation. In this way, the Centre will be where academia meets practice.”

There are many different definitions of, and dimensions to, philanthropy and what it means in other parts of the world. In the context of Africa, philanthropy must be seen to support ethical transformation, says Moyo.

“It is important to see philanthropy as a paradigm that is supported by the concepts of accountability, reciprocity, solidarity and trust. Using this paradigm, and realising that as humans our lives are entwined, we can develop an ethical society.” 🤝

300

Number of programmes around the world that teach or research philanthropy



BHEKINKOSI MOYO

is an Adjunct Professor and Chair in African Philanthropy at WBS

THE WBS CASE CENTRE

WBS was the first business school in Africa to establish its own case centre. The WBS Case Centre is now the largest case centre on the continent and has produced over 250 case studies. These cases focus mainly on South African and African organisations and businesspeople, highlighting 'real life' business challenges or leadership dilemmas.

The cases are used in the classroom where students are asked what they would do if they were in the shoes of these individuals and companies. In this edition of *The WBS Journal*, we introduce you to three business leaders who were featured in recent case studies.

Q&A WITH SEAPEI MAFOYANE

HELPING OTHERS TO HELP THEMSELVES PROVIDES GREAT
SATISFACTION FOR BUSINESS INCUBATOR HEAD

TEXT: BRUCE DENNILL | PHOTOGRAPHY: SUPPLIED



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What are or were some of the industry norms – perceived or otherwise – that you felt needed to be challenged or updated when you took up your current position?

Seapei Mafoyane: There were many of these. However, the most significant for me, and the one I'm most passionate about, is the perception that black small and medium enterprises (SMEs) are still not ready to participate in the mainstream of the business environment.

There's no question that our country's history has created some of these norms

and we need to ensure that they're not further entrenched. As with other developed nations that have walked this path before us, we need to ensure that the small business ecosystem nurtures the most impeccable entrepreneurs, as those are the engine rooms of this economy now and hopefully, more significantly, in the future.

What personality traits do you have that you believe are useful in tackling the projects you've managed? And how do you manage those traits relative to those aspects of your character needed to engage elsewhere in your community – your family and friends, for instance?

Seapei Mafoyane: I believe that it was Robin Williams who said, "We're all given a little spark of madness, you mustn't lose it." I'm only looking to be the best version of me and that means that I happily embrace all that I am – the good, the bad, and even those bits of me that may be a little crazy. They're all quintessentially me.

How creative do you need to be in coming up with strategies – influenced by technology, innovation, politics and more – to change the way your industry works, and how much of your energy and time is taken up convincing others that your vision is viable?

Seapei Mafoyane: The process of change is a creative process whether the outcome is small or big. That very creativity can isolate you, especially in the beginning phases, because in these stages, ideas are largely untested.

There are often either limited test cases or none at all and the process of testing the hypothesis requires the most difficult investment tool of all, which is time.

The challenge is not allowing yourself to see the creative process or innovation itself as some magical event, but understanding that most of the answers we need for the



CASE STUDY CONTEXT:

SHANDUKA BLACK UMBRELLAS – GIVING IMPETUS TO BLACK ENTERPRISES

In September 2016, Seapei Mafoyané, Chief Executive Officer of Shanduka Black Umbrellas (SBU), a business incubator targeting emerging black-owned enterprises, was busy writing her annual review for inclusion in SBU's 2016 annual report. She believed that SBU had an essential role to play in ensuring the success of black entrepreneurs in South Africa, among whom the failure rate was notoriously high. While SBU's incubator programme was helping many businesses that might otherwise have failed, she wondered whether the organisation could do anything to improve its success rate. This would benefit not only the black entrepreneurs themselves, but the South African economy as a whole. Was SBU on the right track in the methods it was using to assist black entrepreneurs, or should it change its approach in any way?

challenges we face today are already present in our everyday lives in some form. Allowing oneself to imagine the best outcome creates a rich environment for creative ideas to flow.

Technology, innovation and politics are all knowledge environments in some way and what they do is offer an abundance of thinking tools that, when used well, can permeate any business environment to chart the most distinctive outcome.

The beauty of change, especially positive change, is that it is attractive. In my environment, the first SME that became a successful multi-millionaire was all the proof we needed. Once our programme was creating successful SMEs at up to three times the national average, we no longer needed to talk viability.

What part of creating, updating or maintaining the brand you're working with involves your own personal brand and philosophies?

Seapei Mafoyané: As a leader, there's no doubt that one's own values will be imprinted on the organisation's culture, but it's also your personality and work ethic that drive how the organisation delivers on its mandate.

As CEO, many of the successes and certainly all of the failures of the organisation will be linked to my personal brand. My role makes me not only custodian but ambassador of the brand I lead, and so it's not just the work we do but how we do it and how it makes people feel that I'm most concerned about.

How have disruptive technologies and the potential to reach new customers via previously unavailable or ignored channels changed the way you do business on a daily basis?

Seapei Mafoyané: Technology has made me realise that no serious brand can have office hours. Many of our current clients and

a lot more of our future clients are technologically savvy and could be interacting with the brand even as we sleep.

As such, we've had to not only create a technological presence but ensure that it's malleable, responsive and can connect with all our clients at all times.

We've also had to realise that as a brand we're responsible not only for the message we create but for the responses that can come from other people connecting with it, so the avenues of interaction are broad.

Conversely, what do you need to do to keep your target market convinced that your established product is the best option in its niche for them?

Seapei Mafoyané: We have been fortunate in that our track record, which is the experience and success of other SMEs that have been on our programme, is what people look at.


The stories of their success have been all we've needed to showcase in order to attract attention.

What particular aspect of your work drives your passion for what you do? Be honest – it may not be the same answer you gave the board in your interview ...

Seapei Mafoyané: In my undergraduate degree, I studied microbiology, but since then, I've never had another opportunity to be in the laboratory.

In truth, my work feels like my lab. I feel empowered to think, to create and to solve, and that's what drives my passion.

I'm a doer, always have been and I'm at my best when left to do so. Fortunately, my work requires me to build models, to craft strategies and to try out new things.

I don't think I would still be doing it if I was no longer able to create. 



50
YEARS
OF
LEADERSHIP
IN AFRICA



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50 YEARS OF LEADERSHIP IN AFRICA

1960s

Richard Maponya managed to build a thriving business empire despite the apartheid regime's restrictions. He was determined to help Soweto to develop economically, and became a member and the first president of the National African Federated Chamber of Commerce (NAFCOC) in the 1960s, and likewise, the founder and chairman of the African Chamber of Commerce. From land he obtained many years ago, he built Maponya Mall.



“I AM INSPIRED BY LEADERS WHO HAVE THE AUDACITY AND COURAGE TO MAKE THE TOUGH CHOICES THAT LEAD TO GREAT INNOVATIONS AND RESULTS IN THEIR FIELD” – ALEX OKOSI

1970s



Allan Gray is the founder of Allan Gray Limited, the largest privately-owned investment management firm in southern Africa. The Harvard-trained money manager founded the firm as a one-man company in Cape Town in 1973 and pioneered performance-related investment management fees in southern Africa. Today, Allan Gray manages over US\$10 billion in investors' funds. Gray is also one of Africa's most generous philanthropists; in 2007 he endowed his Allan Gray Orbis Foundation with US\$150 million, one of the largest gifts in southern African history.



1980s

In 1985, the Sudanese telecoms magnate Mo Ibrahim helped invent the United Kingdom's first mobile phone network. He opened Africa to a whole new chapter when he founded Celtel, a mobile phone company which served 23 countries in Africa and the Middle East before he sold it off to MTC Kuwait. Ibrahim now devotes his energies towards his Mo Ibrahim Foundation which publishes an annual Good Governance index and awards US\$5 million annually to former African leaders who have delivered the dividends of good governance to their people.

1990s



Jim Ovia is the founder of Zenith Bank, one of Nigeria's largest lenders, with subsidiaries in Ghana, Sierra Leone, The Gambia and the UK. The Jim Ovia Foundation has funded 1,500 scholarships and supports IT skills programmes for marginalised young people, working with partners such as IBM and Google. The Jim Ovia Scholars Programme, founded in 1998, provides aid to outstanding students during undergraduate and graduate study.



2000s

One of Kenya's most successful and revered serial entrepreneurs, Njeri Rionge has co-founded multi-million dollar companies in quick succession, including Wananchi Online (in 2008), a leading internet service provider which has gone on to become East Africa's leading cable, broadband and IP (internet-based) phone company and Ignite Consulting, a thriving business consultancy, and Business Lounge, Kenya's leading startup incubator.

