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A passionate champion for social development

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COVER & COVER ARTICLE SPONSORED BY THE DEPARTMENT OF SOCIAL DEVELOPMENT

The Minister of Social Development, Susan Shabangu, is a champion for social development and is steering the department back to still waters.

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Professor Pieter Steyn

Cranefield's Principal and founder, Prof. Steyn comes from a long line of industrial engineers, most notably, Steyn's great-great-grandfather, Douwe Gerbrandtz Steyn, who designed the Castle of Good Hope in 1679. "I think project management will always play a role and is probably one of the oldest professions that exists."



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Veltman deals principally with issues relating to mining law, and construction and engineering. He has been involved in a number of health and safety investigations and has conducted various due diligence exercises for clients focusing on compliance with regard to mining and related legislation.

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The background of the entire page is an aerial photograph of a city skyline at sunset. The sky is a mix of orange, yellow, and blue, with the sun low on the horizon. The city features a mix of high-rise buildings and lower residential structures. In the bottom right corner, the BCX logo is displayed in white, with the 'X' having a red diagonal stroke.

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Leadership

Defining high-quality companies: what should investors know?

While every investor prizes high-quality stocks that deliver steady and predictable growth, the challenge has always been to identify companies that fall into the category of “high quality”.

The lack of a collective classification for this concept has resulted in various misconceptions about the identifying signs of a quality company. The most notable of these mistaken beliefs is, of course, the notion that the quality of a company is defined by its size and that large corporates are inherently of a higher quality than small enterprises. However, a Harvard Business Review study based on the historical performance of close to 5 000 companies confirms that a company’s age, size and industry are not predictors for long-term stable growth.

The truth is that identifying high-quality investment opportunities is not a simple exercise and there are multiple elements that set high-quality stocks apart. Savvy investors, therefore, need to have a good understanding of a host of factors when they consider investing in a company.

The most important characteristics that cannot be overlooked by the potential investor are predictable steady earnings growth, capital allocation, return generation, agility and strong balance sheets.

The importance of looking at the valuation as well as the quality cannot be understated. While there are numerous examples of relatively young tech companies that have yielded great returns for investors, not all of these businesses can be considered high quality, and find themselves unable to maintain consistent growth for long.

Many investors still make the mistake of basing their decisions on market trends and on finding “the next big thing”, which, quite often, is to their detriment. These investors often misinterpret the notion of quality, get swept up in the market and assume that they’re investing in a great business. The key is to remember that quality investment strategies are intended to yield consistent, long-term growth, meaning that just like age and size, the behaviour of the market at any given point is not a reliable indicator of the quality of a business.

Investors must scrutinise the finer details of a prospective investment. This means ensuring that a strong balance sheet, agility and steady earnings growth are at the core of any investing decisions—not what the market considers to be ‘hot’.

It is during intervals of slow growth that quality companies truly outperform and it is important to remember that quality investing is a defensive strategy that requires time and patience. This is why it is vital to know if a company has what it takes to ride out short-term periods of volatility and remain consistent in their returns over the coming years.

Foreword



ANDREW DITTBERNER
Chief Investment Officer,
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Diminishing the benevolence of the invisible hand

The optimal economic outcomes such as the efficient allocation of resources, optimal distribution of income, sustained economic growth and macroeconomic stability with full employment and low inflation, is what we aspire for, I presume.

In my daily encounters, I am consistently confronted with the big questions of the economy, poverty traps, education, inequality and unemployment levels. The easiest answer and most convenient reaction is to blame and point fingers at those who have seized the levers of power and their equivalents who control the capital and who have amassed wealth for themselves. The difficult option is to dig deep and acquire the necessary information, knowledge and intellect to make an honest attempt at a genuine answer and solution. When it comes to perverse inequality and poverty traps, the temptation is towards blaming the creator. Neither of these answers cut it. Without sounding like a prophet of doom, South Africa is becoming famous as the most unequal society on Earth.

The search for answers is obfuscated by loud and deafening noises, devoid of any substance. Worse off, the noisemakers are ambidextrous. We are anxious for a time and space in which the noise will subside, sanity will prevail and, ultimately, wise counsel will emerge with credible thought and clarity of mind to offer objective solutions to the current political and economic impasse.

In his acclaimed publication, *The Theory of Moral Sentiments*, Adam Smith, with his usual perspicuity and philosophical accuracy, posits that “The rich only select from the heap what is most precious and agreeable. They consume little more than the poor, and in spite of their natural selfishness and rapacity, though they mean only their own convenience. They are led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species.’

The deleterious economic impasse cannot be ignored and, unfortunately, there seem to be more questions than answers. The promise of the Fourth Industrial Revolution seems to be creating the super rich and entrenching the majority into poverty.

The invisible hand seems to have lost its shine and glory, it is not redistributing sufficiently and, thus, the benefits of its benevolence are diminishing.

Publisher's Note



THABO OWEN MOKWENA
Publisher

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Leadership

The catalyst for change

Welcome to another edition of South Africa's (SA) favourite business-to-business monthly, as we wind down on another tumultuous year, which began with our stand-in President Cyril Ramaphosa establishing his own brand of leadership and shaking up key areas of the government that had been compromised by the previous regimen.

It gave the people of SA hope that the business interests of our flagging economy would be remedied. Then, the honeymoon period ended in the second quarter of 2018 as the country faced was with the reality of near negative growth rates and a sharp downturn in FDI. The talk of land reform has taken a lot of wind out the sails of overseas investors, who are standing back and waiting for the 2019 election to play out.

Much of the political rhetoric being used around this topic often confuses the issue of effective land reform with politicians' own political agenda. There is no doubt that land reform is essential in certain areas that are not fully represented yet, but for it to work properly, their needs to be a knowledge exchange from the existing experienced farmers to the next generation.

Running a farm is difficult enough with experience and large amounts of capital for expensive equipment, but if you have limited exposure to farming and lack large amounts of capital, achieving success is unlikely. Meanwhile, studies are clearly also showing that most Millennials want to be living in the city, with 68% of the world's populations likely to be living in cities by 2050.

To make agricultural transformation work effectively, companies need to encourage more mentorship.

The idea that black-owned business must operate independently to establish themselves does not make use of the vast skills base that South Africa has to offer. It is also up to existing business owners to understand that they need to work with the government, communities and the universities to foster sustainable transformation.

From a sporting point of view, 2018 has been another inconsistent year for South African teams, with the Springboks showing the most promise, with an attractive brand of rugby and more attention given to transformation. Siya Kolisi has shined as captain and is a fantastic role model to young South Africans, who are often short of mentors.

Having spoken to many of South Africa's business and lifestyle leaders this year, many are bullish about South Africa's future and feel the change in the Presidency has put a spring back in businesses' step. The elections are sure to be a turning point in history, but cool heads should prevail after the political jostling is done and we must continue to work together for a more transformed and prosperous future.

Editor's Note



A handwritten signature in black ink, appearing to read 'Greg Simpson', written over a light blue horizontal line.

GREG SIMPSON
Editor



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A passionate champion for social development

When President Cyril Ramaphosa needed someone to step in and sort out the South African Social Security Agency (Sassa) crisis that was consuming his government, he turned to someone he trusted. A veteran of the government with a proven track record, and moulded by her mentor, Mama Albertina Sisulu, Minister Susan Shabangu was the person he called to steer the Department of Social Development back to still waters.



There are few people who have as long a history in both the government and the African National Congress (ANC) as Shabangu. One of the longest-serving members of parliament and deployed in the first post-Apartheid assembly back in 1994, she has a long and rich history of focusing primarily on women's issues and has fulfilled several portfolios as a Cabinet Minister.

Born in 1956 and, in her own words, “a child of the 1976 struggle”, Shabangu was drawn into politics by circumstance more than by choice. Growing under the wing of Sisulu, a giant in the liberation movement, she moved quickly to become a strong voice for women's and labour rights, organising the Amalgamated Black Worker's Project in 1984, and went on to head the women's desk at Cosatu. An advisor at the September Commission, assigned to look at the future of unions in the mid-1990s, she transitioned into a Member of Parliament for the ANC and has been active in parliamentary committees ever since.

Shabangu served in various portfolios, including the Deputy Minister of Minerals and Energy in 1996 and the Deputy Minister of Safety and Security from 2007, and she headed the government's mining portfolio before becoming the Minister in the Presidency for Women.

But in the recent Cabinet reshuffle, she was made the Minister of Social Development, as the Sassa court judgement threatened to engulf one of the country's most important government departments.

A surprise call to help

Shabangu was relaxing at home when she received the call telling her to wait for President Cyril Ramaphosa to call her, a call which facilitated her re-deployment and a jump into helping stabilise the Sassa situation.

“I must say, I was at home and not even aware that appointments were being made until I was called by the Director-General in the Presidency, Dr Cassius Lubisi, who asked me my whereabouts. I told him I am at home,” she explains.

“He asked if I can come to Pretoria, and my driver wasn't here. He told me the President wants to talk to me, and he needs to chat urgently. I waited for the President to call, and when you are expecting a call from the

President, you don't sleep because you don't know what is going to happen.

“After two hours, he called and told me he decided to redeploy me and was going to make me the Minister of Social Development. I was surprised and shocked simultaneously. When that happens, you start trying to recall what social development is all about. What is expected of you?

“Additionally, because you are shocked, you are unable to ask, ‘What do you expect me to

find out exactly what social development is all about.

Sassa: ‘a critical issue’

“As I indicated, the critical issue was Sassa. My first point of call was to talk to the acting CEO of Sassa to try to understand what Sassa's challenges were.

“Also, unfortunately, I was appointed on 26 February and we were going to court on 16 March, and that was my biggest fear and

“Being appointed by the late Tata Mandela as a Deputy Minister was an incredible honour”

do?’ Because it is a deployment, you tell the President it is fine. But a lot of things go through your mind and you're trying to understand what the expectation of the President is. For the first time since you have been a member of the Cabinet, you start asking yourself, ‘What is expected of me?’” Shabangu recalls.

Not one to sit still, she immediately got to work by stabilising a situation that had played itself out all too often in the courts and media.

“The first thing, as we all know, was the challenge of Sassa—it was in all the papers. You start asking yourself, ‘How much do I know about social development and its challenges, including Sassa?’—it was a huge challenge. I slept and woke up the following day with a new responsibility.

You start saying, ‘Let me try to read in order to understand the space much better.’ You receive calls of congratulations, but also calls from people saying you are in trouble and that you've been thrown under the bus.

“But, unfortunately, it had happened and there wasn't much I could do. The attitude that I always adopt is simple, I have been appointed and I have to deliver. On that basis, I started focusing on what I had to do. I focused on the mandate and understanding what the challenges and problems were.

“What can I do to have an impact on this portfolio?. That was my first reaction and, to my surprise, I thought I knew a lot about social development, but realised I didn't know much. I had a responsibility to know much more and

concern. I went through the judgements and tried to figure out what the situation was.


“I had to meet the lawyers, I only met them at the courts because I took it upon myself to try to understand this case much better. I needed to understand the Constitutional Court judgement as well. When I listened to the arguments and the frustration of the judges about Sassa and social development, it really touched me.

“How could we push our highest court in the land to a point whereby they felt so helpless because we were not able to face the challenges of Sassa or implement the previous court decisions? I told myself that we were not supposed to be in court. I was going to make sure we were going to implement and abide by the court's decision.

“And I'm happy to say that, today, we are complying with the court's decision and we are also delivering on our department's mandate. I'm satisfied that we have been able to bring stability when it comes to Sassa,” she enthuses.

Shabangu has implemented her own leadership style when it comes to organising strategic planning sessions, meeting senior officials and understanding what the challenges of the department are.

“One of the issues is to ensure the department becomes efficient. This is being addressed by meeting senior management on a regular basis and engaging them on their mandate and the issues they have to deal with. It is also to ensure there is stability—we needed to make sure there is strategic planning.



“The attitude that I always adopt is simple, I have been appointed and I have to deliver”

“Part of my approach to the whole situation is to ensure we bring the provinces on board. Our mandate, in terms of the constitution, means we have concurrent functions and it is important to pull the provinces together to align and mainstream out delivery.

“To me, it is important to ensure we pull everyone together and the outcome of our strategic plan makes me feel comfortable. You

“If you look at the Children’s Act, the protection of children becomes a priority in our country”

find the provinces and the national government engaging, debating and deciding how they are going to implement the programmes they are coming up with. For example, one of the key issues is what the priorities are.

“What is it they feel they need to deliver? I’m happy to say we have identified early childhood development (ECD) as a priority because when you are talking about ECD, you are talking about the pipeline of education in our system, the importance of making sure children from 0-5 are ready to go to school.

Gender-based violence

“We deliberated on the issue of gender-based violence (GBV) and to what extent we can respond adequately, especially now when women are victims of violence in our society. While there is the broader violence, there is the specific violence against women—abuse, rape and femicide.

These are all a challenge in South Africa. As a department, we really have to make sure we are able to address these matters.

“Not long ago, there was a Presidential Summit on GBV in our country. We cannot fail our people, we have to make sure that we are able to respond and put preventative mechanisms in place to reduce violence in our society.

“When we talk about violence, we are not just talking about gender violence but all violence

in our country—we need to put mechanisms in place, which will make our country peaceful,” Shabangu says.

Gender-based violence remains a massive part of the department’s mandate, as is looking after the vulnerable in society.

“Our core mandate as a department is to make sure we take care of our vulnerable—all the marginalised groups—and all the fragile people in our country. That is our core mandate,” Shabangu explains.

“It is also to ensure that the wellbeing and welfare of our people are being taken care of and that we move towards a developmental approach whereby we don’t only rely on the question of welfare but we also make sure people are able to enjoy a sustainable livelihood,” she says.

Shabangu recently reaffirmed the government’s commitment to fighting gender-based violence and attended the Presidential Summit on GBV to illustrate the seriousness of the matter to her department.

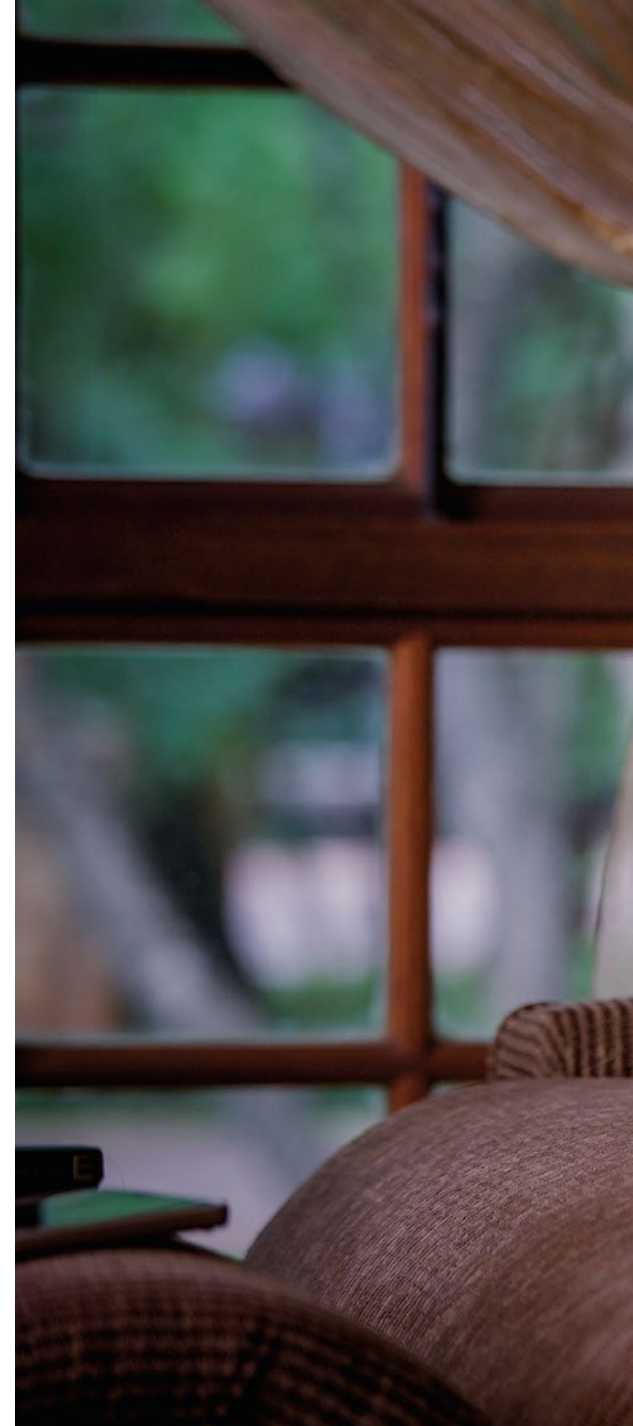
“Dealing with GBV is very critical in our country. If you look at femicide and the number of rapes, it is really disturbing. The number of LGBTIQ communities that have been victimised calls upon us to prioritise that particular aspect of creating a safer society for women, for all societies—women, children and men.

“If we are unable to address these issues, we cannot be deemed a caring. It is critically important that the GBV summit comes out with a declaration, which we have to follow.

“What makes me comfortable is the steering committee, which was set up before the summit, has been allowed to continue and has been given the mandate to develop a strategic national plan within six months and we, as a department, will continue to support that. This was a presidential decision and we are working with the presidency and civil society to realise and reduce GBV in our society.

“One of the most critical issues when dealing with this issue are our shelters. Meeting as the various stakeholders will enable us to ascertain whether we are effective or not and if we are not effective in terms of the mechanisms that we have, what is it that we need to do and how do we make sure all these programmes are effective?

“It also raises the question of funding—are we going to be able to resource the programmes? As the government, we are committed to resourcing them. The President has given an



undertaking and these programmes will be properly resourced

“I am confident that with the summit’s mandate, we will be able to work with everybody, even though we are not saying we will eliminate this violence overnight. It is a huge challenge—very complex—but by working together, we make sure our path is not treated as an event. Rather, it becomes a journey, which we can all walk together. Not just women, not just LGBTIQ communities, but also men.

“If men were not committing violence against women or the LGBTIQ community, we would not be having this conversation. Thus, they



“I always believe in carrying people along with me. I believe you can't succeed alone”

become a critical part of the machinery to fight and overcome gender violence in our society,” Shabangu explains.

While there was a six-month deadline to fast track all outstanding laws and bills relating to GBV and femicide, Shabangu believes this is just a start.

“Deadlines are your process. Six months is not about doing everything. It is about putting mechanisms in place and ensuring each mechanism addresses the aspect in the laws, the gaps in the laws, the shelters, the counselling.

“ All those aspects which impact on GBV, we have to look at. If we are going to say that in

six months we are going to be done, we will be deceiving the world. We want to put mechanisms in place.

“You can't plan for progress and, at the same time, have ifs, and then the failures. No, it is very wrong. There is a mandate and it is clear. We can't start talking about failing because if we do, we fail before we even start.

We need to think about the positives, the success, the pain felt by the women on the ground, which is what must drive us. That is what will ensure success.

“If we have to start looking at failures, then we are a non-starter and that is unacceptable.

That is why, for me, we cannot afford to fail our communities and our women.

The department recently opened a new disability-friendly computer centre for the visually impaired in Port Elizabeth and the Eastern Cape and is committed to fulfilling its mandate to the disabled in the country.

“It is a critical component of our society because people with disabilities and those who are blind and deaf are part of our society. We need to make sure we accommodate them and mainstream them so that they can be employed and to contribute to our economy. They must also be able to be a part of society.



“Maintaining my passion is easy. I look at the challenges I confront on a daily basis”

“How do we do that? With mechanisms like the labs, which will enable them to have access to equipment and the relevant facilities and which provides an environment that they feel normal in, where they don’t have to ask for help to read a paper or say they can’t hear.

“As a department, we have managed to adopt a policy of ensuring those who are deaf have sign-language facilities. If you look where we are as the government now, we have been able to ensure a sign-language expert is present at every activity, allowing everyone to be part of the debate without people being left out. Inclusive participation is critical for our country to be better,” she explains.

A Politician by accident

These are issues that are dear to her heart, and she smiles when she says she became a Politician by accident. Her passion in the

liberation struggle translated into a calling, and the calling translated into government service, all of which were unexpected at the time.

“I never thought I would be a Politician, but I belonged to the students of 1976, and what set me on this course was the frustration of having to learn everything in Afrikaans—I was a young girl who was doing maths and science, and struggling with Afrikaans as a language.

“The realisation that we would do everything in Afrikaans and this would be the end of our road when it came to education mobilised the fight against Afrikaans. But there was also the broader scope and vision to realise it was not just Afrikaans, but the whole system of Apartheid that put us where we were. That was the beginning of my career.

“I was growing up in various organisations and student movements, I was involved in the creation of women’s organisations, I contributed

towards the labour movement and participated in the anti-Republic campaign when the republic was celebrating its 20th anniversary in 1980, and I fought that as part of the struggle.

“Additionally, I served in the Release Mandela campaign. All of this was set me on my career path. We were determined not to fail, but to succeed in creating this non-racial, non-sexist South Africa.

“To me, what was very striking was the education when it came to the ANC. The education we had through the ANC, I don’t think it is something we would have received academically—understanding the humanity is what made me who I am.

“In 1992, after the unbanning of the organisation, I thought the time had come for me to go home, become a professional and take care of my family. However, I had a calling that said: ‘If you aren’t going to parliament, then who will go to parliament? You are one of the people who has been assigned to go to parliament.’ That’s why I am here today.

“I am not sure that I would have been happy if I had become a housewife because I have always been a person who cares and who wants to see others in a better space. That has been what has driven me to get to where I am.

“And being appointed by the late Tata Mandela as a Deputy Minister was an incredible honour. He appointed little me as a Deputy Minister for Pik Botha, with big hands. I was very intimidated and scared but because I was determined, I went in and said I was going to do it. And I did it because it was not impossible. It takes determination and willingness to get to these positions.

Being a woman in politics isn’t an easy space but it a lot easier than it was before. Shabangu believes that woman are more assertive and are playing a more active role in politics than ever before, and this should be applauded, not only in South Africa but on the African continent as well.

“It has transformed. It might not be enough but a lot of transformation has taken place. I’m asking myself where I am today, and where I started as a young girl, would I be here if our political landscape had not changed?

“Also, if women themselves did not participate in the struggle, I don’t think we would be here today. We are here by virtue of us being part of the struggle, fighting Apartheid side by side with the men in South Africa and making

sure the non-racial, non-sexist fight was fought together. We are not yet there but we are determined to make sure the struggles of women will not be forgotten. We continue to fight.

“I also want to say, we are not just talking about women as an add-on, we are talking about the quality and value which women undoubtedly add, and the right for them to compete equally with anyone. Nobody can claim to be doing a favour for women today, they fought for themselves. And if you look at the private sector, they are still fighting and struggling to ensure they are still part of the mainstream of our economy.

“They also participate in the various levels of our economy, including in business. That shows women’s determination to succeed.

“Women in Africa are making big strides and changes. If you look at Rwanda and Namibia, if you look at South Africa, we are ranking high in the world. The reason is because women in Africa, we no longer see ourselves as women who belong in the kitchen. We see ourselves as women who belong in the world, women who belong in any activity. We are producing

“They must not be apologetic about that. If one becomes apologetic, you lose your confidence. You don’t become assertive if you expect others to always say yes. They must always believe it is possible, no matter how tough and difficult an environment is. Willingness, self-confidence and humility will ensure they achieve their goals. And they can be future leaders.

“I want to say to all the young girls out there, they must not feel deterred. There are many challenges for them as women to overcome but it is for them to believe in themselves.”

And her definition of a good leader is simple, as is her leadership style.

“A good and effective leader is someone who listens, who believes in others and has humility. Key to all of this is someone who is also respectful,” Shabangu adds.

“I always believe in carrying people along with me. I believe you can’t succeed alone. It might be difficult but you have to carry people all the time.

“Your success can be measured when you see others advancing as per your contribution in their space. On the basis of that, you are able

who is a member of parliament in Limpopo. She contributed immensely in my life when I was in the Trade Union Movement. I respect these people,” Shabangu says.

Her vision for her department is to fulfil its mandate and for those who are vulnerable to benefit as they should.

“The vision of social development is to create a South Africa that is well-developed and to bring stability to our country. My vision will be to ensure South Africa becomes stable and peaceful. It will also be to make sure the women, the vulnerable, the children and those with disabilities, become part of our mainstream society.

“We have to mainstream disability and give people their own tools to allow them to become part of society as a whole. We have people in wheelchairs who can move from point A to point B without any assistance. Today, we have people who are blind and who can navigate their spaces without assistance. There are so many people with disabilities who are also professionals. As a country, we are creating a space where the future cannot be exclusive, but where the future can include everybody in our society.

“Whilst I am new in this space, the greatest achievement has been to change the lives of people with disabilities and the vulnerable. We are also happy that social development has contributed immensely to creating safety for women in white-door shelters.

If you look at the Children’s Act, the protection of children becomes a priority in our country. If you are unable to protect your children as a society, who are you going to protect? If one has to look at the issue of child trafficking and foster care, social development has done very well in these areas in terms of putting mechanisms in place to ensure we can be a society that cares for its people,” she explains.

Shabangu says maintaining the passion to help others is easy, and this will be her driving force when it comes to making sure the department plays a meaningful role in others’ lives.

“Maintaining my passion is easy. I look at the challenges I confront on a daily basis. Being able to wake up on different days and being able to look at how I am going to solve a problem is what motivates me. I always believe that nothing is impossible. This is what shapes my life,” she concludes. ▲

Brenden Nel

“There are so many but one of the greatest leaders who had a big impact on me was Mama Albertina Sisulu”

lawyers, judges and presidents in Africa. We are leading, we aren’t there yet and there is still a lot of work we need to do, but I am positive we are on the right track,” she enthuses.

A message to aspiring women leaders

Shabangu also has a message for the young women leaders of tomorrow—be assertive and get educated,

“The first thing I would say to young women is that times are different. The first thing that I would like to pass on is that they must go to school and be educated. Education, education, education.

“If they have to stand within society, they have to go to school and be educated. Part of that is that they have to make sure they continue to be assertive. Self-assertiveness, confidence and believing in themselves will make sure they become leaders in their own space.

to say I was successful. My personal success is measured on what you leave and share with others,” she says.

While Albertina Sisulu features heavily on the list of those who inspired her, she gives credit to many others.

“There are so many but one of the greatest leaders who had a big impact on me was Mama Albertina Sisulu. For me, she was not just a leader, she became like a mother, she became like a sister. She saw us as equals without losing respect. She had a great influence in my life and in shaping it.

“There are many—Mama Rita Ndzanga shaped my life. There are so many of them. Even the current President shaped my life in the Trade Union Movement. I looked upon him as one of the greatest leaders then. He was firm but focused and he knew what he was doing. I can’t forget one of my leaders, Mama Lydia Nkompe,

Home is no longer a safe haven

One's home is often seen as a safe haven from the violence and turmoil that life can throw at you. But statistics are showing that women are more vulnerable at home than anywhere else.

Why is this? Surely the people closest to you have your best interests at heart? Sadly, there is no safe place at home in South Africa and beyond, with many men having little respect for gender violence legislation. Some reports show that you are more likely to be abused by somebody you already know, as opposed to a stranger.

According to Elisabet le Roux, Researcher, Unit for Religion and Development Research, Faculty of Theology, Stellenbosch University, "Nearly a third (30%) of women worldwide who are in intimate relationships will experience violence at the hands of their partners according to the World Health Organization, the London School of Hygiene & Tropical Medicine and the South African Medical Research Council. Globally, about 38% of all murdered women die at the hands of their intimate partners.

"South Africa is a case in point. According to a 2016 health and democratic survey, a fifth (21%) of women over 18 years old in intimate relationships have experienced physical violence from a partner; 6% experienced sexual violence from a partner. And a retrospective national study published in 2009 put the South African mortality rate from intimate partner violence at 8.8 per 100 000 women—twice as high as the United States."

However, this is not just an African problem and developed countries like the USA also have alarming statistics when it comes to gender violence. Is it that men can't express themselves without resorting to violence? Communication is the key to any functional relationship.

According to Le Roux, "The Centers for Disease Control's 2010 National Intimate Partner and Sexual Violence Survey found that 9,4% of women have been raped by intimate partners in their lifetime, 15,9% of women have experienced sexual intimate partner violence, other than rape, and nearly 33% of women have been subjected to physical violence at the hands of their partners."

What is even more alarming is that in war-torn areas that are known for high rates of sexual abuse from invading soldiers, women are still more likely to be abused by their partner or another family member. In 2018, with the access to information that both men and women have about living a better life and respecting one another, it is depressing to read these statistics.

The scars of war run deep

Le Roux goes on to outline some of the findings from a study from the Democratic Republic of Congo (DRC), one of Africa's most violent countries: "The eastern DRC is still wracked by ongoing violence from different rebel groups. This has been going on for decades, and the eastern DRC is known for high rates of very violent sexual attacks perpetrated by soldiers as well as rebels.

"The survey showed that non-partner sexual violence, which would include sexual violence perpetrated by soldiers and rebels, was very high—20,8% of women reported non-partner sexual violence within the last year. What wasn't expected was the shocking finding that more than two-thirds (68,7%) of the women who reported having experienced non-partner

sexual violence in the last 12 months said that the perpetrator was a known person or a family member. The perpetrator was a militia member or another unknown person in only 6% of the cases.


"The very high levels of intimate partner violence were just as shocking: 68,8% of women in relationships who took part in the survey reported having experienced some form of intimate partner violence in the previous 12 months and 38,4% had been sexually violated by an intimate partner in the last year. Over 68,2% of men in relationships reported perpetrating intimate partner violence."

Workplace abuse

Both women and men may experience sexual harassment in their workplace, which can negatively affect their work performance and general wellbeing. Sexual harassment at work undermines one's sense of personal dignity and can cause physical and emotional illness.

"Young girls and boys should be educated on what's acceptable in terms of how they should be treated and how they should treat others. Sexual consent is often misunderstood by young people. Schools are social institutions outside of homes with which almost every child has consistent contact.

It is important to instil sexual harassment education in children while they are still young. Some children don't know or understand what sexual harassment is, which may lead to them thinking that it's okay for someone to do something to them without their consent," says Khethi Ngwenya, the Managing Director of SchoolMedia.