2010s

Côte d'Ivoire's most famous footballer, Didier Drogba, is also one of the country's most generous philanthropists. The Didier Drogba Foundation has built hospitals and schools, and its focus is now on raising awareness around sustainable agriculture and its role in fighting hunger. Ongoing initiatives include a women's empowerment programme and training in cassava field development.





BURNING BUSINESS QUESTIONS

WBS experts give their thoughts on challenging questions



PROF STEVE BURGESS

Success in today's diverse and dynamic business environment requires business leaders to have an empathetic understanding of sources of demand, sources of supply, and methods of effective management.



DR JENIKA GOBIND

Core leadership qualities should include integrity, sound people skills, an appreciation for individuality and cultural diversity and most importantly a moral compass to rely on when posed with an ethical dilemma.



DR THABANG MOKOALELI-MOKOTELI

I think managers should be focused, decisive and understand the numbers underlying their business.

What **leadership qualities** do business people need **to do business** in Africa today?



PROF GREG LEE

Leaders who wish to transform Africa in the future need to live in the paradox of applying appropriate and cutting-edge digital technologies for the continent while crafting social solutions for people in the process.

CHARISSE DROBIS

I believe that the following are essential leadership competencies: an ability to navigate complexity and ambiguity; social and emotional intelligence; curiosity and innovative thinking accompanied by a commitment to use innovation as an enabler to improve the lives of those less fortunate; and an entrepreneurial, value creating orientation, grounded by ethics, governance and sustainability.



PROF KALU OJAH

You must be keenly aware that Africa (and/or a specific African country) is your primary market, and ensure that your product's value-proposition meets these needs!

“THE DIFFERENCE BETWEEN A SUCCESSFUL AND NON-SUCCESSFUL LEADER IS THE QUALITY OF DECISIONS YOU MAKE”
- TONY ELUMELU

WITS BUSINESS SCHOOL

IN AN INFOGRAPHIC



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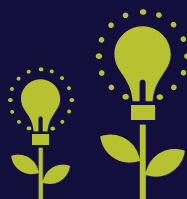
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3

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CASE STUDY CONTEXT:

5FM – YOUTH RADIO IN THE DIGITAL AGE

In December 2015, Justine Cullinan, then station manager of 5FM – a commercial, national music-radio station – reviewed the listenership and revenue figures for the year. When she took over as station manager in October 2014, 5FM had been through a three-year period of sharply declining listenership and revenue. Since then, by growing 5FM's online community and adjusting the station's overall strategy, the tide of decline has slowed. 5FM's limited marketing budget prevented it from attracting listeners through traditional marketing avenues. Cullinan wondered how she could grow audiences and revenue and forge a new way for radio to benchmark success in a world where online communities were ever more important.

Q&A WITH JUSTINE CULLINAN

HOW DOES A RADIO STATION ADAPT TO THE DIGITAL AGE?

TEXT: BRUCE DENNILL | PHOTOGRAPHY: SUPPLIED



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What are or were some of the industry norms – perceived or otherwise – that you felt needed to be challenged or updated when you took up your current position?

Justine Cullinan: For a long time, the power to entertain and inform was very much in the hands of traditional big media companies. Then digital media came along and suddenly the number of competitors that media companies had doubled and tripled. At the same time, the power to entertain and inform shifted from big companies to individuals. That meant that most media

companies started to see digital media as a threat. They competed for the consumer's time and attention, believing digital media to be the greatest devourer of that.

When I took the helm at 5FM, I took a very proactive approach to embracing digital media. In my view, digital media was the perfect complement to a traditional radio platform, not a competitor. It was a way to enhance and empower the brand 5FM and to take it to the next level in terms of informing, educating and entertaining the audience. While we had always, as consumers, relied on radio to be able to hear our favourite music, we could now use a plethora of digital platforms to do that.

However, that didn't mean that radio's unique selling point had disappeared.

What it showed us, as a music radio station, was that radio enabled taste-making and discovery of music, which led to searching, streaming and downloading of tracks online. This was just a single example of the way in which digital media positively impacted the traditional radio broadcast model. On the whole, though, I perceived the need to establish an understanding of the case that digital media made the media industry better, not worse. It might have made media professionals work harder and need to be more nimble, but it made the industry better.

How creative do you need to be in coming up with strategies – influenced by technology, innovation, politics and more – to change the way your industry works, and how much of your energy and time are taken up convincing others that your vision is viable?

Justine Cullinan: I believe that creativity is not a job. It's a style of working that is essential to modern business success in all industries. 'Creatives' are not people who work for agencies, wear sneakers to





work, grow interesting facial hair and work in a room with a ping-pong table, far away from clients. Everyone has to think and work creatively to bring new solutions and opportunities to their place of work on a daily basis. If you aren't doing that, your business is going to be outlasted, outplayed and outdated in no time. In the industry of media where content is your product, thinking creatively is at the core of each move you make, no matter how big or small.

A lot of energy is taken up convincing others in the business, particularly higher-up levels of management and exco, that an idea is viable. That's for two reasons. First, there is a lot more competition – due to more players and lower barriers to entry enabled by technology – than there ever was before.

That has a knock-on effect in terms of how cautious top management has become. They are under a lot of pressure and putting a foot wrong can cost the company everything, so they are looking for ever more granular levels of consideration,

research and support to fly with a new idea, especially if it requires an investment.

Second, with technology and our increasing dependence on machines, we are generating so much data that there is almost no excuse not to measure a clear outcome from a decision. Yes, it's difficult to isolate a truly causal effect when it comes to a specific decision, but it's much easier now to measure the effectiveness of a marketing team and campaign than it was before.

What personality traits do you have that you believe are useful in tackling the projects you've managed? And how do you manage those traits relative to those aspects of your character needed to engage elsewhere in your community – your family and friends, for instance?

Justine Cullinan: The ability to rise above the detail and the drama and see the big picture and the long-term, unified goal. People often get caught up in the day-to-day issues, the number of unopened emails in

their inbox, the exact size of the font on a package or the way in which another person spoke to them in a particular moment of disagreement. In order to succeed, you have to be able to remember why you are doing something and who you are really serving. If you can't do that, then there's no point in doing anything.

I've got a reputation for being direct. People who work with me know I won't lie to them and I'm only interested in the best possible work output regardless of contexts and reasons. This protects me from a lot of weak points that I think other people are trapped in.

They get co-opted into movements – which is what generally happens in a state-owned enterprise or highly politicised business – or they prioritise personal campaigns to get other people to like them and be friends with everybody. I believe that if you want to succeed, you have to accept that there are going to be a lot of people who don't like you. And you have to be okay with that. After all, there are a lot of people that you won't like either, so it's a natural balance.

I generally lack empathy in most situations because I was raised in a typical 'dry your eyes and get over it' no-nonsense way. I believe this to be a valuable trait in business, but it can be limiting in terms of engaging with people.

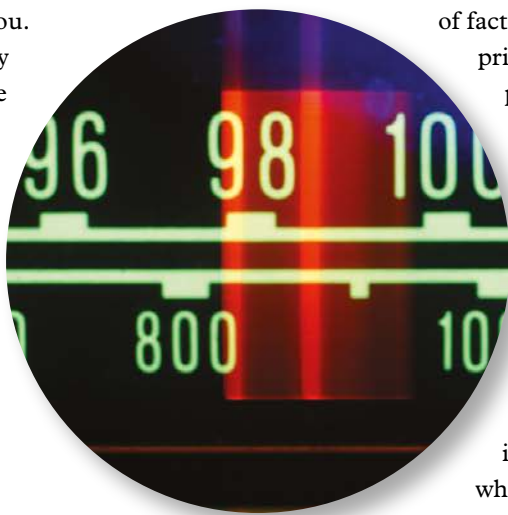
I often say that people are our biggest problems and at the same time our most valuable assets. That's a constant balancing act and something I am always very aware of and keep front of mind as I move through my work engagements.

“In order **to succeed**, you have to be able to **remember why** you are doing something and who **you** are **really serving**”

What part of creating, updating or maintaining the brand you're working with involves your own personal brand and philosophies?

Justine Cullinan: When you're working on a brand like 5FM, it's impossible not to be emotionally deeply invested. Instead of factories or bottlers or printing presses you have people – DJs, producers, and so on – who produce content and to a greater extent they are what they do, which makes it very difficult to separate who you are from your work. In fact, we encourage that in media, because who you are is what people want access to.

I think you have to put your whole heart into your brand. If you believe, so will others. It's infectious. All great brands have loyal ambassadors and humble converts. I would, however, say that it works both ways. While I embed a lot of my own personal brand and philosophy into the brands I work on, the brands I work on teach me





so much and that then adapts my personal philosophies and personal brand as well.