“Some people grow up not knowing what abuse is. In most cases, people think that it’s normal for them to be mistreated,” says Nhlanhla Mokoena, the Executive Director of People Opposing Women Abuse (POWA).

This just goes to show that there are people who only start learning about sexual harassment once it is too late, and they have less hope of reform in prison. It’s time that the men of South Africa take responsibility for their behaviour. We need better role models who respect women’s and children’s rights and encourage a more harmonious culture for our future generation’s sake. ▲

Khin Ohn

App-only banking challenges the status quo

The business visionary, Michael Jordaan, has done it all, from leading South Africa's (SA) most successful bank for 10 fruitful years to his last five years as a serial entrepreneur, investing in no less than 25 dynamic proudly South African start-ups

The SA economy is crying out for fresh outside-the-box companies and innovators to help solve some of our well-documented problems, and Jordaan has put his money where his mouth is.

In his latest venture, Jordaan and Yatin Narsai are set to launch a new app-driven bank that offers a cutting-edge approach towards banking, Bank Zero.

The 45% black-owned mutual bank is set to launch in early 2019 and is hinting at no bank charges, something that is a game changer for cash-strapped individuals and businesses.

During the course of September, they integrated with the South African Reserve Bank's national payments systems and began alpha-testing their app-driven bank. Finance and security go hand in glove, with any security glitch costing a new bank a tremendous amount in reputation damages.

Greg Simpson was tasked with finding out more about Jordaan's latest venture, while picking his learned brain about all things technology, from robots to customised 3D printing that he thinks could revolutionise manufacturing and enable more local beneficiation.



You exited the banking sector in 2013, leaving FNB as CEO after a highly successful tenure. What exciting projects have you been working on since then?

It was a very interesting, stimulating, privileged position to be a CEO of a very large bank, but one shouldn't cling to something, and doing that for nearly a decade, it felt like the correct timing to leave. When I left, I had a few thoughts in mind. The one was simply to spend more

time with my family who, in some senses, I had neglected over those years because getting a work/life balance is not easy. The second thing is, I have a passion for entrepreneurship. Having been able to exercise some of that in corporate entrepreneurship, I could see that this is really the way to effect big change.

In the five years since I left as CEO, I really backed entrepreneurial teams and I'm particularly intrigued by businesses that solve some of the local problems that we have in South Africa. I'm less likely to back social media or mining start-ups and am far more likely to invest in improving some of the challenges we face like unemployment, high bank fees, improving education in the country or lower data costs. I now have about 25 start-ups, which I've backed with capital, and then I also try to support them by providing strategy and insight that I have from my corporate days.

Is that quite different from being in that corporate structure where you have the freedom to back who you really want to?

The difference is, being in a corporation, you have very well-established structures. In my case, you typically have a very well-known



brand, a household name in South Africa, you have capital at your disposal, you have a big customer base, you have a big distribution. Apart from keeping the ‘machine’ running, if you can come up with new initiatives, you’ve got access to millions of customers, you’ve got tens of thousands of employees who can help with that. When you’re a start-up, you have none of that. You have no capital, no brand, no distribution and no customers but what you do have is the ability to move very fast and at an incredibly low cost.

Of course, the basic rules of business still apply but you approach it from a very different angle. Conceptually, too, one of the big things that was different for me is if you take risks, you try to minimise them whereas, in venture capital, you understand that five or 10 of your investments may not make it, but you are betting on the fact that one, two or three of them will do so disproportionately well that it will make up for the rest of the portfolio. That particular power law has always been in existence for venture capital and you have to make peace with it. You have to understand that you’re going to have a high percentage of failures but you’re also going to have a small percentage of spectacular successes if you do your job right, and that’s very different to the corporate world.

Are you following the Silicon Valley-type American venture capital market approach, which has been lacking in this country?

Yes, it’s one that has recently made some nice paces forward. Part of it is cultural, it’s understanding that your only career option need not just be “I’m going to work for a big company”. It can actually be a little more glamorous to start your own business and to have that type of independence. Similarly, the market for financing these ventures is relatively unsophisticated in South Africa and that was one of the things that also attracted me—when you enter a market, it’s far better to enter a market where you feel you can still make a big difference competitively.

In term of the 25 start-ups, what have been some of the memorable moments thus far?

I find it incredibly difficult to highlight any particular one because all of those entrepreneurs and entrepreneurial teams appeal to me and they are all solving problems, they all have

a very specific investment hypothesis. Most of them, though, use technology as a way of coming up with a completely new business model. The two well-known ones are probably Rain, where you try to make data a more democratic right and make mobile data affordable—we try to break some industry practices there, for example, the fact that data shouldn’t expire. Then there’s the soon-to-be-launched Bank Zero. It’s interesting because it’s bringing much-needed fee competition to the South African market where we still firmly believe we can help South Africans save more often. Those are two noble goals, the lower data costs can create economic growth, jobs and better education, and by bringing down high bank fees, we also think we can help South Africans save more and make businesses more competitive.

You’re launching Bank Zero next year, what is the inspiration behind that?

When I left the bank, it was not my idea to then immediately start another bank, particularly one that will compete with my old employer. I am still loyal to the people who gave me a break and allowed me to be successful in running a bank, and I still have many friends there. It took quite a number of years before it became very apparent that mobile isn’t just another channel for a bank, the future of banking is mobile completely. The discussions then proceeded over a bottle of red wine with one of my ex-colleagues, and we decided to have a go. The real reason for this is we believe the cost structure of existing banks is very high and there’s a possibility to completely rethink banking from first principles, from a blank sheet of paper, to come up with functionality that some of the existing banks don’t have and certainly to have a cost structure that is unbeatable when it comes to consumer value.

Does that give you an opportunity to put some of your practices and new technologies into place that you might not have had the opportunity to previously do?

When running an existing large bank, you have an existing technology and technology infrastructure, you have an existing cost base and you have existing channels—all of these need to be maintained. To some degree, you are held captive by these things of which, probably, the most important is a legacy revenue stream. You can’t just go and cut certain revenue streams



“It can actually be a little more glamorous to start your own business and to have that type of independence”

because your shareholders may not approve of that. So, the blank sheet of paper essentially says you can choose the most appropriate modern technology, you can choose the most appropriate business model, you can look at things that irritate consumers and/or at things consumers would like to have and you can design a completely new business from scratch, that is an incredible privilege.

I presume there will be low overheads, which you can knock-on the benefits to your customers?

That is definitely the intention, to have a low-cost operating model and to not profit too much from that but rather, to give those benefits to the customer because that is the way of the future. If you think about it, some of the most valuable businesses built—let’s say Facebook

and Google—actually offer their products for free to the customer. I can't give you the final value proposition but we have disclosed the name, Bank Zero—this should be a hint.

Banks make money not only from the fee income but also from the interest margins, and it's possible to pay customers decent retail rates for interest and still benefit from the wholesale rates of interest. That, coupled with a very low-cost model, means that you can run a sustainable business and still leverage good value to consumers and businesses in South Africa.

In terms of cryptocurrency, would that be something you are going to incorporate?

We looked at cryptocurrency. Again, we approached it with a blank sheet of paper and asked what would be best for our customers. We came to the conclusion that crypto was not yet

ready for such an adoption in South Africa and that the South African national payment system is sophisticated and advanced, and the best way to bring benefits to the customer.

Security is paramount to any banking system. What firewalls and checks do you have in place?

We think that by having one channel and one channel only—the mobile channel—that is already a far higher level of security, because many breaches occur, for example, when you penetrate one channel but the entire banking relationship is exposed. For example, when criminals get your pin number from an ATM, they can use it to access your Internet banking and then transfer money online in real time. In our case, it will be one channel, that channel being your smartphone. This

has many additional benefits that typically aren't used—you can use your fingerprint on some phones, you can use facial recognition and we can use location to find out where the customer is at a certain time. We believe the smartphone is already very secure. On top of that, we're partnered with IBM, particularly for their encryption technology, thus, everything will be encrypted from our hardware—from the data that is exchanged to the phone to the app that we have on the phone. We are backing ourselves as being the most secure banking solution once we launch.

You've recently done a rigorous disaster recovery test, what were the results?

We are particularly excited, not only about the results, in that they were incredibly positive, but also about how fast we were able to do those

tests. It would have taken months to perform some of those tests if we were an incumbent bank. We were able to integrate and test our integration into the South African payment system in a timeframe of about three weeks, which is exceptionally fast. This was accomplished by using the latest technology, having some great software developers on board and through understanding the system quite deeply. We are making good progress.

Starting a bank must come with sizable challenges, how do you raise the capital and expertise needed to obtain the license?

It's been an incredible process and it's also been a great adventure because we had to apply for a license to do the things we have all been doing for thirty years and, in a sense, took for granted. We took having a license for granted and we took having access to the payments system for granted. The really positive part of the process was that we had to think of everything from

scratch: what is the ideal risk policy, what is the ideal compliance policy, should we do credit, who are the right people to appoint? The process was tough and it was rigorous. It left us with a very positive impression of the regulator, being the prudential authority in the Reserve Bank, who actually added value through the process. I can, at the end of it, say that I do think the South African banking system is in good hands and that it is managed incredibly professionally because the way in which the process was conducted from their side was of world-class standards.

Looking at our financial sector in general, can it challenge the world's best?

In the external ratings, such as those done by the World Economic Forum, the South African banking system has always been rated very highly, and that partly has to do with the fact that we have this sophisticated and enhanced payment system. It's also the fact that, even

in the downturn and in the greater economic crises, when many developed markets had to rescue their banks and use precious taxpayers money, our banks all survived. Not only did they not cost the government any money, but they were also still able to pay taxes handsomely. We really can be proud of the overall banking system that we have in South Africa. In the last 20 years or so, it's also become far more accountable to a broader segment of society, so it's transformed internally and in terms of its customer base. Thus, as a newcomer, we know that we are up against very significant competition, it's not that we take anything for granted. The only point I want to make is the one that is relevant to all big banks all over the world, which is that they've built up very high-cost structures over very many years and it is now possible to do banking at a fraction of those costs.

You're a role model in the financial sector, what are the keys to inspiring people to perform optimally?

I don't see myself as a role model at all—my kids don't even take me seriously at home and I also don't take myself particularly seriously, so it's a very difficult question for me to answer. I can tell you that many of the things that were seen to be successful have not really been because of me, it has been because of the great people that have surrounded me. Surround yourself with people who are better than you and amazing things can happen.

Is that your key to effective leadership?

It really is, it's as simple as that. When you put the right person in place, problems that were there magically disappear. You may have dealt with somebody who will tell you about all the problems they have but if that person is replaced with the right person, the problems go away and growth suddenly occurs. I've seen it happen so often in life and that is why leadership is, in fact, very important.

You are also involved in machine learning and artificial intelligence (AI) for the stock market. Regarding this, what has the growth been like in the last six months?

We're very encouraged by the results of our AI machine learning-enabled asset manager; it's called NMRQL, which is an abbreviation for numerical, so, clearly, it's based on very many



algorithms. The point about these algorithms is that they don't suffer from the emotions that we as humans have. They can really make rational investment decisions all the time. It's a broad philosophical review about which occupations machine learning/artificial intelligence will increasingly start to outperform humans in, it's not just limited to asset management, and it can be the same in medicine, the legal field or the accounting field. I just like the fact that it's backing something, which is ultimately not that expensive, so you can run a full asset management team by actually relying on a few thousand algorithms. It presents lower costs, the management of the market plus outperformance of the index, which is the ultimate thing you want to do in financial markets.

The interesting thing is even the cloud processing time then costs you less. So, nowadays, there are wonderful ways to equip businesses, even little start-ups, with capabilities that only really large corporates could afford 10 years ago. You can effectively do it from anywhere in the world and you can do it based on any market in the world. It doesn't have to be the JSE, choose a market and your algorithms will tell you what to buy and what to sell in those markets.

What advice do you have for somebody who's scared of their job being replaced by a robot?

Yes, there have been quite a few articles saying which jobs are going to disappear, clearly when people want to sell newspapers and magazines, and they come up with these scary headlines. It is true, it will change the way we do our jobs and it is probably true that there are some jobs that will become automated and AI will start outperforming aspects of the jobs that humans do. But the history of technology—since we went from horses to cars—has shown that new jobs always disappear and on a net basis, technology creates more jobs than it destroys. The answer is to just embrace lifelong learning, which means you can no longer study something for five years and then rest on that theoretical knowledge for the rest of your career.

It's up to everybody to keep on training themselves and that needn't even be formal training, it can mean reading many books, it can mean talking to interesting people who know more about your field than you do and making sure that you are adaptable and agile. If you embrace lifelong learning, you should be

able to embrace it, leverage it and make yourself even more successful.

How do robots learn?

The word 'robot' is a little bit misleading, not only because we use it for traffic lights in South Africa, but also because they're not these full-functioning robots that will change the world in the next five or 10 years. Rather, it will be narrower applications, for example, the functionality that you build for a car to drive itself. That's not a robot sitting behind a steering wheel driving a car, but the algorithms to drive it. Similarly, there will be algorithms that can post the entries in your balance sheet and income statement every time there's a transaction on your bank account and there will be algorithms on your wristwatch that tell you that you have now been seated for far too long and you should stand up and start walking around. It's less about robots and more about these clever algorithms that will start taking components of the way we do business. The biggest thing that entrepreneurs need to embrace is the new business opportunities that are created by these technologies. I remain a techno-optimist and believe we can use all this technology for the advancement of humankind.

In terms of the manufacturing of new technology, how can more of this be done in South Africa?

One of the exciting new things is 3D printing, which enables us to manufacture items that are personalised or highly specified. What this does is, it takes away from mass manufacturing—which is typically done in low-cost countries and then the goods are exported around the world—and brings it back to local manufacturing where it can be done according to your exact personal specifications. It will change the world from mass marketing to local manufacturing and therefore, there's a big business opportunity in a country like South Africa for the 3D printing of anything from shoes to bicycles.

Are there any exciting start-ups that we should be looking forward to or do you have your hands full with the bank?

At the moment, I am fully invested and I'm at the point where I can't invest in any new ventures. I spend my time trying to support the existing businesses I have invested in and, yes, they are keeping me very busy, but it's a

wonderful type of busy. I have the privilege of not being involved operationally, I can be involved at a strategic level, I work with some really interesting people who inspire me all the time and it is also great to be involved in businesses that I do believe can grow the South African economy and make South Africa better. Being able to do that is immensely satisfying.

Mr Ramaphosa is also very innovative and he is on board with the Fourth Industrial Revolution. Does it help to have a President who understands business?

The recent Investment Summit that we had, where huge amounts were pledged to be invested in the South African economy is something that could not have happened in the previous regime. The fact that the government and business are getting closer is incredibly positive because they have the common goal to grow the economy and create jobs. We are betting on South Africa and its positive future. After all, the future isn't just something that's given, it's something that we created and I would like for all South Africans not to point fingers, but to get involved and to help co-create the successful country we can be.

You are putting your money where your mouth is, it would have been easy simply to go overseas and invest elsewhere?

I don't think it would be that easy because, first of all, the rand is quite weak and, secondly, you don't have the benefit of the network you have here and the knowledge of the local conditions. I actually think South Africa is a wonderful place for entrepreneurs.

Entrepreneurs ultimately solve problems, they see a problem that they can solve through a new business model. It's a good thing that, in South Africa, we have so many problems and so many challenges that can all be solved through business. To me, that makes South Africa a very attractive place to invest.