How have disruptive technologies and the potential to reach new customers via previously unavailable or ignored channels changed the way you do business on a daily basis?

Justine Cullinan: It has entirely changed how I work. I hit the working world on that first wave of disruptive technology and I remember asking my mother once how people in offices actually worked without email and computers! The hunt for new and better ways to work, inevitably enabled by technology, is a state of mind rather than a new task we've added to our list.

I said recently at a panel I was part of at the Sunday Times Generation Next Awards that we shouldn't, as marketers, be building digital strategies, we should be building all our strategies in a digital world. It's something we are living, not a separate entity or channel.

From a marketing and brand perspective, with each new day there are new ways to reach new and existing consumers about a plethora of products and services. While that can be overwhelming at times, it's also really exciting and means that the science and art of marketing is ever more challenging and evolving which, truthfully, most of us are after in our work.

Conversely, what do you need to do to keep your target market convinced that your established product is the best option in its niche for them?

Justine Cullinan: You need to do everything and anything every single day to convince your target market. You need to have a relationship with your target market. Any relationship requires certain things. You need to invest time in understanding them, reward them for loyal behaviour, listen to them when they're disappointed, be there for them when they are down and reassure them when you've done something to upset them. You can never say that you've won them over and now you don't need to do anything, because you've ticked that box and they're in the fold. That's like saying as soon as you get married you don't have to make an effort with your partner anymore. You need to ensure that you are in their world. This is where advertising and media are going to continue to bridge that space between brands and consumers. If you aren't in their world, they will forget you, they will move on and they will find something better. You must represent, you must turn up.

What particular aspect of your work drives your passion for what you do? Be honest – it may not be the same answer you gave the board in your interview ...

Justine Cullinan: In the digitally enabled and consumed world we live in, brands are no longer linear mechanisms living out one-way, buyer-seller relationship equations. Brands are the mechanisms by which people define who they are and affirm their position and space in the world. That's ultimate power! If you are creating a brand that others adopt and embrace, then you are a part of generating people's entire approach to the world, their views and decisions. To me that's more powerful than what celebrities or politicians can muster in most cases. That role and responsibility is really what drives my passion for branding. 📺

85 years – our story

MACDONALD'S TRANSPORT IS THE PARAGON OF ONE MAN'S DREAM TO
CREATE A FAMILY BUSINESS THAT WILL STAND THE TEST OF TIME



ADVERTORIAL



MacDonald's

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Thank you for 85 years

macDonald's Group was established in 1933 by Maans MacDonald. The business had humble beginnings, initially focusing on the transportation of livestock throughout the Northern Cape Province.

His eldest son and business visionary, Freddie MacDonald, took up the reins in 1978 and began growing the business, building the dream with a focus on addressing customers' every transport need. Under Freddie's management, market requirements changed and so did the business by adapting and developing to address customers' transportation needs.

Freddie was not alone in his dream and vision of building a sustainable family business that could stand the test of time. His son-in-law, Danie Janse van Rensburg, and eldest daughter, Eugenie MacDonald, shared his passion for the transport industry and joined the business in 1995. Over the years they learned invaluable lessons and gained experience from Freddie. In 2007 Danie was

appointed Chief Executive Officer and Eugenie as Chief Administrative Officer. Under their management, the business continues to grow and develop to address customers' needs and deliver customer-focused logistics solutions.

Today, MacDonald's Group is a major role player in the transport and logistics industry with a track record of 85 years.

The company's experience, expertise and resources extend way beyond merely transporting a customer's goods between various points, but aim to deliver a customised transport and logistics service to each customer.

As per CEO Danie: "A transport and logistics company that is customer-focused must be able to provide a cost-effective, quality service to its customers. That is exactly what we strive for. The company's infrastructure, capacity and quality service to its customers and capabilities to develop and implement customer-focused logistics solutions make MacDonald's Group a one-stop shop for all logistical requirements. We aim to build lasting relationships with all who walk through our doors."

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CASE STUDY CONTEXT:

WOMEN IN WINE: CAN PRINCIPLES TURN A PROFIT?

In October 2016, the management team of Women in Wine – South Africa's first wine brand to be owned and controlled by black women – gathered to prepare for the annual meeting of company shareholders. Operating conditions locally and abroad over the preceding year had once again proved extremely challenging, and CEO Beverly Farmer felt the firm needed decisive action to improve its fortunes. Accordingly, she was going to present two possible courses of action to shareholders: focus resources on developing a more innovative marketing strategy for the company, or acquire a property to enable diversification into hospitality and farming ventures.

Q&A WITH BEVERLY FARMER

RECOGNISING THE ROLE OF WOMEN IN THE MALE-DOMINATED WINE INDUSTRY

TEXT: BRUCE DENNILL | PHOTOGRAPHY: SUPPLIED



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What are or were some of the industry norms – perceived or otherwise – that you felt needed to be challenged or updated when you took up your current position?

Beverly Farmer: The South African wine industry was developed over more than three centuries – some 360 years – and is built on traditions, cultures and specialised structures and systems. The wine industry is rooted in maintaining these systems by generations of families, which make it almost impossible to change. The vision of Women in Wine is to create business opportunities for women,

specifically farm worker women. Women from the Cape have always worked in large numbers on farms as seasonal workers during harvesting and pruning or as permanent labour in the vineyards. These women are making a significant contribution to the production of quality South African wines, but their contribution was never recognised. Through the establishment of Women in Wine (Pty) Ltd, this contribution is recognised and honoured.

My previous work at an NGO, that focuses on the skills development and training of farm workers, made me realise that there are many people living on farms who are passionate about wines, working the land and looking after the vineyards. I have also met the most amazing women, who are committed to the upliftment and development of their community by establishing crèches, youth development programmes and more. These women give unconditionally of themselves to their community without ever expecting something in return and in most cases without the assistance of the owner of the farm.

The intention was never to become involved in the transformation of the wine industry. But during our journey to create business opportunities for women, we were confronted by serious challenges that allowed us to question and further interrogate transformation within an industry that is very slow to transform structurally and culturally.

How creative do you need to be in coming up with strategies – influenced by technology, innovation, politics and more – to change the way your industry works, and how much of your energy and time is taken up convincing others that your vision is viable?

Beverly Farmer: The wine industry is still white male-dominated and the challenge for Women in Wine is to change people's perceptions about the role women have



“The vision of Women in Wine is to create business opportunities for women, specifically farm worker women”



Women in Wine recognise the contribution of farm worker women in the production of quality wines. The founder members of the Women in Wine Trust are, at the back: Delilla Cupido, Katy September and Leana Claasen Dornier.

played. Other challenges include access to markets – locally and internationally.

Financial assistance and changing perceptions about the business model of highly skilled women working in collaboration with farm worker women were some of our biggest challenges. We came up with creative solutions and have positioned the company higher in the value chain towards marketing and distribution. This allowed the company to invest in the building of the Women in Wine brand without having the traditional vineyards and cellar. We have instead built strategic partnerships with industry partners in the production and supply of wine.

Women in Wine has a small, dedicated team who operate in administration, finance, marketing and wine sourcing. I am mainly responsible for marketing.

The company also works in collaboration with other women-owned companies to market and promote their wines.

What personality traits do you have that you believe are useful in tackling the projects you've managed? And how do you manage those traits relative to those aspects of your character needed to engage elsewhere in your community – your family and friends, for instance?

Beverly Farmer: I am passionate about women and the empowerment of women. I started my career in the communication department at a corporate company in the wine industry and soon fell in love with wine and the winemaking process, so the combination of women and wine is the driving force behind the brand. In order to survive in the industry, companies are required to stay abreast of the latest market trends – all the developments and changes. The ability to build strategic partnerships can go a long way in the marketplace. A good dose of creativity, the need for transformation and a general interest in the growth and development of other women-owned brands also help us to stand the test of time.

What part of creating, updating or maintaining the brand you're working with involves your own personal brand and philosophies?

Beverly Farmer: Quality wines are made in the vineyards. The *quality* of the wines is a constant in the company and we will not compromise on it. Emphasising that is also a reminder of the contribution of the farm worker women in the production of these wines.

Consumers identify with the brand and, in general, like the wines. We have two ranges of wines – a premium range and reserve range for the more sophisticated palate. It reminds us why we do what we do – to celebrate the contribution of farm worker women. The Women in Wine Cabernet Sauvignon 2013 and the Chardonnay 2013 were recently listed by South African Airways to be served in their Business Lounges.

We have a role to play to uplift our communities and contribute to community development. Women in Wine played a significant role in the establishment of new criteria for Fairtrade certification in South Africa.

South Africa is the only country where the principles for Black Economic Empowerment and Fairtrade were combined to form the new criteria for Fairtrade certification. This has opened the doors for a large number of farm workers to participate in the economy of the wine industry.

How have disruptive technologies and the potential to reach new customers via previously unavailable or ignored channels changed the way you do business on a daily basis?

Beverly Farmer: Women in Wine markets its products online. We also focus on the growing black middle class, with a growing interest in luxury products like wine.

Conversely, what do you need to do to keep your target market convinced that your established product is the best option in its niche for them?

Beverly Farmer: We deal in quality wines and we are a wine brand with a purpose.

What particular aspect of your work drives your passion for what you do? Be honest – it may not be the same answer you gave the board in your interview ...

Beverly Farmer: If you do what you love, you will not work a single day – that's not a cliché. I have seen this time and again in my life.

I want to see transformation in the wine industry, and hopefully it is something that will be achieved in my lifetime. I am looking forward to the day when we see more black women owning land, a cellar owned by black people, more businesses owned by black people and more wines being exported by black-owned enterprises. 🍷



TOWARDS UNIVERSAL HEALTH COVERAGE

THERE ARE PLENTY OF STRENGTHS IN SOUTH AFRICAN
HEALTHCARE, EVEN AS WE FACE THE CHALLENGE OF
MAJOR SYSTEM CHANGES

TEXT: DR MAURICE GOODMAN AND PROF ROSEANNE HARRIS





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universal health coverage (UHC) refers to the objective of all people having access to the healthcare they need with no associated financial hardship. This is a critical objective, but measuring the extent to which it is achieved depends on what are considered to be essential health services and the level of associated cost that is deemed to be affordable.

Although the provisional report of the Competition Commission's Health Market Inquiry (HMI) notes that, considering the combination of the means-tested public system and regulated private system, South Africa already has a system of almost universal coverage, there is little doubt that the vast majority of South Africans do not have access to quality health services when they need them. There is a lot of work required to improve access to quality and affordable health services.

Challenges and opportunities

There are significant challenges in both the public and private sectors. In the public sector, there is a dire need for operational revitalisation and improvement in service delivery. This is a mammoth task, as a number of recent reports have substantiated. In the private sector, there are significant affordability pressures due to high and rising costs, and there is great scope for improving efficiency and aligning incentives for quality of care. The HMI has made a number of critical recommendations in this regard.

Despite these challenges, there have been some gains and it is important to acknowledge these and build off this base. The World Bank analysis of global health expenditure has specifically looked at

catastrophic health expenditure, defined as the percentage of the population spending more than 10% of their household budget on out-of-pocket health expenses. For South Africa this was found to be just 1.41% (across the whole population). This puts South Africans' risk of catastrophic health expenditure on a similar level to people living in the UK (1.64%) or Panama (1.4%). South Africa also has the biggest state-funded anti-retroviral treatment programme in the world and the implementation of this programme has resulted in major improvements in a number of Sustainable Development Goal (SDG) measures in terms of life expectancy, infant and child mortality, maternity care and the prevention of mother-to-child transmission of HIV.

We also have excellent healthcare resources in our country, although these need to be better distributed. We have world-class clinical expertise, as well as outstanding hospital management capabilities and general management skills. On the funding side of the healthcare system, we have excellent systems as well as data management and analysis and outcomes measurement skills. These skills provide the basis for significant collaboration and partnership between government and the private healthcare sector in these areas, which could be of substantial benefit to the public

4.2 million:
The number of
South Africans
receiving anti-
retroviral
treatment at the
end of 2017



healthcare system. Unfortunately, we do not have unlimited resources (financial and human) and the resources we do have need to be appropriately and efficiently allocated to address the most pressing needs. Efforts in this regard have been hampered by the lack of economic growth, which has meant that public expenditure has not kept pace with population growth, thus exacerbating the resource constraints.

The NHI system as outlined in the NHI Bill

The publication of the NHI Bill and the establishment of the NHI Fund is a big step towards the achievement of universal healthcare for all South Africans. The proposed NHI system outlined in the Bill is pragmatic and workable. The Bill proposes the establishment of the NHI Fund and its associated governance and advisory structures. It sets out a phased approach and it indicates that for the next several years (at least until 2022), the NHI Fund will focus on funding critically needed services for defined vulnerable groups, including school children, the elderly, mental health patients and cancer patients. The private sector has an important collaborative role to contribute in terms of expertise and experience to assist with these programmes.

One of the critical elements of the NHI system will be the benefits it provides. The Bill provides no detail on these benefits, and these details are expected to be developed through a Benefits Advisory Committee, which will be appointed by the Minister of Health and which will develop proposals for the NHI benefits over the next few years. It is critical for stakeholders from across the public and private sector to be part of this process.

The Bill indicates that in order to qualify for NHI benefits at no cost, patients will need to follow the NHI's referral pathways and use its contracted providers. Those patients who elect not to do so will not be able to claim from NHI, and will be able to fund their services directly, or via medical schemes or other forms of health insurance. This is an important point – as it confirms that medical schemes will continue to exist alongside the NHI system and that patients with medical scheme cover will retain freedom of choice as to which doctors and hospitals they wish to use. This also makes it clear that for an extended period into the future, it will be critical for employers to make provision for

the healthcare of their employees, either through a medical scheme, or through a primary care product that provides adequate day-to-day cover for employees and their dependants.

The Bill provides no detail on the funding of the NHI system, as this is a function of the National Treasury. In our view, funding for NHI will remain constrained for the foreseeable future, due to the weak macro-economic conditions in the country, and the other fiscal pressures on government. In the last budget speech, the Minister of Finance allocated R4.2 billion to the NHI Fund for the 2018 to 2020 period. This will be used to fund a defined set of high-priority services for specific vulnerable population groups.

The role of medical schemes in the context of the NHI system

It appears that for an extended period into the future, the benefits covered by NHI will expand gradually, and will be focused on high-priority services for defined vulnerable populations. While the services covered by NHI will expand, those who belong to medical schemes will still have the choice of bypassing NHI referral pathways and the choice to use their own providers, and will also then be able to claim from their medical scheme. It is therefore clear that medical schemes will continue to operate alongside the NHI system and will be able to cover all services currently covered.


The Medical Schemes Act (MSA) Amendment Bill indicates that medical schemes will not be permitted to allow co-payments where a member requires a treatment that is part of a basket of still-to-be-defined “mandatory benefits” (or “comprehensive service package”), which will replace the existing Prescribed Minimum Benefit (PMB) package.

This package is expected to be aligned with the ultimate benefits of the NHI Fund. The MSA Bill also makes provision for

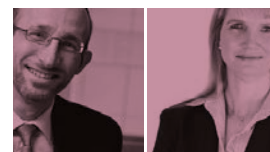
simultaneous membership of a medical scheme and NHI. The Health Market Inquiry has published important findings regarding inefficiencies in how healthcare services are accessed in the private sector and has made a number of recommendations to address supplier-induced demand and to encourage innovation in delivering quality, affordable care. Not least of these is the need for better measurement (and publication) of health outcomes in order to assess the value of health expenditure.

Critical next steps

- The work being done on the establishment of an NHI Fund including development of an affordable benefits package, accurate costing and defining contracting mechanisms.
- Continuing revitalisation of the public healthcare sector with a specific focus on enhancing capacity for the delivery of primary and promotive care.
- Human resource planning with regard to the development and training of healthcare professionals using both public and private sector mechanisms.
- Human resource planning with regard to improved governance at public sector facilities and retraining/redeployment of staff at national and provincial Departments of Health.
- Clinical priority setting that addresses affordability constraints on an evidence-based approach.
- Restructuring of the tax credit system to focus on lower income earners.
- Phased introduction of mandatory membership for higher income earners.
- Regulatory intervention to enable alternative reimbursement models that will improve efficiency in the private sector.

There is clearly a need for a co-ordination of efforts to ensure that the majority of South Africans experience improvements in their access to healthcare services and the quality of care they receive. 