You can point to a problem—unemployment, crime, etc.—and then you can say, "Right, let's come up with a business that solves all of that," and if you do it well enough, those businesses will grow at very high rates. Then, not only will they be successful businesses, but they will also achieve social good—that's the aspect of my career that gives me a real kick. ▲

Gregory Simpson

Aids, tuberculosis, tech innovation and the NHI

When it comes to developments in healthcare, innovations in medicine and the technology that ties it all together, predicting the future can be a thankless process

However, the fact of the matter is that technological innovations have dramatically transformed healthcare more than any other force, and especially over the last 30 years. Therefore, it is important to regularly take the pulse—so to speak—of the continuous developments in this area.

Even when, on the face of it, the innovations have had more to do with policy and how the issue of healthcare reform is addressed in the country, technological initiatives are vital. One just has to take a closer look at the upcoming transformation to be wrought by the forthcoming implementation of the National Health Insurance (NHI) Scheme.

The proposed NHI promises to be one of the biggest and certainly one of the most controversial initiatives in South Africa's health sector since democracy.

Seemingly, the NHI is a benign, even much-needed, innovative development of the nation's healthcare system. According to the literature available, the NHI will bring about a new system for medical aids while simultaneously providing a universal, state-run healthcare system. The government says the NHI is meant to replace the current unequal system, which forces the poor to use a low-quality public healthcare system while the wealthy are able to attend top-level private facilities.

Gazetted in June this year along with the Medical Schemes Amendment Bill for public comment, the NHI Bill has divided opinions across the country with some believing the NHI will be a panacea and others wondering whether the NHI will ever take off, given the issues of

corruption and inefficiency that are pervasive in the health system as it is.

For instance, I spoke to Dr Tlaleng Mofokeng, a Medical Doctor and an opinion leader in the profession. Mofokeng is also the Vice-Chairperson of the Sexual and Reproductive Justice Coalition (SRJC) in South Africa and sits on a Global Advisory Board for Sexual Health and Wellbeing.

Dr Mofokeng said that while, “as a principle of ensuring healthcare, the NHI is okay, there are current issues with the system today that need fixing urgently and cannot and should not have to wait for the NHI to be implemented”. She pointed to procurement, the training of nurses and graduate employment as just a few of the problems the system is facing.

Dr Mofokeng also questioned how the NHI would tackle the perennial issue of medicine shortages asking “how are we still having [issues of medicines] being out of stock?”

While the arguments between those in the pro and anti-NHI camps could go on forever, the question to be asked in this era of technological innovation is will the NHI simplify patient access to care, while supporting people in managing their own health?

Around the world, the way in which people use medical services has changed over the years and people now expect to be in a position to access services online, for instance. At the same time, of course, it is important to remember that, ultimately, healthcare is about people and patients generally wanting and needing the reassurance of talking to a real person face to face.

On 1 November this year, South Africa's Health Minister, Dr Aaron Motsoaledi, spoke to the University of Stellenbosch Business School

about the implementation of the NHI Bill and the government's intention to bring South Africa a step closer to achieving its aim of universal healthcare.


Admitting that there are problems in the healthcare system, the Minister said, “There is corruption in the healthcare system, as there is elsewhere in the country.” However, he claimed that mismanagement and corruption are secondary to the primary problem of inequality in the health system.

South Africa spends a total of 8.7% of GDP on health while the World Health Organization recommends that countries spend 5%. Dr Motsoaledi said, “The private sector spends 4.5% of GDP on health but only provides care to 16% of the population while the public sector spends 4.2% of GDP on health to care for 84% of the population. People believe that by some miracle, without corruption and mismanagement, the state can provide quality healthcare for 84% of the population on 4.2% of GDP, when 16% of the population receives healthcare on 4.5% of GDP. This is gross inequality.”

He told the audience that as far as he was concerned, the NHI's implementation was necessary because “90% of South Africa's healthcare system is designed for well-to-do people, and not poor people”.

It is against this backdrop of healthcare reform that innovative medical technology is focussing more than ever on products that deliver cheaper, faster, more efficient patient care than has been available in the last three decades.

Procedures and treatments that may have seemed like science fiction just 30 years ago, have become routine in our lifetimes. For

A photograph of Dr Mofokeng, a man in a grey suit and glasses, speaking to the media. He is gesturing with his hands while talking into a microphone. A camera operator is visible on the left, and a woman with a microphone is in the foreground. The background shows a modern office interior with a large white pillar and a framed portrait on the wall.

Dr Mofokeng said that while, “as a principle of ensuring healthcare, the NHI is okay, there are current issues with the system today that need fixing urgently”

instance, in 1988, few could have predicted that in less than 20 years, being diagnosed HIV-positive would no longer be a death sentence, thanks to just one antiretroviral pill taken on a daily basis.

There are roughly 270 000 new HIV infections in South Africa every year. Despite the huge gains made in the fight against HIV, South Africa remains a country with the highest HIV prevalence in the world. Over the last decade or so, there has been an increase in the adoption of medical technology innovations to get to grips with these other intractable healthcare challenges facing the world today.

South African innovation and technology have not been left behind in this quest. For instance, at the end of September—which was marked as Pharmacy Month—this year, a groundbreaking “ATM pharmacy” that gives patients with chronic illnesses repeat medication in under five minutes, was unveiled in Bloemfontein.

This piece of innovative technology is known as the Pharmacy Dispensing Unit™ (PDU™). It works like an ATM for medication, with Skype-like audio-visual interaction between the patient and a remotely located telepharmacy contact centre. Patients are able to talk to pharmacists in a call centre 400km away in Centurion, Gauteng, showcasing the benefits of telepharmacy to patients in rural and outlying areas. This allows patients to access accurate medical information and counselling from qualified pharmacy staff.

It was developed by a team comprising experts from Right to Care, a non-profit (Section 21) organisation in Johannesburg, and Right ePharmacy, an innovative, strategic solution provider for the dispensing, distribution and collection of medicine, and deployed in collaboration with the Free State Department of Health.

The PDU in the Free State is at Twin City Mall, a central community shopping centre, which is on main transport routes and is open for extended hours including weekends and public holidays.

At the launch, Right to Care’s CEO, Professor Ian Sanne, said: “Our alliances made this innovation possible and we are grateful to the Free State Provincial Health Department for partnering to make this work. We also thank the Global Fund for the monetary support. PDUs ensure the accurate dispensing and quick collection for clinically stable patients on chronic

medication. Driven by sophisticated technology, patients’ concerns and information needs are still handled personally by telepharmacists.”

Speaking at the same event, the MEC for Health in the Free State, Montsheng Tsiu, said, “This is a great step forward for patients in our city as this technologically advanced pharmacy will dramatically reduce waiting times and congestion in public healthcare facilities in Mangaung.”

Tsiu added, “The system is run by qualified pharmacists and pharmacy assistants and

Hove explained that the launch was “only phase one of a larger programme. We are pleased to have partnered with Right ePharmacy on this and other innovations for people living with HIV. The PDUs are innovative solutions that use technology to move beyond traditional healthcare delivery. It is an example of the Global Fund’s commitment to the people of South Africa to create a healthier future for all.”

Rufaro Ngulube, Technical Specialist: Pharmaceutical Services, Right ePharmacy, explained the mechanics of the technology.

The Test and Treat technology provides a better, cheaper, faster solution to HIV testing that gives you results in as little as five to 10 minutes via SMS

integrates with the clinical management processes of patients with chronic conditions at public facilities. It also reminds patients when to collect their medication, which improves adherence. The date for the next collection is shown on the patient’s receipt and prescription collection reminders are sent by SMS. Late collections are immediately identified and flagged for follow up. Patients are serviced in all eleven languages and there is onsite support to help patients interact with the technology.”

Dr David Motau, the Head of Department for the Free State Department of Health said the launch of the initiative was to honour the “pharmacists in the province through initiatives that advance improved access pharmaceutical services”. He added that the initiative “supports the National Department of Health’s Strategy for Improving Medicine Availability (SIMA)” and that “ultimately, this new PDU at Twin City shopping centre in Bloemfontein is about improving the patient experience, providing quality clinical care and decreasing patient numbers and congestion at our surrounding public health facilities”.

Ian Hove, the Programme Manager for the Global Fund to Fight AIDS, TB and Malaria, also spoke, saying, “This ATM-like medication dispenser demonstrates innovative thinking to overcome the challenges we encounter in ensuring people stay on HIV treatment or treatment for other chronic illnesses.”

He said, “The technology was developed with the aim of addressing some of the challenges compromising medicine access in the resource-constrained public healthcare environment.”

Ngulube explained: “A PDU comprises integrated layers of various technology, which includes an interactive information touchscreen and a user-friendly interface, which allows for two-way Skype-like audio-visual interaction. It has Barcode ID scanning to initiate dispensing, it needs a patient PIN code for authentication and activation and relies on cloud-based dispensing software and an electronic dispensing record.”

He said that the “barcode linked the product database and product identification capability, worked with a versatile product printer-labeller, a customised, temperature-controlled compact medicine unit and a robotic arm for the accurate and swift picking of medicines.”

Fanie Hendriksz, the Managing Director of Right ePharmacy explained the referral process that leads to using the PDU. “A patient on chronic medication who has been identified as clinically stable and demonstrating responsible health behaviour at any of the surrounding referral clinics can be given the option of collecting their chronic prescription from a convenient PDU pharmacy.

“The clinic issues the patient with the first prescription and provides a date for the next collection of medicine from the PDU. The

patient's prescription is verified and loaded onto the electronic dispensing software by a pharmacist in preparation for dispensing from the PDU," he said.

He described the process of a patient's first visit, saying, "On the patient's first visit to a PDU pharmacy, personal details are verified and linked to a pharmacy card, which is issued at registration. The patient assigns a PIN number to the card to authenticate medicine access at the PDU." Hendriksz explained that at a first visit, "PDU orientation is provided by onsite PDU staff".

The medicine is dispensed in a simple five-step process as follows:

1. Scan barcoded ID book, ID cards or pharmacy card and enter a PIN
2. Talk to a pharmacist
3. Select a prescription
4. Collect the medication
5. Take a receipt

When it comes to subsequent PDU visits, Hendriksz said, "An SMS reminder is sent two days prior to the next collection date. At the next collection, the patient can proceed straight to an available PDU machine and follow the five-step dispensing and collection process. The patient can collect their prescriptions from the PDU until the repeats on the prescriptions run out. Patients are then notified to return to their referral clinic for a follow-up clinical visit and the issuing of a new repeat prescription and the first supply of medicine as the process and cycle repeats."

Referral to a PDU site and the use of this service is free to selected patients collecting their chronic medication from surrounding primary healthcare clinics. According to Hendriksz, "The cost of setting up a single standalone PDU is around R2 million." He said the technology offers far-reaching sustainable benefits due to its scalability and that the cost of the PDU operation decreases with increased use or patient uptake.

As to fears that the technology will destroy jobs for pharmacists, Hendriksz said, "There is a real shortage of pharmacy staff in the South African primary healthcare sector. This technology will help pharmacists to focus on the pharmaceutical care of the patient, which includes counselling, the appropriate and safe use of medicine, side-effect aversion, lifestyle modification and disease prevention."

He went on to suggest that PDUs and pharmacy automation actually create jobs and offer the pharmacy professional additional and diversified career opportunities in a new niche market—telepharmacy.

Earlier in July this year, the HIV/Aids NGO Shout-It-Now successfully piloted what they are calling "Test and Treat technology."

Described as the world's most advanced HIV testing technology, Test and Treat piloted in the Ekurhuleni area. The mobile clinic consists of two trucks working in tandem, one dedicated to HIV testing and the other to antiretroviral therapy (ART) initiation.

The test trucks are equipped with self-help kiosks and, using interactive touchscreens and audio-visual aids, the programme can be navigated in English, Zulu and Sepedi. Test and Treat offers not only cheaper and faster on-site testing but also uses a biometric finger scanner function that protects client confidentiality (a critical reason why people are not getting tested in this country).

The Test and Treat technology provides a better, cheaper, faster solution to HIV testing that gives you results in as little as five to 10 minutes via SMS. The system captures perfect data that can be analysed in a way that's never been done before," says Shout-It-Now's founder and Chairman, and Silicon Valley veteran, Bruce Forgive.

Forgive retired from a successful technology career and founded Shout-It-Now in 2007 to channel his energy into giving back. As Shout-It-Now's founder and Chairman, he brings to public health the tools that helped him found and grow six technology start-ups in the USA over a period of 27 years. Along with the public health professionals Forgive has partnered with to deliver Shout-It-Now's services, he has overseen numerous innovations in high-throughput screening (HTS)—a method for scientific experimentation especially used in drug discovery—and has led Shout-It-Now to test more than 1.1-million clients in four provinces. Today, Forgive lives in Cape Town, overseeing Shout-It-Now's operations and constantly looking for new ways to make improvements to South Africa's fight against HIV/Aids.

Forgive explained, "With Test and Treat, the organisation plans on reaching inaccessible areas and communities, such as hostels, factory sites and rural townships, where the prevalence of HIV is often the highest. Long queues at clinics, a lack of time, the fear of

being asked embarrassing questions and the shame often attached to being HIV-positive are some of the reasons people don't get tested. Test and Treat aims to process up to 150 clients a day in these previously inaccessible areas, with a quick, streamlined process." He said that since 2007, "Shout-It-Now has been working hard to relieve pressure on the public health system by providing community-based initial HIV screening and links to care." He added that, to date, "Shout-It-Now has successfully performed over 1.1-million HIV tests in South Africa and the NGO's aim is to assist the National Department of Health (and other public health stakeholders) in reaching their 90.90.90 target—that is, that 90% of people living with HIV know their status, 90% of these patients receive antiretroviral (ARV) therapy and 90% of these ARV patients achieve viral suppression."

A big part of the Test and Treat programme is to dispel many of the myths around HIV and to reinforce the message that living with HIV is no longer a death sentence. Shout-It-Now believes strongly in providing ongoing support and care for those too ashamed to confide in loved ones about their HIV status. "Because we know that an HIV-positive diagnosis can be traumatic, the Shout-It-Now Clinic Clubhouse aims to ease the integration into the clinic system by providing fast and friendly service within a warm and welcoming environment," says Dr Kathryn Pahl, the Managing Director of Shout-It-Now.

Well-known in the South African social development sector, Dr Pahl's career has included heading the social development department at Valkenberg psychiatric hospital in Cape Town, being the CEO of Epilepsy South Africa and a researcher within the Department of Psychiatry at the University of Cape Town, focusing on HIV/Aids programmes in South African schools. She has been Managing Director of Shout-It-Now since its inception in 2007.

Phase 2 of this service will see Shout-It-Now exploring an adherence programme, providing medication to clients on a monthly basis as a way of enhancing services to clients and complementing the clinical system. Hopefully, this will see Shout-It-Now assisting the Department of Health in meeting the third and most challenging part of the 90.90.90 target—that 90% of HIV patients on ARVs achieve viral suppression. ▲

Mwangi Githahu

The road to success is paved with trust

The personal and social competencies of directors are just as critical as their functional and technical abilities, says the Institute of Directors in Southern Africa's (IoDSA) incoming CEO, Parmi Natesan, who takes over the reins at one of South Africa's premier leadership institutes

Natesan is a sought-after corporate governance specialist who worked her way up the ranks at the IoDSA after qualifying as Chartered Accountant with a BCom (cum laude).

She grew up as a self-confessed small-town girl in the slow-paced Port Elizabeth, where everything is smaller. After her first degree, she moved to the bustling Johannesburg with her husband to do her articles and climb the corporate ladder.

The no-nonsense dynamo starts off by unpacking the symbiotic relationship between the IoDSA and the King Committee.

"The King Committee is not a formalised body nor an official body; it's really just a committee of individuals that get together. The IoDSA runs the Secretariat for the King Committee and we own all of the thought leadership that the King Committee produces. When King IV was being produced, we funded the development thereof, and we own the copyright to the work thereafter. I work very closely with the Chair—the Chair used to be Mervyn King, it's now Suresh Kana. Our ownership of the King Reports is a core asset for the institute, and it is part of why we're known, so it's a very important link," she explains.

Mervyn King's contribution

Mervyn King's immense contribution to corporate governance is well known, with the committee's recommendations holding water

on the international stage, with many countries adopting their recommended best practice for corporate governance and ethical reporting. With King retiring, the experienced Suresh Kana, who was featured in Leadership recently, will be filling those big shoes.

"It goes without saying that Mervyn has made a tremendous contribution to governance in this country, more than any other individual can claim to have done, and the King Committee really achieved a lot under his leadership. Yes, it's sad to see him go but it's also great that he's stepping aside to now let somebody else take the limelight and take the committee forward," says Natesan.

"In terms of Suresh, we've worked with him for many years as a member of the King Committee and also as a member of the institute as a Chartered Director. We're very supportive of him taking the role and we look forward to working with him to make the King Committee and the institute even bigger names than they are now," she adds.

CEO succession

This ties in with CEO succession, which is essential to any healthy organisation, and the Committee is a prime example of that happening. All too often, with head-strong leadership, there is little or no grooming process for potential replacements.

"Even at the IoDSA, the succession in terms of me replacing Angela (Cherrington-Oosthuizen) has shown that we've really thought this

through, it wasn't just 'let's advertise for a CEO and bring in someone brand new', this has been planned and thought through," Natesan says.


Feedback from the King IV Report

The King IV Report has been circulating globally over the last 24 months, with a gradual change from the old tick-box in approach the initial King I Report in the mid-90s, to a more stakeholder-driven process of late. Natesan gives some feedback from the industry on the latest version.

"It's been very positive, I recently hosted a lunch with the sponsors of King IV and it happened to be the two-year anniversary since the launch. Many companies have now implemented it (King IV) and they found that the outcomes-based approach has helped them in terms of not just seeing it as a compliance exercise where they're ticking boxes, but helping them to think about the benefits and the outcomes and what they, as a company, are going to get out of governance.

"The other point that is also worthwhile noting was the influence within Africa, because the International Finance Corporation (IFC) ran a project where they were going to certain African countries and introducing them to some of the concepts in King IV. The interest has been really phenomenal and I believe a couple of the countries are also looking at revising their codes to align with some of the approaches in King IV," she says.

The lessons of King continue to be exported all over the world, as many countries grapple with

A portrait of Parmi Natesan, a woman with long, straight black hair, wearing a black blazer over a purple top. She is sitting at a dark wooden table with her hands clasped. The background is a blurred indoor setting with white chairs.

“Every month, when he’s (Mervyn King) in a different country, people are asking about King IV and about some of its unique concepts”

poor corporate governance, especially in Africa; which suffers from an unhealthy appetite for corruption, both in the private and public sectors.

Natesan says, “From a governance perspective, Mervyn will tell you we’re exporting it to the rest of the world because he says, when he’s in a different country, people are asking about King IV and about some of its unique concepts—the outcomes-based approach—and he explains the applicability to all sectors, so it has a global influence.”

The right person for the job

You could argue that South Africa needs to apply some of those principles to the public sector to get the right person for the job in key positions that require a high level of expertise at a senior level. In more recent times, President Rhamphosa has helped in this regard by appointing specialists in key positions.

“King IV is supposed to apply to all organisations. In terms of having the right skills in the government, it goes back to my point of competencies. Generally, in the private sector, there’s a nominations committee that rates candidates and shortlists them, and assesses whether they’re suitable for the position etc. In the government, the challenge is that, usually, there’s just one person—the minister—who is

“All the opportunities I can think of that have come my way in the past couple of years have been as a result of a man putting my name forward”

responsible for that area and who was making the appointments, and I don’t know if director competencies are always taken into account when these appointments are made,” Natesan explains.

Boardroom equality

In terms of women in positions of leadership, we are seeing more female directors and CEOs taking their place in various industries, and Natesan is happy with the rate of gender transformation but sees an ironic double standard from other female leaders at times.

“I certainly am seeing an upswing and we’re just going to see that increase in the years

to come. There’s going to be more and more opportunities for women. Everyone wants to be a director, it’s a popular thing and there are so many people who say, ‘I want to sit on a board’. My response is always, ‘You can be a really good lawyer and you can be a really good accountant but it doesn’t mean you’re going to be a really good director. My advice to them is to do the training now, get your designations now, so that when those opportunities do arise in two years time, you are ahead of the pack,” she says.

Are women leaders not supporting equality?

She goes on to raise a telling point, which is that most of her success and promotion has been through the encouragement and support of men, and not women who are already in leadership positions. Why would women not want other women to be promoted?

“One interesting observation I thought of was the success I’ve had in recent years in terms of both non-executive director positions and also now with my promotion to CEO—all have been as a result of men supporting me, not women, interestingly enough.

“All the opportunities I can think of that have come my way in the past couple of years have been as a result of a man putting my name

forward or a man encouraging me to apply for something, or a man supporting me when it comes down to a vote or a decision,” she muses.

The value of a good reputation

The value of a good reputation in a company’s overall performance is critical for long-term sustainability, with established companies going out of business overnight due to a thoughtless tweet or a shady offshore business dealing, for example, that can turn off the more conscious consumers of today.

Natesan says, “It’s critical, a company can be here today and be gone tomorrow if they don’t look after their reputation. As part of stakeholder

inclusivity, companies can’t be focused on just the bottom line anymore—they simply cannot do it, they will not exist and can’t be sustainable. You need to be taking into account the interest of your stakeholders, and we’ve seen what’s hap-

“Those bailouts are coming from taxpayers’ money, it’s not so easy to get those bailouts in the private sector”

pening with certain brands in the country at the moment where there are reputational issues.”

The term ‘from shareholders to stakeholders’ appears to be the catchphrase of 2018, with forward-thinking companies looking at more than just their shareholders’ interests. “Yes, and not only your clients’ interests but the community’s, the environment’s—all sorts of aspects must be taken into consideration. Gone are the days where we try to make money for shareholders only. Yes, we need to be a sustainable business and make money but we need to do it responsibly, we need to be looking after all the stakeholders,” she says.

The evolution of conduct

The codes of conduct for business have changed over the years, with a more collaborative approach being needed to encourage companies to report effectively and, ultimately, run optimal operations.

“The biggest shift for me is from codes of conduct, which are very much rules-based, towards codes of ethics, where it’s more values-based, where it says, ‘You will act with honesty and integrity etc.’. Codes of ethics are more difficult to measure, probably, but they also yield better results because the minute you have rules, you find ways of bending them, or moving outside of the rules, whereas the move towards ethics and values is more meaningful,” she insists.

Parastatals often grab the headlines for the wrong reasons, with only a handful of them making a long-term profit, while a number are a burden on overstretched taxpayers, like South African Airways, for example. Natesan believes the board of directors should be held accountable for poor results and not rest on their laurels.

“Ultimately, the board is responsible for the organisation performing and the boards must be held accountable, whichever boards they are. It’s particularly in the public sector, when they don’t do well and they get bailed out, those bailouts are coming from taxpayers’ money. It’s not so easy to get those bailouts in the private sector. People need to be held accountable, there’s a feeling of a lack of consequences: someone serves on a board, that company does really badly and that person is removed from that board because of it, but then a year later, you see that person on another board somewhere else,” she explains.

A refreshing approach


In terms of fresh leadership styles, with the President of New Zealand, Jacinda Ardern, bringing her baby to one of the UN meetings recently, could that be something we’re going to see more of in the future?

“That’s a very interesting question. The world is moving towards accommodating different types of people with different priorities. At the institute, I’ve always worked flexible working hours, and I’m a mother of two children as well as being an Executive. If my child has a soccer match or a swimming gala and I wish to go and watch them, I go.

“What you will find is, when you accommodate people with families, you actually get more loyalty from the individual and they probably put in more than the time they’ve taken off at another point in time.

“We’re moving into a world where people can literally work from anywhere at any time. Just because someone’s sitting at the office from eight to five, it doesn’t necessarily mean they’ve accomplished anything and, at the same time, if I’m not at the office from eight to five, it doesn’t mean I’ve done nothing. I definitely see that that’s where the world is moving to, especially in this digital age where you can do anything from anywhere,” Natesan concludes. ▲

Greg Simpson



“Just because someone’s sitting at the office from eight to five, it doesn’t necessarily mean they’ve accomplished anything”

A benefit or hindrance?

The advent of the Fourth Industrial Revolution, the Internet of things (IoT) and artificial intelligence (AI) has promoted an extensive debate within the mining and natural resources sector from a wide range of stakeholders

Those in favour are arguing that mechanisation, automation, and IoT will, ultimately benefit and improve the sector, while the detractors are concerned about possible job losses and the replacement of people by machines.

Whether these views are based on emotion or an objective analysis, is largely irrelevant in the face of the fact that the Fourth Industrial Revolution is a reality and that sustainable "mines of the future" will be heavily reliant on increased mechanisation, automation, IoT and AI. This applies as much to South Africa (and Africa for that matter) as it does to countries that are leading the way, particularly in relation to the use of electric vehicles, and the move away from reliance on fossil fuel-driven mining operations. Concerns regarding possible job losses cannot, of course, be dismissed—there will inevitably be a repositioning of job requirements and the skills required to perform the jobs in the future.

The mining and natural resources sector has, historically, been highly labour-intensive, with the sector being a large-scale employer. If the publication of the recent employment figures are anything to go by then, while the sector may have employed fewer people, it remains a significant employer and contributor to the growth, development and transformation in South Africa.

The mining and natural resources sector consists of a diverse range of employers from small-scale operations all the way through to complex, multi-site operations. The sector has, again, in 2018, had to grapple with significant challenges, including the international and

domestic downturn, significant retrenchments, escalating costs and health and safety performances.

With the most significant number of fatal and other accidents in the sector been attributable to falls of ground and machinery-related accidents, the mining and natural resources sector has

The current, key question is whether the technological progress can be applied to South Africa's "mature" mining and natural resources sector i.e. those mines that have been operating for decades, where the practical ability to reconfigure the workings is extremely challenging and limited because of the historical

The multiplier effect can also not be ignored—it is widely accepted that, for each person working at a mine, up to 10 people depend on that employee

been reviewing its medium- to long-term mining strategy, with a strong emphasis on increased mechanisation and, ultimately, automation, which is becoming increasingly possible and practical due to the phenomenon of the Fourth Industrial Revolution, IoT and AI.

The sector appears to have embraced the Fourth Industrial Revolution, IoT, AI, and the understanding that without technological progress, it is unlikely to achieve its target of zero harm and the successful implementation of health and safety programmes in support of this.

Ultimately, technological progress will assist in creating sustainable mines of the future. The sector's technology programmes are being accelerated, particularly those in relation to technology, which avoids the exposure of employees to adverse ground conditions and the interaction of people and machinery, to address these two aspects which significantly contribute to fatal and other accidents.

design and construction of these older mining operations. In order to address this question, it is important to focus on two aspects. The first is whether or not the primary causes of accidents in these older mines are broadly similar to the causes of accidents in the more modern mines and if not, are these unique causes, at the very least, capable of being addressed by technological advances?

The second aspect is whether these older mines, which will remain highly labour-intensive for the foreseeable future, can, because of the high number of employees required, practically address health and safety through technological advances.

Importantly, these older mines also face the significant challenge and pressure that is brought to bear by the government, trade unions and communities that are potentially affected by job losses at mines which, historically, have provided significant employment for

people from not only "doorstep" communities but also the areas commonly referred to as "labour-sending areas".

The multiplier effect can also not be ignored—it is widely accepted that, for each person working at a mine, up to 10 people depend on that employee in some form or another including direct income, expenditure on transportation, food etc., and support for micro- and small enterprises within the communities.

It seems that most of the fatal and other accidents that occur at older mines are as a result of falls of ground and interaction with machinery (predominately winches and their attachments, and underground rail bound equipment). In respect of both these categories, technological advances have significantly mitigated the potential for such accidents—the key issues, therefore, remain the implementation of and compliance with these technological advances, changing risk-taking behaviour and developing a more robust understanding of the consequences of risks in support of the move away from the "normalisation" of risk-taking behaviour, more commonly referred to as complacency.

With common themes in many accidents being the training and behavioural aspects, the primary aim of implementing technological improvements is to avoid over-reliance on human behaviour and to implement what is commonly referred to as a "hard barrier", which excludes the need for human intervention. Examples include personnel/machinery warning and anti-collision systems, which do not rely on intervention by the operator, bringing the machinery to a stop before the interaction occurs.

While technological advances will assist, in the interim, it is essential for all stakeholders to go "back to basics". As its starting point, the Back to Basics programme should have the identification of the health and safety responsibilities, which are placed on the stakeholders by the provisions of, primarily, the Mine Health and Safety Act, No. 29 of 1996 (MHSA) and the various regulations, which are enforced in terms of the MHSA. Unfortunately, it is disappointing that there is often a lack of understanding of legal responsibilities, which are placed on key stakeholders and, critically, those people who manage and supervise work.

No health and safety programme is complete without a component, which ensures that management and supervisory personnel are



competent to hold the management and supervisory position i.e. that they are fully familiar with the MHSA and regulations, the working areas, and that they know and understand the hazards to which people are exposed, when allocating tasks.

The "back to basics" approach requires the employers and other stakeholders to, at the very least, focus on the following: conducting appropriate identification and risk assessments comprising baseline, issued based and continuous hazard identification and risk assessments; implementing the appropriate measures to address the identified hazards and assessed risks, comprising of codes of practice, standards, procedures and instructions; implementing a comprehensive health and safety training and communication system, and that communicating the hazards and measures to address the hazards; appointing competent supervisors whose task it is to implement the first three components; implementing an over inspection system, which is designed to "close the loop"; and implementing contractor management systems, which are aligned with the previous five components.

It is possible, given the high-labour intensity of certain aspects of the mining and natural

resources sector, that the move to significant mechanisation and automation may not be practical in the near term, or its implementation may be delayed, emphasising the need to implement and maintain health and safety programmes that focus on "back to basics" in the interim.

The Fourth Industrial Revolution remains an important opportunity for the mining and natural resources sector to contribute meaningfully to a sustainable, safe and healthy sector. Importantly, it also remains an opportunity to redesign the way in which mining operations are conducted, with the consequential redesigning of the workforce to align it with the new working environment.