Universal healthcare:
A healthcare system providing healthcare and financial protection to more than 90% of the population of a country



**MAURICE GOODMAN
AND ROSEANNE HARRIS**

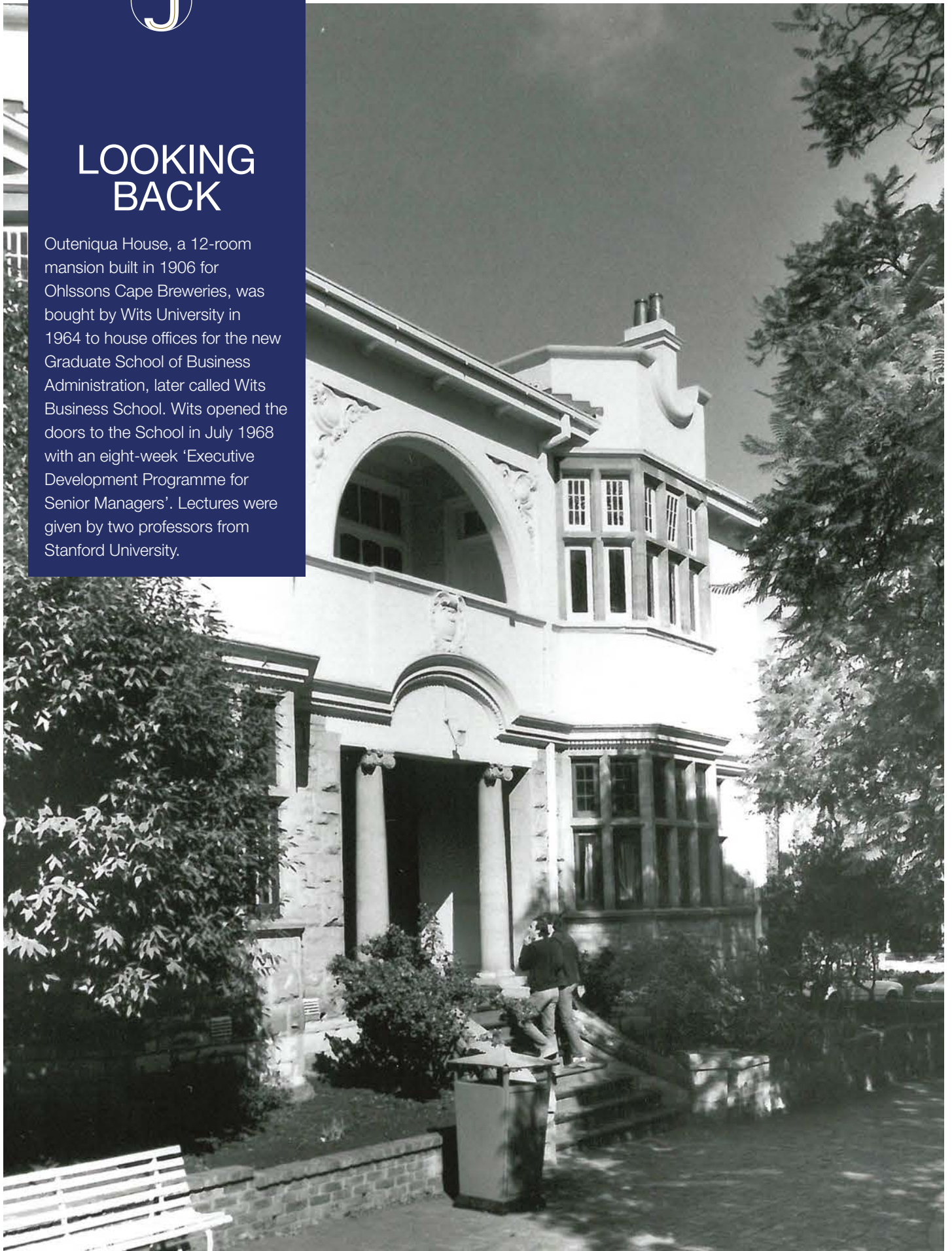
Dr Maurice Goodman is the Chief Medical Officer at Discovery Health, Acting President of Convocation at Wits University and an MBA alumnus of WBS

Prof Roseanne Harris is the Health Policy Actuary at Discovery Health and an Adjunct Professor of Actuarial Science at Wits University



LOOKING BACK

Outeniqua House, a 12-room mansion built in 1906 for Ohlssons Cape Breweries, was bought by Wits University in 1964 to house offices for the new Graduate School of Business Administration, later called Wits Business School. Wits opened the doors to the School in July 1968 with an eight-week 'Executive Development Programme for Senior Managers'. Lectures were given by two professors from Stanford University.





50
YEARS
OF
EDUCATION
IN AFRICA





50 YEARS OF EDUCATION IN AFRICA



1960s

Wits Business School, the Graduate School Of Business Administration of the University of the Witwatersrand, one of the top tertiary institutes in Africa, opens its doors in 1968

“EDUCATION IS AT
THE HEART OF
ACHIEVING YOUR
DREAMS”

– PATRICE MOTSEPE

1970s

Leading Ethiopian academic, Prof Ephraim Isaac, played an important role in the early history of Harvard University's Department of African and Afro-American Studies, establishing the department and continuing as a faculty member until 1977. He also received the following awards in the 70's:

- National Endowment for the Humanities Fellow, 1979–80
- Education Honour Society: Harvard Graduate School of Education, 1976
- Outstanding Educators of America Award, 1972



Picture credit: The Harvard Crimson



1980s

Wole Soyinka, Nigerian author and professor of Comparative Literature at Obafemi Awolowo University (1975 to 1999) and Goldwin Smith, professor for African Studies and Theatre Arts (1988 to 1991) at Cornell University, won the Nobel prize in literature in 1986, making Soyinka the first African laureate. In the same year he was awarded the Agip Prize for Humanities and was elected President of the International Theatre Institute in Paris.

1990s

Primary school education in Malawi was made free in 1994. This policy boosted primary school enrolment from 1.6 million children to 3 million children.



2000s

In 2000, the World Education Forum met in Dakar, Senegal, and adopted the Dakar Framework for Action reaffirming the commitment to achieving Education for All by the year 2015.



2010s

In October 2011, a series of solar-powered mobile internet schools were launched in South Africa. These are 12m-long re-purposed shipping containers designed for up to 21 students, equipped with a 50-inch electronic board, internet-enabled solar-powered notebooks, multi-function printers, Samsung Galaxy tablet computers and Wi-Fi cameras. As of 2013, solar-powered internet schools are fully operational in 11 countries including Kenya, Rwanda, Mali, South Africa, DR Congo and Sudan.





BURNING BUSINESS QUESTIONS

WBS experts give their thoughts on challenging questions



PROF PAUL ALAGIDEDE

Today's business education is increasingly demanding practical applications that are relevant to real life situations. The new economy demands leaders who are self-aware and competent in leading inclusive growth strategies that honour the planet and give meaning to personal and societal goals. There has been a shift away from the focus on theoretical knowledge to more focused participant-centred learning where the student rather than the professor takes the driving seat and finds solutions through an engaging process of self-knowledge.

“BUSINESS EDUCATION IS DEMANDING PRACTICAL APPLICATIONS”

– Prof Paul Alagidede



DR GEOFF HEALD

Management education in business schools is undergoing massive disruptive innovation across the globe, with new and innovative business models changing the entire learning, teaching and research landscape. Students are demanding an immediately responsive administrative and academic function and schools will have to accommodate that need with new and innovative technologies.

PROF TERRI CARMICHAEL

The fact that 'free education' is thriving globally in the form of MOOCs (massive open online courses) and is available to anyone with access to an internet-connected computing device. These courses are offered from a wide range of top universities around the world.



What are the **key global trends** in business education?



CONRAD VIEDGE

How to combine the best of human potential with artificial intelligence to deliver sustainable results. In a word, 'cyberpsychology' – an emerging field.



PROF ODONGO KODONGO

International integration of classrooms and gamification of learning.

GLOBAL COMPETITIVENESS: IS OUR STORY CHANGING?

SOUTH AFRICA HAS SLIPPED DOWN INTERNATIONAL ECONOMIC RATINGS, BUT THERE MAY BE HOPE ON THE HORIZON

TEXT: STEUART PENNINGTON



In the 15 years that I have been populating www.sagoodnews.co.za with ‘positive and informed’ articles and facts – and in the 600 or so presentations that I have done on SA around the world – I have always been able to refer to the World Economic Forum’s Global Competitiveness Report (WEF-GCR) and the surprising number of measures where South Africa is a world beater.

The WEF-GCR evaluates the world’s 137 largest economies, as measured by GDP, and compares their competitiveness across 12 pillars using around 120 measures.



SA has never ranked lower than 56th, in 2014. In fact, over the past two years, we improved to 49th (2015) and 47th (2016).

YEAR	GCR RANKING
2012	52
2013	53
2014	56
2015	49
2016	47
2017	61

This year we slipped to 61st (2017) – the lowest ever.

The devil is always in the detail. I have always been able to brag that there are nine measures by which we have consistently been measured as a top 10 country.

No more.

The table below indicates slippage from the 2016/2017 GCR to 2017/2018 GCR.

MEASURE	2016	2017
Strength of auditing and reporting	1	30
Finance through local equity market	1	25
Protection of minority shareholders	1	30
Availability of financial services	2	32
Soundness of banks	2	37
Regulation of securities exchange	3	46
Efficacy of corporate boards	3	34
Efficacy of legal framework	9	69
Quality of air transport infrastructure	10	25
Strength of investor protection	14	21

Why the decline?

There are two main reasons. The first is that the World Economic Forum has extended the survey from 44 ‘business’ respondents in 2016/17 to 170 respondents in 2017/18. In previous years, the respondents have been drawn almost exclusively from Business Leadership South Africa, but the net has now been cast wider to include respondents from Business Unity South Africa.

Clearly, it would seem that the addition

of some 126 respondents has resulted in a more pessimistic view of South Africa’s prowess as a competitive nation. It has been my personal view that we have consistently been over-optimistic in the areas where we rank well and overly pessimistic in the areas where we rank badly – I’m not sure how much the 170 business respondents know about the competitiveness of ‘institutions’ in Mali or Mauritania or Pakistan or Yemen!

Secondly, as the GCR gives its reason: “South Africa (61st) remains one of the most competitive countries in sub-Saharan Africa, in amongst the region’s most innovative (39th), but it drops 14 positions in the overall ranking this year. South Africa’s economy is nearly at a standstill, with GDP growth forecast at just 1% in 2017 and 1.2% in 2018. It has been hit by persistently low international demand for its commodities, while its unemployment rate is currently estimated above 25%. Political uncertainty between 2009 and 2017 has decreased the confidence of the South African business leaders.”

Rotten apples

Along with that, corruption has emerged in the WEF’s survey of executive perceptions as the most problematic factor for doing business in SA, along with problems such as crime, government instability and taxation. Without stating the obvious, the WEF tries to be pleasant, pointing out that SA is still one of Africa’s and the world’s more competitive countries.

The reality is that just before the 2008 financial crisis, SA’s ranking reached 44th, and even though it had fallen in the wake of the crisis, SA had been climbing the rankings again in recent years.

The key factor is that during the Zuma era, our ranking declined because of the erosion of institutions and confidence in those institutions, specifically economic and market institutions.

SA cannot afford to lose further, given our constant flirtations with junk status and how low we rank on other key measures for competitiveness, such as the quality of our education and public health systems, where we have long lurked near the bottom of the table.

Clearly, the damage caused by the Zuma administration – the blatant, unashamed corruption; the enabled state capture; the resurgence of crime and theft; the incompetence of government bureaucracy; the utterly hopeless leadership and the madness of the union movement – have taken their toll on the reputation of SA Inc.

Hope on the horizon

This year has ushered in a ‘new dawn’. The election of Cyril Ramaphosa as president brought with it a new wave of optimism. Largely as a consequence of that, Harvard’s Centre for International Development (CID) predicted that “the three fastest growing economies until 2026 will be India, Uganda, and Egypt, growing at 7.89%, 7.46%, and 6.63% respectively. In contrast, South Africa is projected to grow at 4.9% annually until 2026, despite current projections of less than 1% growth in 2018.”

But it is well known that Ramaphosa’s situation is precarious: he is president of a divided ANC; he has the 2019 national general election to win; he has the business community clamouring for policy certainty; he has civil society constantly protesting the consequences of maladministration during the Zuma era; he has a deranged trade union movement; he has heightened expectations with the land reform debate; he has a massive trust deficit to rebuild with both the business community and with civil society; and he has to re-legitimise what ex-president Zuma pulled down.

To deliver on the above he has to hold the centre of the ANC: any form of split will considerably weaken his position



in respect of leading the party in the 2019 elections.

That is not a hopeful scenario, which many journalists don’t appreciate.

He absolutely has to receive a strong mandate in 2019. That is a hopeful scenario, which many journalists don’t appreciate either.

IN COMPETITION

The WEF Global Competitiveness Report defines competitiveness as the set of policies, institutions and factors that determine the level of productivity of an economy and, in turn, the level of prosperity it can achieve. The index is based on a subjective survey of executive perceptions as well as on a set of objective measures, so the rankings are sensitive to the methodology the WEF employs – and SA’s fall is partly explained by a tightening up of the methodology in the latest survey and considerably extending the number of respondents.

In the meantime, he can use his charm to secure additional investment; to ‘walk’ with the citizenry; to build trust with his social partners; to do what he does well, put in place processes which will ultimately result in the ‘bad guys’ falling on their swords and going to jail.

Given the above, and given a few arrests, our global competitiveness is set to improve come 2020/2021. 🏆



STUART PENNINGTON

holds a Postgraduate Diploma in Management from WBS. He has published 10 books and delivered over 600 talks on SA’s global competitiveness. For more information, go to sagoodnews.co.za

LEADERSHIP IN ACTION

KWAZULU-NATAL PROPERTY EXPERT AND WBS ALUMNA
SANAM SHREE BUILDS FOR THE FUTURE

TEXT: BRUCE DENNILL | PHOTOGRAPHY: SUPPLIED



W

hy did you choose the industry you're currently in? Was it a decision based on passion, societal pressure or astute observation of the available options – and if a mixture of these, to what extent in each case?

Sanam Shree: I wouldn't say that I chose the industry that I'm in, but rather that it chose me. I say this because I am a part of a highly successful family business, Shree Property Holdings, founded by both my parents – and it was expected of me to join the family business. However, I decided, after

studying a Masters in Entrepreneurship at Wits Business School, to first venture outside of the family business at De Beers Diamond Mining to give myself a taste of the corporate world. I found it a valuable experience, as it provided corporate principles that I was able to import into my family business space.

The mining industry was exciting and had its challenges, but I feel that the property market is more aligned to my passions and talents. I have been in my family business for just over five years now and I am fortunate that I am extremely passionate about the property space and the work that I do. And of course, the bonus is that I get to work with the people that I love the most in the world.

Do you feel pressured to live your brand around the clock? When settling into your company, what shifted first (or most) – you to become an ambassador for your company, or the business to become an extension of your personality?

Sanam Shree: I think any business owner would agree that it's always a combination of the two. You become, in some sense, an ambassador for your company, especially when your business is young and in its founding years. The business also tends to become an extension of your personality, as there is always that spill-over effect of who you are, just like any large corporate or multi-national company has core values that govern it. As an individual, you will have your own set of values that are usually aligned to your business, its operation and ethos. For my family business, the values



ABC INSIGHT

A DDED VALUE:

What do you do for fun?

I enjoy adopting a healthy lifestyle and being active. I spend my spare time in the gym or outside with nature.

B UZZWORD: What is the latest fad, gadget or trend that you're enjoying?

Drones. It has revolutionised the way we see the world, controlled from the palm of our hands.

C ONSUMER PRICE INDEX: What luxury items are worth spending money on?

High-end residential property. It is the only luxury asset that truly appreciates.

of family and unity spills over into our culture, employees and company, which is derived from the fact that we are a family working together.

I must admit, though, that the most liberating fact – which in my opinion eradicates any feelings of having to live my brand around the clock – is not having social media. I think that social media allows us to paint a self-determined public image of how we want the world to see ourselves as opposed to who we really are. My personal achievements and accomplishments are for myself and the life I chose to live is private. I have zero desire to open this up for public scrutiny, which eliminates providing an opportunity for an individual to speculate correlations between my business and personal life.

How do you go about meeting the needs of the particular community (or communities) that you work most in? Are there strategies you've come up with that you feel work better in those contexts than they would in other cities or countries?

Sanam Shree: We conduct a simple SWOT (strengths, weaknesses, opportunities and threats) analysis. Each community that we operate in is unique, with its own set of strengths and weaknesses. We have found it best to behave like a local in that community by engaging with community members and discovering areas in which we might assist with our resources. For example, we have been able to assist in building ablution facilities at government schools.

We also launched the Shree Future Foundation in 2014, which is a tertiary education bursary programme. The programme funds all financial aspects of the tuition including the degree of choice, text books, a laptop computer and transport costs. It is envisaged that this bursary programme will be expanded to assist up to 10 students a year. Upon graduation, Shree



Property Holdings offers a further graduate recruitment programme which further equips the candidate with the necessary tools to pursue his or her career.

What is the balance between conceptualisation and meeting practical deadlines in your business, and how much risk is involved in ensuring that you set appropriate targets and are able to meet them?

Sanam Shree: In any business, conceptualisation and meeting deadlines are imperative to production. It is always the communication that is the major link between these two fundamental facets. In my business, we have five construction sites that operate simultaneously, and we must ensure all communication lines are open, with finance speaking to operations and operations speaking to each individual site. It is necessary to forward plan and iron out projections as the risks involve millions of rands spent if the planning is poor.