I am not, for a moment, suggesting that this is going to happen overnight. However, stakeholders in the sector should acknowledge the opportunity and implement programmes of change that are practical and implementable, taking into account the particular circumstances at a mine, the profile of its workforce, the surrounding communities and, of course, the practical challenges associated with some of the older mines and their infrastructure. ▲

Warren Beech, Head of Mining at Hogan Lovells and Nicholas Veltman, Partner at Hogan Lovells

Search and selection: when staffing solutions become reputation solutions

Having the right team on your side is crucial; they can make or break your company. They also play an incredibly important role in how your organisation is perceived, which ultimately contributes to the business' reputation.

Do you have a recruitment strategy and policy in place, or do you just hire people as the need arises and hope for the best?

I recently caught up with Lisa Wannell, the founder and Director of Halogen Search & Selection, and chatted about the importance of getting the right person on board in a company.

What exactly does a search and selection specialist do?

In short, a search and selection specialist will go out into the market to search for people with particular experience, skills or expertise and from that pool of people, select the most appropriate candidates for a client brief. My particular specialism is corporate and marketing communications and investor relations and the majority of positions I work on with clients are at a senior level. The lifeblood of any search consultant is their network within their specialist field, their relationships with their clients and the depth of their knowledge of their particular industry.

Why is it important to invest in a search consultant?

It is important to invest in a search consultant for the simple reason that it will save a client time and money. Specialist recruiters have invariably spent years cultivating a network of

professionals who are experts in a particular field. They can quickly tap into this network when taking on a new mandate to begin targeting potential candidates and, critically, asking for referrals and recommendations to identify 'passive' talent; people who aren't actively looking for a new position. They understand the brief and they know the right questions to ask the client to drill down beyond what is outlined in a job description (if there is one). Generalist recruiters don't have this depth of knowledge or the instant network. Building networks takes time and clients generally don't want to wait months before they can start interviewing candidates.

What are the key things to ask your search consultant?

Ask for evidence that they have successfully filled similar briefs, in the same or relevant industry, in organisations of a similar size and operating structure. Find out which other firms they have worked with in your sector—this is important to establish early on in order to avoid any conflicts of interest, to identify any potential 'hunting grounds' or, equally important, which companies are off-limits to the search consultant. The chemistry between a hiring manager and the search consultant is extremely important and you will usually be able to gauge this at the first meeting. Good recruiters will

have done their homework on your company before the first briefing meeting and will know the right questions to ask to really get a sense of what the criteria of a role should be, what the key challenges are that the company is facing, what their appetite is for change, what kind of individuals do well there and, critically, whether the profile of the person they're looking to hire is, in fact, the right one. Experienced search consultants might ask difficult questions around this subject and challenge a client to re-think the role profile.

Are there some non-negotiables/dealbreakers to be aware of when investing in a search consultant?

This varies depending on which country you're working in. In the UK, for instance, it's rare for a recruiter to be asked to do formal background checks on a candidate, as the hiring company's human resources (HR) team usually prefers to handle this.

In South Africa, however, background checks are often undertaken by the search consultant; checking educational credentials is important, given the problem of forged and spurious qualification certificates. It's usually a very straight-forward process but sometimes it does produce unforeseen results, which can delay an offer process. Discovering that a candidate has a criminal record obviously raises a rather



Lisa Wannell, the founder and Director of Halogen Search & Selection

large red flag but whether their career should be held to ransom because of a traffic offence that took place 15 years previously, that might seem a bit harsh.

What is the one thing you wished the people on your books hoping to be hired knew/did when it comes to your type of services?

The relationship between a recruiter and a candidate is a really important one and it's very much a two-way street. In this job, you do develop a bit of a nose for time-wasters and window-shoppers; candidates who aren't really serious about moving and use the process as leverage to pitch for a salary increase at their current company. This rarely ends well for a candidate as their loyalty to their present

company is called into question, the recruitment consultant won't be inclined to work with that candidate again and they can very quickly get a bad reputation in the market. Sloppy CVs are another bug-bear: it's an important calling card document and not spending the time to make it look good, correcting spelling and grammatical errors and inconsistencies in dates etc., doesn't create a good first impression.

What is the one thing that people get wrong about the work you do?

I think that the value that specialist recruiters can offer companies is enormous and the benefits of using their services aren't always well understood. HR directors often view external recruiters with suspicion, to be kept at bay, instead of as potential business partners who could bring valuable insights into their company from the outside world. A specialist recruiter will save a client both time and money. The big-name global search firms with offices in South Africa may trade on their strong, international GSuite network and their specialist sector teams but ask them to find a corporate affairs director or an investor relations specialist to help a company with its JSE listing and they invariably won't deliver as quickly as a specialist will.

Is there anything else that you would like to add?

I believe that the recruitment industry as a whole, from executive search consultants placing CEOs and non-executive directors (NED) to IT and other high-volume recruiters, is one, which urgently needs to reinvent itself and be disrupted. The competition for top talent is fierce and too often, hiring new people is a knee-jerk reaction to a post becoming vacant or a restructuring that is already taking place. The majority of job descriptions I see are too prescriptive and they prioritise technical capability over qualities such as leadership potential, mentoring skills and the ability to influence and inspire. Granted, you can't get all of this down in a job spec but the companies who will climb to the top of the list as the ones people want to work for are those that hire the right people (which may mean being brave enough to hire someone without a pre-defined role in mind), and then empowering them to be the best they can be. ▲

Regine le Roux, MD of Reputation Matters



The section 12L tax incentive for implementing energy efficiency projects, whereby a tax rebate is provided at 91 cents per kWh saved, has been running for three years now and has been fairly successful

Better times ahead for the renewable energy sector?

“Energy drives sustainable economic development and growth, and should take its place at the centre of a growing economy as directed by the National Development Plan 2030,” said the new Minister of Energy, the Honourable Jeff Radebe, during the long-awaited signing of 27 renewable energy projects by independent power producers in April 2018, which is bringing in R56 billion of investment to create an additional 2,3GW of power generation capacity.

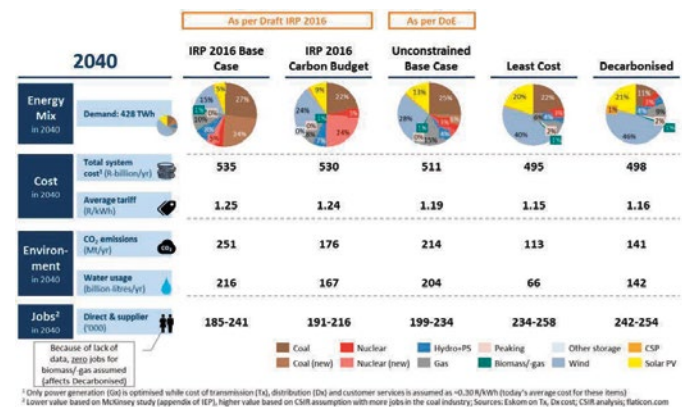
Energy development in South Africa is certainly seeing change, which will continue going forward. This article focusses on five of these, namely:

- The Integrated Resource Plan (IRP)
- Renewable energy
- Demand-side management
- Carbon tax
- The emergence of electric vehicles
- The IRP

The IRP is essentially a national electricity plan, setting the long-term investment schedule for electricity-generating technologies. At present, investment decisions are based on the 2010 version of the IRP, which assumes a far higher demand and materially different technology costs than is currently the case and which has not been updated, despite two separate attempts to do so in 2013 and 2016.

The energy ministry has seen a number of ministers come and go over the last few years, causing policy uncertainty and fuelling concerns over nuclear energy. It is hoped that with the updated IRP, confidence in the electricity sector and investment in electricity generation technologies will be restored.

The CSIR Energy Centre has done extensive work on energy planning; in their response to the draft 2016 IRP, they provided the following diagram outlining different scenarios and their impact on the energy mix, costs, environment and jobs:

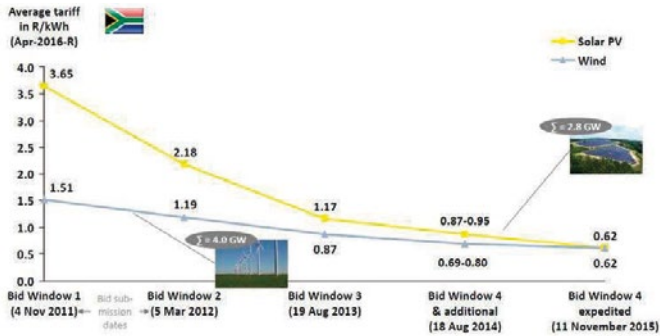


According to their analysis, the least-cost scenario, which creates more jobs and has less of an environmental impact, places much more emphasis on renewables (60% from wind and solar) with no increase in nuclear energy.

Renewable energy

The two-year delay in signing power purchase agreements for the previous round of preferred bidders in the renewable energy independent power producers (REIPP) programme is now behind us.

If we look at the different bid windows in the REIPP programme, we can see a dramatic decrease in the price paid for solar and wind technologies, to the point where they are 40% cheaper than new baseload coal today.



Demand-side management

From a demand-side management policy perspective, the draft National Energy Efficiency Strategy (NEES) was published for comment in 2015 and sets targets for energy reduction in various sectors. It is hoped that this legislation will also be promulgated soon. The draft strategy sets a 29% energy reduction for the economy by 2030, from a 2015 baseline.

The section 12L tax incentive for implementing energy efficiency projects, whereby a tax rebate is provided at 91 cents per kWh saved, has been running for three years now and has been fairly successful with large businesses to help subsidise the costs of implementation. The current programme ends in 2020 so an update should be published soon for public comment.

The National Cleaner Production Centre (NCPC) provides extensive training on energy management systems in order for companies to implement the ISO 50001 standard on energy management.

There are also a number of national energy efficiency programmes under development using external funders, which will help to enable the achievement of the NEES targets. Building on the Private Sector Energy Efficiency Programme (PSEE), which ran from 2013 to 2015, the Department of Energy, together with a number of other stakeholders, is planning a public sector programme to implement energy efficiency projects in municipalities as well as government-owned buildings. This initiative will identify projects and then fund the implementation through various models.

Carbon tax

Globally, there are two primary policy instruments being used since at least the last decade to try to drive down carbon emissions; namely a carbon tax and an emissions trading scheme. Countries like the UK, Netherlands and Finland have put a carbon tax in place whilst others like China, states in the USA and the European Union have been using an emissions trading scheme.

The end goal for these policy instruments is to reduce absolute carbon emissions per country, in line with their nationally determined contributions (NDC) submitted to the United Nations Framework Convention on Climate Change (UNFCCC).

In South Africa, the government has decided upon a carbon tax as well as a carbon budget approach per sector, and our NDC states that

our carbon emissions will, by 2025 and 2030, be in a range between 398 and 614 Mt CO₂-eq. The National Treasury published an updated draft carbon tax bill in December 2017 for public comment.

This bill has been delayed many times over the years, the current indication is that it will be passed later this year and come into effect from 1 January 2019.

The key design features of the carbon tax include:

The tax will be phased in over a period of time to allow for a smooth transition when adopting cleaner and more efficient technologies and behaviours. The first phase will run from implementation up to 2022.

The initial marginal carbon tax rate will be R120 per tonne of CO₂e (carbon dioxide equivalent), which will increase at CPI + 2% for the first phase.

Taking into account the thresholds mentioned below, the effective tax rate is much lower and ranges between R6 and R48 per tonne.

To allow businesses to adapt and transition to low carbon alternatives in the first phase, a basic percentage-based threshold of 60% will apply below which tax is not payable. The following additional tax-free allowances apply:

- An additional 10% for process emissions;
- An additional allowance for trade-exposed sectors, to a maximum of 10%;
- An additional allowance of up to 5% based on performance against emissions intensity benchmarks. These benchmarks will be developed in due course;
- A carbon offsets allowance of 5 to 10%, depending on the sector;
- And, finally, an additional 5% tax-free allowance for companies participating in phase 1 of the carbon budgeting system.
- The combined effect of all of the above tax-free thresholds will be capped at 95%.
- Due to the complexity of the emissions measurement in the waste and land use sectors, 100% thresholds have been set i.e. these sectors are excluded from the tax base for phase 1.
- The tax base comprises emissions from fossil fuel combustion, emissions from industrial processes, product use and fugitive emissions.
- The greenhouse gases covered include carbon dioxide, methane, nitrous oxide, perfluorocarbons, hydrofluorocarbons and sulphur hexafluoride.
- A carbon tax on liquid fuels (petrol and diesel) will be imposed at the source, as an addition to the current fuel taxes.
- For taxation on stationary emissions, reporting thresholds will be determined by source category as stipulated in the National Environmental Air Quality Act. Only entities with a thermal capacity of around 10MW will be subject to the tax in the first phase. This threshold is in line with the recent DEA GHG emissions reporting regulation requirements and the proposed Department of Energy's energy management plan reporting.
- The carbon tax will be administered by the South African Revenue Service (SARS).

Recent legislation to enable the carbon tax is the mandatory reporting on greenhouse gas emissions for companies.

These policies will increase the regulatory reporting as well as the financial burden put on large companies, thereby forcing more attention on energy efficiency and energy management going forward.

The emergence of electric vehicles (Evs)

According to a recent report, the global EV market reached the 1.2-million sales mark for the first time, with more than 165 models available for sale. China is leading the market with a 48% market share followed by Europe with 26%. Solid-state batteries are likely to be the 'game changer' for future battery chemistries, as they render a 2.5 times higher density than lithium-ion. In the last six months, more than 10 automakers have announced future EV launch plans. Based on these announcements, EVs now have a market potential of about 25 million units that will be sold by 2025 (to give an indication, 70 million cars were sold globally in 2016).

Vehicle manufacturers are certainly taking electric vehicles seriously. Hybrid and fuel-cell vehicles are also in development; this will impact the growth of internal combustion engines using petrol and diesel.

In South Africa, the EV trend is still very much in its infancy, with probably less than 1 000 EVs sold. This trend, however, cannot be ignored and the impact needs to be fully understood. One of our current top five exports is vehicles; therefore, a significant amount of effort may be required in future to incentivise the production of EVs.

Infrastructure such as charging stations across the country is costly but necessary if we want the widespread use of EVs. Furthermore, subsidies or other mechanisms would be required to lower the costs of EVs to make them affordable. Over time, like with renewables, it is envisaged that battery technologies will become cheaper and EVs can compete with internal combustion engines.

Energy development in South Africa is set for exciting times, due to technological change and greater political certainty driving long-term targets. Therefore, it is important for companies to be pro-active by:

- Setting a science-based target in order to set long-term plans to be more efficient whilst growing;
- Setting an internal carbon price for decision-making and informing the business case on investments;
- Ensuring that data gathering processes are robust;
- Taking environmental considerations and technology trends into account in the strategy of the business, and not seeing them as a mere reporting function.

Hemel Bhana

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Global-Electric-Vehicle-Market-Outlook-2018-



According to a recent report, the global EV market reached the 1.2-million sales mark for the first time, with more than 165 models available for sale



Overcoming the need for speed

The festive period is known as the season of giving and celebration, a time spent with loved ones and family. Too many, however, never reach their destination; an unfortunate fact that can be prevented.

For too many people, the festive season is also a time of mourning and loss. Over the 2017 festive period, road accidents claimed 1 527 lives and even though numbers have shown a decline compared to previous years, every life lost is one too many.