This is especially true for the property



management space, where there is inadequate forecasting. However, within the construction space, our strength lies in execution. We spend more time physically working than planning. The main reason for this is that one can forecast most outcomes and possibilities, but one can never plan for a crisis. Snags are bound to come up, and true leaders are born in times of crisis. Our objective is never to plan every possible outcome, but rather create every possible solution.

Our business model rests on the forefront of securing and signing a long-term client prior to the commencement of construction, and so far my company has always delivered a facility at the occupation date on the lease. It is essential for one to find the balance between conceptualisation and meeting practical deadlines and customising it to the industry one operates in.

What is the Holy Grail in your industry – the single great leap forward that would launch the entire niche to a new level of effectiveness and profitability?

Sanam Shree: Women in power.

Historically in the property industry, like most sectors, women were personal assistants – they took the minutes in meetings and served as support structures to the men who were making all the critical decisions. The day has finally arrived that women have broken into the male-dominated environment and are having a positive impact and revolutionising an industry.

I have first-hand experience of this, along with my mother, who is also my organisation's chief financial officer. I firmly believe that much of our business' success is due to her leading and governing our financial decisions.

If you wish to drive business to a new level of effectiveness and profitability, I would recommend providing women within your company with positions of leadership. Motivate to empower women, as they will be invaluable assets. Women bring different skills sets in leadership positions to men, and it's highly beneficial having both men and women lead. 🙌



SANAM SHREE

is the Chief Strategy and Investment Officer for Shree Property Holdings. She holds a Master of Management in Entrepreneurship and New Venture Creation from WBS

INNOVATION IN ACTION

RENEWABLE ENERGY MEANS SUSTAINABLE BUSINESS, SAYS
TSHIBVUMO SIKHWIVHILU, WBS ALUMNUS AND
SOLAR ENERGY ENTREPRENEUR

TEXT: BRUCE DENNILL | PHOTOGRAPHY: SUPPLIED



W

hy did you choose the industry you're currently in? Was it a decision based on passion, societal pressure or astute observation of the available options – and if a mixture of these, to what extent in each case?

Tshibvumo Sikhwivhilu: As with many young South Africans, the prospect of furthering my studies beyond high school was a mere daydream given the high costs that were associated with studying at institutions of higher learning and training. Fortunately, when I was in Matric I was awarded a

bursary by a prominent mining firm operating in South Africa that covered my full cost of studies towards a BSc in Electrical Engineering at Wits University. Owing to the bursary's terms and conditions, I was obligated to do vocational work at some of the mines, both underground and open-pit.

Having been born asthmatic, my health deteriorated each time I was exposed to asthma triggers such as dust and fumes, and I knew that was not the ideal working environment for me. This experience encouraged me to take an interest in alternate forms of energy generation, particularly those that are conducive to my good health and in harmony with the environment. Renewable energy, particularly solar photovoltaic (PV) technology, became the natural choice of industry to operate in because of health considerations and the realisation that South Africa boasts some of the best solar irradiation patterns in the world.

Do you feel pressured to live your brand around the clock? When setting up or settling into your company, what shifted first (or most) – you to become an ambassador for your company, or the business to become an extension of your personality?

Tshibvumo Sikhwivhilu: Lamo Solar was founded by two previously disadvantaged young people on the back of zero capital injection, with no assets at all. This meant that any reputation and experience required for us to gain the trust of our potential clients was closely married to the individuals that represent the organisation. As a result, everyone associated with the business (managers, engineers and technicians) had to become active ambassadors of the business in everything that we do, both in our personal and professional capacities.



ABC INSIGHT

A **ADDED VALUE:** What do you do for fun?

I like spending my time outdoors. Over the weekends, I often enter cycle races or go hiking. I find that this allows me to destress while putting in some exercise.

B **BUZZWORD:** What is the latest fad, gadget or trend that you're enjoying?

We have recently acquired a Phantom 4 Pro+ drone that helps us to capture aerial shots of our rooftop and ground-mount solar arrays before and after project implementation. It's fun to fly!

C **CONSUMER PRICE INDEX:** What luxury items are worth spending money on?

A full, turnkey hybrid solar system complete with a lithium iron battery pack. This is not only luxurious from an energy security perspective, but also attractive from a financial and investment perspective.

This comes through in everything that we do, from soft interventions aimed at discouraging our employees from smoking cigarettes to rigid processes that ensure the timeous servicing of our clients. We value our clients' time very much!

How do you go about meeting the needs of the particular community (or communities) that you work most in? Are there strategies you've come up with that you feel work better in those contexts than they would in other cities or countries?

Tshibvumo Sikhwivhilu: Although bold policy shifts by the government after 1994 spurred the rapid increase of access to electricity from below 30% in 1991 to over 90% today, there still exist communities who are not connected to the electricity mains because of the high infrastructural costs required to connect rural communities that are often small and widely dispersed. Prices of solar modules have declined by over 70% in the past five years globally, setting solar PV as an extremely competitive alternative to traditional, fossil-based power generation. Distributed generation of solar energy therefore presents an opportunity to rapidly electrify these communities not only in South Africa, but also across the whole of sub-Saharan Africa, where around 620 million people live without access to electricity.

To achieve this we need innovative solutions, because the intended beneficiaries generally cannot afford the technology. Lamo Solar currently offers power purchasing agreements to large electricity consumers, allowing them to leverage the benefits of using solar PV without having to absorb the risks associated with operating and maintaining a solar system.

For our smaller electricity consumers such as rural homes and communities, we offer robust but affordable small direct-current (DC) solar systems that are scalable over



time whenever the owner has any disposable income. Also, we have strategic partners who offer financing on our systems, allowing our clients to invest in a solar system over time.

How much customer education do you find is necessary? Are potential clients challenging you in terms of the products and services you provide, or do you find that their understanding of the full scope or importance of what you do could be improved?

Tshibvumo Sikhwivhilu: Customer education in the solar industry is extremely important. This is particularly the case because an investment into renewable energy often requires a long-term view in order to justify what may seem a high upfront capital expenditure. Over and above the security that comes with having access to uninterrupted energy supply, solar systems will often have a payback period of between five and seven years for home owners and an even shorter period for large commercial and industrial



clients because of economies of scale. We have also found that the requirements of our potential clients keep us thinking about better ways of delivering greater value. Their requirements are seldom guided by technological limitations. Consequently, tailoring unique solutions to best meet the needs of our clients has seen us innovate around improving the efficiencies and performance of their solar investment.

What is the balance between conceptualisation and meeting practical deadlines in your business, and how much risk is involved in ensuring that you set appropriate targets and are able to meet them?

Tshibvumo Sikhwivhilu: The solar energy business relies heavily on energy demand predictions and solar generation simulations. This is because clients often demand to know the expected system performance and the benefits they will leverage from going green. The system performance conceptualisation


is also a critical input in modelling the bankability of solar systems and to further quantify the associated risks.

Fortunately, there are high-end software packages that have the ability to poll previous sun irradiation patterns in particular geographical locations and give simulations of expected power generation according to all assumed variables with an accuracy of over 95%.

This mitigates risks associated with the system power output, particularly in instances where the client has signed a Power Purchasing Agreement (PPA).

What is the Holy Grail in your industry – the single great leap forward that would launch the entire niche to a new level of effectiveness and profitability?

Tshibvumo Sikhwivhilu: It has to be the interface between energy storage and artificial intelligence! This is because, although renewable energy is undeletable and omnipresent and cannot be depleted, it is also intermittent and uncontrollable by mankind. As a result of this, there is often a mismatch between solar energy generation and the demand of energy by the load at any given time. Energy needs to be sufficiently stored during daylight hours and be intelligently deployed to various loads in the night-time. Notwithstanding the fact that battery technology widely continues to serve as an energy storage device in solar applications, it is still relatively expensive, and has a finite lifespan

The intelligent management of energy storage systems that are solar powered presents a huge opportunity to create greater value from solar by sharing and deploying a specified amount of energy to specific places, but only when required. This improves the lifespan of batteries and has the potential to cut down costs of storing energy. Developments such as those will incite further appetite for widespread adoption of solar technology not only in South Africa, but the world over. 



TSHIBVUMO SIKHWIVHILU

is a co-founder and Chief Executive Officer of Lamo Solar. He is an Electrical Engineering graduate from Wits University and has an MBA from WBS

ENTREPRENEURSHIP IN ACTION

NTHABELENG LIKOTSI, WBS ALUMNA AND BANKING
ENTREPRENEUR, IS DEVELOPING A NEW VISION FOR
BANKING IN SOUTH AFRICA

TEXT: BRUCE DENNILL | PHOTOGRAPHY: SUPPLIED



W

hy did you choose the industry you're currently in? Was it a decision based on passion, societal pressure or astute observation of the available options – and if a mixture of these, to what extent in each case?