On 18 November, countries around the world observed the World Day of Remembrance (WDoR) for Road Traffic Victims. The slogan for 2018 reads 'Roads have Stories' and is linked to the second pillar of the Decade of Action for Road Safety 2011–2020: Safer Roads and Mobility, mandated by the United Nations General Assembly, which aims to prevent 50 million serious injuries. Accompanying this year's WDoR slogan, its official site states: "Roads and streets are more than connections

from point A to point B. They tell stories, some of them tragic, that are worth remembering."

This is the unfortunate case that haunts our otherwise bright and cheerful festive season. In line with the WDoR, the South African Minister of Transport, Blade Nzimande, together with the Limpopo Premier, Chupu Mathabatha, launched the 2018 Festive Season Road Safety Campaign in Modimolle, Limpopo. Nzimande called on motorists to take a rest every two hours, obey the rules of the road as well as the traffic officers who preside over them and asked both the public and police officers to refrain from giving and accepting bribes. "As the government, we are trying to make our roads safer," Nzimande said.

Looking at road safety statistics across the globe, Africa has the highest number of road traffic deaths, compared to other continents, at 26.6 deaths per 100 000, while Europe has

the lowest at 9.3 deaths per 100 000. This is according to the World Health Organization's Global Status Report On Road Safety 2015. It has been reported that in South Africa, 135 000 people have lost their lives to road accidents over the past decade and that in 2017, the number of deaths related to road accidents equalled 14 050 (Road Traffic Management Corporation).

Globally, 1.3-million people are killed in road accidents every year, with intoxicated drivers remaining the leading cause of road deaths. Speaking at a safety conference in Bangkok, Thailand, earlier in November, Zoleka Mandela, the granddaughter of Nelson Mandela and the Global Ambassador of the FIA Foundation's Child Health Initiative said, "How can it be possible that the global health community is failing to tackle the leading global killer of adolescents?"



Dr Lisa Kane

Enough of the injustice of road traffic injury. No longer do we accept the senseless carnage on our roads.” Mandela had, herself, lost a child in 2010 due to a drunk driving incident.

In a 2018 holiday season statement issued by Vusi Mona, the Communications Manager at the South African National Roads Agency SOC Ltd. (SANRAL), said that road conditions are good and holidaymakers can expect trouble-free journeys, unforeseen traffic incidents or adverse weather conditions aside, but also asked road users to keep safety in mind.

“The main message is to remember that a road is a shared space and that you should be respectful towards your fellow road users,” Mona says.

Going hand in hand with driving under the influence, speeding is another major cause of road fatalities. In a recent article entitled: Road

Deaths: Why Matters Have Only Got Worse Over the Past 100 Years, published in *The Conversation*, Honorary Research Associate at the Centre for Transport Studies at the University of Cape Town, Dr Lisa Kane, asks, “Why are road death and injury still so prolific?” According to Kane, enough research has been done, verified and compiled to show which policies, regulations and technologies can radically reduce road deaths and injuries.

“The link between vehicle speeds and road death and injury is now widely accepted and corroborated by research, but speed remains a poorly understood public health risk, despite strong warnings.

“Now, 100 years on from the first days of motoring, can we still attribute the generally parlous state of road safety in many countries to such ‘motordom’ interests wedded to high

vehicle speeds and increasing motorisation in business interests? To some extent, we can.

“Development Scholar and Author, Wolfgang Sachs, as an example, writes eloquently of the car as an object of desire; the love for speed is central to its popularity. The car, he argues, promises humans a means to overcome their existential angst at the slowness of life,” Kane says.

Whether by the unhealthy habit of over-indulging without giving a thought to the consequences, or the existential need for speed, putting the lives of your fellow road users at stake is a selfish and criminal act. With a healthy dose of self-control and obedience to the law, we can all ensure that this festive season sees each and every loved one arrive safely at their destination. ▲

Michael Meiring

Executive travel defines the one per cent

World beaters in luxury aviation, the ExecuJet Aviation Group, whose first operations were based at Lanseria Airport in 1991 as a maintenance provider, has grown into a global powerhouse with 33 facilities operating in six regions worldwide, managing a fleet of over 250 aircraft

There has been a steady growth in international executive travel over the years, with wealthy companies and individuals preferring to buy a plane and tailor make their own schedule, something that traditional carriers can't offer.

From IT visionaries to Hollywood A-list icons, everyone in the billionaire club has private jets and will call upon companies like ExecuJet to do everything from maintaining the planes, finding crew and stocking up on the essentials like champagne and caviar. Fortune 500 companies are known to buy or charter planes to ferry directors to meetings around the world.

They recently launched the first Pilatus PG24 Super Versatile Jet in South Africa, which raises the benchmark in platinum travel. The General Manager, Phillip Barnard, was on hand to provide some insights into this billion-rand industry.

We're at the launch of the Pilatus PC-24 Super Versatile Jet in Cape Town, can you tell us about the significance therein?

We're launching the Pilatus PG24 Jet, it's the first of its kind in Africa and ExecuJet is very

proud to manage and operate this aircraft on behalf of the owner. The significance is because it's aptly named the Super Versatile Jet, the reason being that you can actually use this aircraft and go and land on your farm strip as the owner, whereas, previously, jets weren't classically made to go and do that. Also, it has an amazingly huge cargo door, which means you can take out some of the seats at the back; you can even load motorcycles in the back, so now you can equip your jet and take it where you need to take it with everything that you need to have with you.

ExecuJet has enjoyed success in key markets, can you tell us about that journey?

ExecuJet within the African footprint consists of the fixed-base operator (FBO) in Cape Town and Lanseria and Nigeria. We recently saw the opportunity in the Seychelles and opened an ExecuJet there as well that forms part of our African footprint. ExecuJet has grown throughout North America with a partnership with the Paragon Group, so ExecuJet is a truly global company and we can look after our clients on any continent in the world.

Who are some of your typical clients that buy private jets?

Typically, it's the companies that would buy these aircraft and then put them under management with us at ExecuJet. Mostly, those companies would then use the aircraft for their use for various projects. But, in the times when they don't use the aircraft, we can then make that aircraft available for charter. Most of our foreign business comes from Europe—that's classically who comes to Cape Town. We do also see visitors out of Russia as well as China.

Looking at the growth of the charter business, are you seeing more influential businessmen and women wanting to charter a plane instead of flying first class?

It takes a while to grow a client from a classic commercial or scheduled business flight through to a charter flight but once we've demonstrated the savings and security by flying privately, it becomes more of a focus for them.

What is some of the latest technology on this aeroplane?

At this stage, it is one of the first aircraft in our fleet with Wi-Fi—we're excited about that.



That's something our clients repeatedly ask for to—be connected when they're travelling. With technology, naturally, people want instant everything.

What we've seen, especially from the charter side, is that clients require a more immediate response to their request because business for them is also much more immediate. They require us to make sure that we can get them in the air as quickly and efficiently as possible.

Can one look at Africa as a potential growth area for executive travel?

At the moment, we've seen a bit of a slowdown in the West with Nigeria. This is purely because of the dwindling energy and resource reserves and also because of the economy itself.

We've seen a lot of growth in North Africa as well as East Africa, so those are certainly areas that we are interested in looking at in terms of possible expansion.

Cape Town is undoubtedly a global tourist hub, we're seeing expansions at the airport all the time. What are your thoughts on the proposed new runway?

We're very excited about the expansion of the airport that Airports Company of South Africa (ACSA) announced a few months ago, with the new runway that's being built to accommodate larger aircraft, that brings additional clients for us. Many clients who arrive in Cape Town are looking for solutions and opportunities to get to lodges from Cape Town, so, with our charter fleet based in Cape Town, we can satisfy that need.

In terms of leadership essentials when dealing with people, what are some of the challenges and opportunities that come your way?

Most of the challenges actually surround the personal assistance more than the principles, but it's got its own challenges. What's important to us is simply to ensure that we know what the clients' needs are, what they read, what they drink, what they eat and to make sure that we cater to all of those individual requirements for each passenger on board.

Are you seeing a new phase of executive travel versus the old boys club, which is slowly phasing out?

Yes, it's certainly changing; as business is changing, it is ushering in a new era of entrepreneurs, tech entrepreneurs specifically. What's important for us is to see where business is going and support them in that growth.

What have been some of your highlights as the General Manager and what is your outlook for the rest of the year?

There have been quite a few exciting times at ExecuJet with regards to clients and their specific needs.

What's always exciting is when we've got animals that come through our facility, for us, it's just like any other passenger and they're just as important as our other two-legged passengers.

We're looking forward to a busy season. Typically, this is when all the Europeans come down to Cape Town for a summer holiday.

Our hangar bookings are already filled up, which is very heartening, specifically after the whole issue of water restrictions stopping some of the clients from visiting Cape Town. ▲

Greg Simpson

ADVOCATE ANDREA JOHNSON has made it clear that she will not allow any president to influence her decision when appointing a new National Director of Public Prosecutions, but believes that the National Prosecuting Authority is in a state of disarray:

"Even if you appoint the pope as the NDPP, it won't be enough. That office will chew the pope up and spit him out alive, that's how bad the situation is."

CYRIL RAMAPHOSA, the South African President, has his work cut out for him when it comes dealing with the heated topic of land expropriation without compensation. He has, however, made it clear that he is not choosing favourites and says:

"In the end, I want to reconcile the hunger for land that our people have, but also reconcile the fears and concerns of those who have land."

MALUSI GIGABA, the former Minister of Home Affairs, said, following the recent leaking of a sex tape featuring him and his wife, that:

"She's my wife. I paid lobola. I married her in broad daylight. I have a right to be as romantic as I want."

JANINE MYBURGH, the President of the Cape Chamber of Commerce and Industry, at a recent Rumble in the Urban Jungle event pointed out the diverse opinions South Africans have on matters like land expropriation without compensation and said:

"I have heard it is said [that some people] are losing their marbles when it comes to the expropriation of land without compensation [and that] some will be left with nothing but chicken feet."



ZOE SLEATH, a student representative from the Schola Europaea international schools, is part of the 24 500-strong student body putting pressure on the United Nations to reveal the truth about a global collapse resulting from the overconsumption of Earth's natural resources:

"As Albert Einstein warned, the political-economic-social laws of man must obey the physics-chemistry-biology laws of nature: 'The laws of man must obey the laws of nature, or man will not survive.'"

GRACA MACHEL, a humanitarian and the former wife of Nelson Mandela, is backing the call of Global Citizens to end extreme poverty around the world and says:

"Nelson Mandela inspired us all to use our voices and actions to eradicate poverty. Each one of us can take small, impactful steps towards the great goal of ensuring every person lives in dignity, peace and equality."

JEFF RADEBE, the South African Minister of Energy, is keen on investing in renewable energy solutions in line with the Paris Agreement, which envisions complete decarbonisation by 2050:

"Climate change is one of the foremost challenges facing humankind today, and should we ignore this challenge, we would be doing that at our own peril."

PRAWIN GORDHAN, the South African Minister of Public Enterprises, believes that the only way the financially troubled South African Airways will recover is by rooting out corruption within the organisation:

"Why are you protecting corrupt people? Why are you not coming forward? If we want the airline to survive we have to clean out the dirt."

TITO MBOWENI, the South African Finance Minister, has come under fire for his recent comments on Twitter where he threatened South African media editors with 'war':

"Wars start in different ways. Spears and shields, gunpowder, bullets, and now through media: printed and electronic (eg trade wars by a superpower President), and then social media!"

MMUSI MAIMANE, the Democratic Alliance Leader, is not convinced that President Cyril Ramaphosa has a sustainable future within the ANC:

"Both Thabo Mbeki and Jacob Zuma were pushed out before the end of their presidential terms and replaced with their deputies. Based on this historical record, there is a reasonable chance that Ramaphosa will suffer the same fate."

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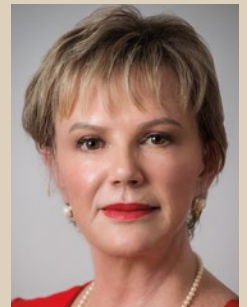
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BANKSETA responds to the sector's skills needs

The banking and alternative banking sector requires certain skills in order to offer products and services to both local and global markets. The BANKSETA 2018 Sector Skills Plan highlights several of these skills priority areas, such as technology, digitisation and analytics, risk management and compliance, management and leadership development, core banking products/services and customer-relationship management.

The most high-in-demand skills and the most difficult to secure in the South African market still remain within software development and digitisation. Topping the lists more specifically are the skills of web and Android developers. Despite the looming economic recession, there have been no significant signs that the demand for specialised information and technology skills is decreasing.

Caroline King, BANKSETA's acting CEO, says "strategic plan achievements of the BANKSETA show a robust commitment towards ensuring skills development and transformation in the banking and alternative banking sector while taking into consideration the national skills priorities of South Africa".

"We appreciate the Board's efforts to ensure that the BANKSETA remains stable and is committed to inclusivity, and to comprehensively ensure that dynamic skills needs, such as fintech skills, are focused on within the sector," she emphasises.

The SETAs are also the custodians of various youth programmes and the BANKSETA has achieved an increase in its intake from 150 internships to 201 for the 2017-2018 financial

year. This is quite an achievement as the SETA's internship programme intake had been historically lower than other youth programmes over past years.

The BANKSETA's flagship Letsema and Kuyasa learnership programmes have impressively led to the successful intake of beneficiaries by the banking sector, the rate of employment being between 75-80%.

Furthermore, the BANKSETA provides support and is committed to sustaining its partnerships with the various Technical Vocational Education and Training (TVET) colleges as a means to address the shortage of specialised skills, as these are a critical driver for skills development in South Africa. These partnerships will promote the vocational and training skills within the banking and alternative banking sector.

From a financial perspective, as a custodian of public funds, the audited 2017/18 financial year results demonstrated the BANKSETA's sound financial position in delivering towards the SETA's mandate—the organisation receives 80% of the skills development levies paid by employers and 20% goes to the National Skills Fund. The total levy income, penalties and interest are R765 million, an 11% increase from R689 million the previous year. The levy



Caroline King, acting CEO

base remains constant with 3 600 registered levy payers.

"We pride ourselves on adhering to legislation and best governance practices, leading to another clean audit report, which is the SETA's 17th over its entire existence. This is not common in the SETA environment and BANKSETA is proud of its team and the support it receives from its stakeholders," concludes King. ▲



The BANKSETA team does it again...

17 YEARS OF CLEAN AUDITS



The BANKSETA prides itself in having financial statements that are free from material misstatements



We demonstrate ongoing relevance to our stakeholders



Strengthening accountability, transparency and integrity



Achievement of planned targets for the year



No significant deficiencies in internal controls



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Enhancing business through sustainability

The global dream at AB InBev is to bring people together for a better world. In the company's Africa Zone, the dream is to create a model company, one that grows a lot, uses its resources wisely, one that everybody loves to work for and that makes a real difference in society. This dream underpins all the work the company does.

“We all know that the world has limited resources and we believe that it is our responsibility to do what we can to ensure that we use these resources in a sustainable and responsible manner. Contributing meaningfully in the sustainability space not only makes sense for us as a company, whose products are made using natural resources, but also allows us to continue supporting the communities within which we operate. When these communities thrive, so do we as a business,” says David Hauxwell, the Vice-President of Procurement and Sustainability, AB InBev Africa.