Nthabeleng Likotsi: I'd say the industry chose me, in retrospect. Back in 2013, when I decided to study a Masters in New Venture Creation and Entrepreneurship, I had already fallen in love with the concept of entrepreneurship and I knew that one day I would want

to teach the subject. Understanding the entrepreneurial environment I was in, the challenges faced by Small, Medium and Micro-sized Enterprises (SMMEs) and the opportunities that exist in South Africa, my research was on Development Finance Institution – Opportunity Evaluation Process in South Africa, as I needed to expand on my practical experience in the sector. I did not know that in 2014 I would be introduced to the world of banking.

When it happened, it was a no-brainer for me because I had already researched the massive opportunities relating to the unbanked and underserved, more especially in what is called the informal sector (stokvels, hawkers, taxi drivers and so on).

I have always known the potential that exists and was curious about what would happen if these people worked together; understanding the power they have in numbers and the money they possess on a daily basis.

Banking is about people and their money. No bank can survive without deposits. Ultimately, my passion for empowering and educating people fits in very well with my entrepreneurial interest, backed with an academic qualification.

Do you feel pressured to live your brand around the clock? When setting up or settling into your company, what shifted first (or most) – you to become an ambassador for your company, or the business to become an extension of your personality?

Nthabeleng Likotsi: I took a decision from a very young age to live the brand of my company Young Women in Business Network (YWBN).

I understood the role I would be playing in society – how young women



ABC INSIGHT

ADDED VALUE: What do you do for fun?

I enjoy watching TV and spending time with my loved ones.

BUZZWORD: What is the latest fad, gadget or trend that you're enjoying?

Assessing various bank models in terms of scale and systems associated.

CONSUMER PRICE INDEX: What luxury items are worth spending money on?

Time pieces – Cartier and Tag Heuer watches. And designer clothes from the House of Ole.

would look at me and how I carry myself. My dream is to create a company that will outlive me and my great grandchildren; a company that once again united black people, this time not in politics but in wealth creation and everlasting legacies, and a company that pioneered group economics. I am entrepreneurial in my ways. YWBN culture will always be entrepreneurial, even when I am no longer there. I understand that not everyone is an entrepreneur but everyone can be entrepreneurial.

How do you go about meeting the needs of the particular community (or communities) that you work most in? Are there strategies you've come up with that you feel work better in those contexts than they would in other cities or countries?

Nthabeleng Likotsi: Developing products that meet the needs of our customers is key, which means understanding the business environment they operate in. Most of our entrepreneurs get business from government contracts, so we also need to understand the whole ecosystem, including the different stakeholders at play. SMMEs experience a lot of challenges, not just in funding but also business support. As much as technology is key in efficiency terms, we find that the human, personal touch still plays a huge role in customer satisfaction.

How much customer education do you find is necessary? Are potential clients challenging you in terms of the products and services you provide, or do you find that their understanding of the full scope or importance of what you do could be improved?

Nthabeleng Likotsi: Customer education has been our biggest challenge and an opportunity. South Africans don't know much about the Co-operative Banks Act

and the Mutual Banks Act. We all know the commercial banks that are governed under the Banks Act, but before we even educate people about YWBN Mutual Bank and our offering, we first start by teaching what a co-operative financial institution is, plus the difference between a Co-operative Banks Act, Mutual Banks Act and Banks Act. And we make people aware that this is in our hands: there are different organisations that are supposed to be doing this, but the work is not being done. It is also teaching about different products and value-added benefits; why it is important to have security or collateral in the South African banking space; and why there is a need to have your credit scoring in check.

All these ideas play a major role in credit scoring and ultimately in the decision for



any bank to decide to fund your business.

For the YWBN Mutual Bank, there is the encouragement of saving for personal use and for business and educating about the opportunities derived from collective savings, debt management and counselling.

What is the balance between conceptualisation and meeting practical deadlines in your business, and how much risk is involved in ensuring that you set appropriate targets and are able to meet them?

Nthabeleng Likotsi: Any deliverable starts with a concept and, later, execution. At YWBN, we spend a lot of our time being hands-on. We are learn-on-the-job types, setting deadlines that are manageable. The business of lending is a highly risky business. However, there are

measures in place to mitigate these risks.

As the YWBN Mutual Bank, we offer secured business loans of up to R350,000, and it is a requirement to have security or collateral to safeguard the loan.

What is the Holy Grail in your industry – the single great leap forward that would launch the entire niche to a new level of effectiveness and profitability?

Nthabeleng Likotsi: It is that moment when black people realise the power they have in numbers and money they have; the moment they believe in themselves and their fellow black people. In banking, this moment will change the economic landscape of our country. Unemployment will decrease significantly, and we will build industries and have a better narrative of what it means to be economically free. 🧑🏾🧑🏾🧑🏾



NTHABELENG LIKOTSI

is the Executive Chairman of the Young Women in Business Network (YWBN) and the Managing Director of the formation of the YWBN Mutual Bank. She holds a Master of Management in Entrepreneurship and New Venture Creation from WBS



PROFESSOR OF PUNK

A CHANCE ENCOUNTER ON THE BRIDGE OF TIME STRIKES A CHORD THAT
ECHOES ALL THE WAY BACK TO THE DOG DAYS OF ROCK 'N ROLL

TEXT: GUS SILBER | PHOTOGRAPHY: SUPPLIED



my meeting with the Professor was at his office in Outeniqua House, the gracious old mansion on the campus of Wits Business School.

As I made my way up the creaking stairs, pausing every now and again to squint at the group portraits of alumni, I wondered whether I should address the Professor as Prof or Professor, or

whether, after a brief email volley by way of introduction, I would be able to get away with a first name.

But as I lingered in the doorway of Room 108, all I could do was nod and smile meekly as the Prof, looking suave in his checked shirt and checkerboard jersey, ushered me in.

As he did so, he cast me a wry look, as if he remembered me from the dim and distant past. Then he said, "You may not remember, but we have met before, in the dim and distant past."

I could feel my pulse quickening as I placed my iPad on the table. "Really?" I said, struggling to place the face and the name, the hard drive of my memory whirring through the databanks of time.

The Prof sat down, in front of the whiteboard with its multi-coloured scrawl of arrows and organograms, and then confessed: "I used to play in a band." And I clicked. Dog Detachment.

It had been sometime in the mid-1980s when I had last seen them playing in a dingy club in downtown Johannesburg. I had been a music critic at the time, and as Professor Armstrong reminded me – his name had not registered, because back then, on lead guitar and vocals, he was better known as 'Brian Wylde'. I had once given an album of theirs an, ahem, rather critical review.

I remembered, too, and the Prof reminded me

just in case, that the band "gave as good as we got", dispatching a letter to the editor in which they staunchly defended the integrity of their social and musical position.

I shifted in my seat, overcome by a sudden urge to change the subject to digital business and the Fourth Industrial Revolution, but instead, we found our common ground in music. It is good not to be anchored too much by dogma on such matters. The Prof said he had come to concede, despite the unshakeability of his once deeply-held conviction, that ABBA were, after all, decent tunesmiths who knew how to craft a song.

I said I now felt the same way about Creedence Clearwater Revival, who I once thought were lightweight and poppy compared to my idols, Frank Zappa and the Mothers of Invention.

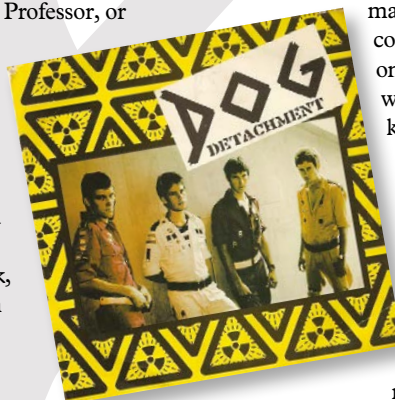
I asked the Prof whether he still makes music, and he said, with a wistful smile, yes: he has a recording studio at home, and he still

writes songs, still plays guitar, and sings in his local church band.

Back home, I flipped through the ranks of vinyl on my shelves, and I slipped the black slab from its sleeve with a whisper of static, and I listened to the band again, their music alive with the quiver of sinew and shouting into the wind.

But I heard a different lyric in the swirl, the chorus of rejoicing that ushers in the transition to a new age and new opportunities, the *gaudeamus igitur* and *juvenes dum sumus* of graduation.

Vivat academia, I thought to myself. *Vivant professores*. And *vivat*, after all these years, after all these bygone songs that still echo on, the good Professor of Digital Business at Wits Business School, and Dog Detachment. ★





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