What is the key sustainability vision for the organisation?

To demonstrate our commitment to bringing people together for a better world, AB InBev has launched its global sustainability goals that we aim to achieve by 2025. Our goals are aligned with the UN Sustainable Development Goals that were launched in 2015, supporting the global efforts of several stakeholders to achieve the ambition of “end(ing) poverty, protect(ing) the planet and ensure(ing) that all people enjoy peace and prosperity”. We know that as the world's leading brewer and a big contributor to the economies of the countries in which we operate, it is imperative that we embed sustainability into our business strategy. In Africa, we have added a fifth sustainability goal that aims to reduce unemployment, one of the continent's greatest challenges.

What opportunities, risks and challenges are associated with sustainability?



David Hauxwell, Vice-President of Procurement and Sustainability

At AB InBev, we believe there are long-term benefits for both society and our own efficiency by going green. It is common sense to seek a world that is cleaner and more environmentally friendly, and to create an atmosphere and economy that are conducive to doing business. To do this, we have integrated sustainability into our business. It is important that we invest more resources to enhance existing sustainability initiatives while also expanding into areas that historically were not part of our focus. We can complement this work with budding entrepreneurs and technology to make the existing approach more impactful. To achieve our objectives, it is important we take a multi-stakeholder

approach—collaborating across areas of expertise, including with the government—to identify sustainability gaps within each market aligned with our goals. An example of this is working to embed the practice of sorting waste at source within countries where this is not common.

What are the AB InBev pillars of sustainability in Africa?

Smart agriculture

Agriculture is the very building block of civilisation. It provides food for our growing population and creates economic and employment opportunities. In line with AB InBev's focus on sustainable agriculture, we aim to make a



marked difference in the number of growers we are supporting by not only improving the yields and profitability of the crops they produce for beer production, but also increasing the production of food crops that are important to communities.

We have robust research and development (R&D) programmes and grower programmes in many of the African countries that we operate in. We are focusing on local sourcing, which means we must ensure that farmers are well trained in best practices and have the appropriate financial support. We are also investing in technology solutions that benefit farmers. Recently, we have implemented a financial blockchain solution for our Cassava farmers in Zambia and we are rolling this out to our Ugandan barley farmers in 2019.

Water stewardship

When we consider the basic ingredients of beer, it is easy to forget that it is comprised of 95% water. Over the years, we have always looked to reduce water consumption and usage at our breweries, however, we are now looking more externally. We have gone through a comprehensive water risk assessment and know what communities are under stress. We have made several infrastructure investments, some of which have been collaborative efforts between the private sector and the government, to bring about a positive change. In the City of Tshwane, we have invested in rehabilitating natural springs and this has helped to put more water back into the municipal water system for the benefit of the community.

Climate action (renewables and carbon)

Africa's access to wind and solar energy makes renewable energy a logical base on which to firmly establish a stronger renewable industry. However, effecting this change requires a shift in both the mindset of the public and a push for positive changes in regulation and legislation, which are crucial for the success of renewable future sources. In the meantime, we can do several small projects such as onsite renewable energy initiatives. For example, in South Africa

and Ghana, we are in the process of putting power purchase agreements in place for all of our Breweries and several of our distribution centres (depots) to maximise the current allowable energy that can be generated according to regulations.

In South Africa, we are in the process of moving to electric forklifts and transforming our truck fleet from diesel to compressed and liquefied natural gas. Even more exciting are the electric truck pilots we are performing in the United States, Brazil and China. These pilots will allow us to move faster to a future electric truck solution in Africa.

Circular packaging

Reduce, reuse and recycle are the three core components of effective sustainability. Presently, 90% of our beer volume is sold in returnable glass. However, where we do leave non-returnable packaging, we are looking to educate the consumer and put in place formal waste collection schemes. Not only will this offer relief to the environment but it will also create formal job opportunities. In Thembisa, east of Johannesburg, and in Zambia, we have launched waste collection programmes, developing entrepreneurs and professionalising waste collection as a new business, which can generate returns for communities and be profitable.

Entrepreneurship

Creating jobs and supporting entrepreneurship is another important part of our commitment to tangible improvement and a sustainable future for all the communities in which we operate. One priority is to localise as much of our spend as possible. But to do so, we need to support existing and new suppliers for success. Therefore, we have developed the most comprehensive entrepreneurship platform which includes: SAB KickStart, focusing on youth businesses; the SAB Foundation, benefiting people living with disabilities and people living in rural areas; SAB Lerumo, targeting African women-owned businesses; and our own supplier development platforms that include SAB Thrive and SAB Accelerator.

Why is it important to implement sustainability across the business?

A lot of work has been done on sustainability across all of our business units. We now seek to amplify our efforts to accomplish much more. We aim not only to achieve our goals but also to surpass many of them. We have the scale, the people and perhaps most importantly, the determination to make a real difference in society and in the communities in which we operate. We know we cannot do it alone. We look forward to engaging more with the consumers, government and communities to assess how we can always improve and deliver on the challenges.

What advice do you have for other companies looking to successfully implement a sustainability strategy?

Everyone within an organisation is accountable for delivering social change through sustainable measures.

Sustainability cannot be a department or just a title. It needs to become infectious within an organisation. Sustainability occurs in all areas of the business and is not just related to the consumption of resources. Every day, everyone must realise that it is their job as well, and not just somebody else's.

What is your personal sustainability philosophy?

Sustainability does not need to be emotional for individuals or companies. You do not need to cite conflicting science, reports and opinions—sustainability is common sense. The sum of many small initiatives will lead to very impactful outcomes, and it is important that we do these smaller initiatives in combination with the larger projects.

We are looking at a brighter future when sustainability becomes a normal part of life and the business cycle. I am encouraged by the open conversations on sustainability globally and the new technology and businesses being set up to tackle the challenges we face. ▲

Telephone number: (011) 881 8111

Website: www.sab.co.za

Paragon sets the architectural excellence standard

The Paragon Group has established itself as one of South Africa's premier architecture firms over the last 21 years, leading the way through innovation in architecture, interior design and space planning en route to numerous high-profile awards and landmark buildings

The founders, Anthony Orelowitz and Henning Rasmuss, have a keen eye for detail within the bigger picture of integrating both business and design, and continue to lead the organisation in terms of strategy, design and innovation.

Orelowitz has a captivating story, from nearly losing his eye-sight and changing professions before starting Paragon, to becoming an internationally acclaimed Architect and business owner in his own right. Orelowitz connected with Greg Simpson recently for the full story and shared some of the key ingredients of their considerable success.

Please could you tell me about your early education and business background and how you formed Paragon?

In my final year of architecture, I got a viral infection, I went blind and the doctors weren't sure if I was going to lose my vision. The doctors gave me a five-year window to see if this was a single event or if I would lose my eyesight progressively over the next few years. I decided to proactively mitigate against this risk. I did an MBA for two years, where I specialised in property and structured finance. I then worked in the property division at Standard Bank for three years after my MBA. After five years, my eyesight appeared stable and I went back to architecture at the age of 32.

When I left the bank, my co-workers had a client who needed a house to be built. They introduced me to the potential client, who wanted to see me as soon as possible as he was

returning to Taiwan. I'd only left the bank that weekend and had no business, place of practice, equipment or staff. However, my father owned an office furniture company, so I phoned him and asked if he could lend some furniture to me and we set up an office in my apartment. I had no co-workers/staff, so I phoned a friend of mine, Gary Louw, who had an architectural practice, and I asked if he would come to my makeshift office, sit there and pretend that we're in business together. He brought his staff and their computers and they pretended to work. The previous night, we had made up a company name and had business cards printed. Our meeting was successful, we all shook hands, they left. Gary and his staff also left and my dad's employees were waiting around the corner. They picked up all the furniture and the office was vaporised. And that's how we started our business.

Did it help coming full circle, exploring the business aspect of the economy with an MBA and then getting back into architecture?

It has helped me all my life. Understanding the economics of buildings and how they function



Anthony Orelowitz

informs one about what allows developers to bring projects to fruition. Having a financial background, especially in property, is helpful because you're working within the process of what developers are looking for. One is acutely aware of how to manage their costs, yields and returns. This allows us to create greater value propositions for our clients—essentially, better-designed buildings for competitive rentals and yields.

On a business level, there is the art of architecture and then there's the art of running an architectural business, and the MBA and bank experience have facilitated us being innovative in both of these fields.

Looking at your initial vision for the company, did you expect it to be where it is now, with numerous successful projects under your belt?

We realised quite early on that architecture is very unstable, so we decided that we would focus our energy on developers and the property funds. This would allow us the greatest chance of success. So, after two or three years, we moved away from doing houses and pushed more and more towards working with developers.

We have had some fantastic clients along the way, they gave us opportunities and we delivered. Zenprop, who were also starting out at that time, helped us grow our practice initially. From there, our business grew. You always need luck and someone to give you a break.

What was your most memorable moment in those early years?

No one would give us large buildings to design as we had no track record. We were invited to enter a competition for young architects in the Melrose Arch Precinct and we won. This was a multi-storey building with basements and four lifts. This opened up doors for us to approach new clients who then took us more seriously. This was a pivotal moment for our practice.

It is complicated designing these intricate buildings, what are some of the specialities that go into it?

We design buildings with two primary drivers in mind, efficiency and culture. We're

designing buildings that allow organisations to function at levels that exceed their expectations. Our buildings allow for tenants to function at optimal efficiency for the current period and futureproof their growth and churn for the period of their lease.

We also design buildings, which enhance the staff's working experience and foster the organisation's culture through the physical environment.

Paragon has masterminded some eye-catching designs, with projects like Sasol Place and the Alexander Forbes building in Sandton drawing international acclaim. What are some of the creative inspirations behind those masterpieces?

Most of the buildings we design are won through competition. We generally pair up with developers and we pitch on various land parcels, so in order to win, you really have to sit down and think about how you are going to give the best to the end user, deliver buildings to your clients that are flexible, that can be subtle, that are future-proofed against changes, all within the constraints of a yield and a return on cost. One of our strengths is that we understand the economics of buildings and where the money goes, and we are often able to make a client's money go further and give them better buildings for the same cost.

As a group, you are committed to Africa and believe in the future of its cities. What does Africa have to offer and how does African architecture compare in the global arena?

Africa is bigger than the USA, Europe and China combined. We often forget how huge it is as a continent. There is great architecture being built throughout Africa. We just need to be sensitive and responsive to the local environment, skills and available materials. This is the excitement that Africa holds. Each country is different and challenges us to explore from first principles, who we are as architects.

Are you seeing different materials being used during construction?

Yes, we're using innovative materials all the time. People all over the world are innovating,

whether it's lighting, airconditioning and cladding materials. You find innovation happening in every part of the industry, and with every material. For example, we have stones that are cut so thin, they are flexible enough to be wrapped and glued around columns.

In a very tight marketplace with a lot of experienced architecture firms locally, what would you say your key differentiator is?

We really understand our business and are pushing for excellence all the time. We're never resting on our laurels. Every time we build a building, we are innovative, we take it further and push the boundaries of the materials, the construction, the design and the detailing to another level of excellence.

As a leader, how do you get the best out of your staff in order to maintain that premium product?

Firstly, you have to start with the best people. We are very careful about how we select people and how we bring them into our business. We mentor people; we set very clear goals with regard to what their current skills are. We review people every four months and set goals. We monitor their aspirations and our expectations in a measured and structured way.

What are some of the cutting-edge technologies that are utilised during the design process?

We were one of the early adopters of Revit, which is a three-dimensional design software, but, lately, we've been innovating using Rhino and Grasshopper.

We're now using augmented reality (AR) and virtual reality (VR) to help understand pieces of our buildings and to allow our clients to experience the actual spaces before they are built.

We're using a lot of 3D printing to make up components of our buildings that we can't build using traditional methods—an example of one such building is the Link, which we've just completed in Rosebank. Although no one has had access to the inside of that building, the complexity of the form-making inside that building is cutting edge on a global level. ▲

Planning better continuity for your business

As business becomes increasingly dependant on digital platforms and data, companies are enjoying significant benefits from the efficiencies this new technology provides. However, with better performance comes a host of new risks, including a well-resourced cybercrime industry, highlighting the need for cyber resilience to be integrated into an organisation's business continuity management plans.

“The movement towards cloud computing has offered greater mobility for employees, thanks to improved bandwidth and better remote connectivity, and this has opened up many new opportunities for businesses and their business continuity capabilities. The Internet of things (IoT), cloud computing and hyperscale data centres have created so much more capability around data, but this has also created more opportunity for cybercrime,” explains Michael Davies, the CEO of ContinuitySA.

“This could be from malware such as ransomware, resulting in IT outages and while AI, machine learning and blockchain have given better capability, it also provides a deeper reach for hackers and a greater opportunity for data breaches and data theft. This is why it's important to be able to lock down data from the cyber side, and our approach here is to protect, detect, restore and recover. If you look at traditional security, it's primary focus is on the first two steps—protect and detect, but what we look at is also restoring and recovering,” he adds.

According to Davies, almost every organisation will, at some point, experience a form of data breach. And while it's important to focus on the first two steps as a defence mechanism, organisations must have the ability to restore and recover their data to ensure business continuity.

“A lot of the cybercrime we are seeing is socially engineered. Of course, there is a large IT component but what is often overlooked are the people and processes involved in everyday operations. Let's say a hacker drops a virus-infected



Michael Davies, CEO

flash stick entitled 'salaries'; the natural curiosity of people can result in someone inserting that flash stick into a network-connected device, data could fall into the wrong hands and the security of the network could potentially be compromised. There are also phishing exercises and people are sometimes just too quick to act, leading to a cyber incident. From our side, we do try to create better awareness, training people on how to avoid these scams and working with clients on their crisis communications. This can be a great challenge as it normally takes quite a bit of time to understand the extent of a data breach and quite often, hackers have been in your system for a while.

“We live in a scary world and things can happen very fast. Machine learning, while a step forward for us, is also a really good tool for hackers, who can now populate systems with viruses using machine learning, and with this new technology, it enables the hackers to keep trying until they are successful,” he explains.

Davies also believes that many South African businesses are underprepared, in terms of both budget and skills for building their cyber resilience.

With the Fourth Industrial Revolution upon us, the ever-changing technology can be very difficult to keep up with. Viruses can adapt and change within a month and it is difficult to have

both the skills and budget to keep up with the constant change.

“The reality is that you can’t spend enough money on cybersecurity, so it’s important to allocate an appropriate budget and prioritise the steps most important to you,” he says.

ContinuitySA is an award-winning leader in business continuity and resilience services in Africa. Established almost 30 years ago, the company has become the leader in organisational resilience and business continuity management on the continent, ensuring that their clients can continue to operate effectively through any disruptive event.

ContinuitySA offers a complete business continuity management (BCM) solution and fully managed ICT resilience through backup and recovery solutions, leveraging off their extensive nationwide base of infrastructure, data centres, bandwidth and ICT capability.

“The company has really grown, evolving from traditional IT disaster recovery (DR) to business continuity and resilience. We are a very different company compared to the one started 30 years ago. Back then, we mainly operated in the financial sector due to more demanding DR legislation in that sector, using tape backups and backups to connected hardware devices. Technology has obviously greatly improved since then and when it comes to data, we now have greater bandwidth, greater storage capacity and greater speeds. Building on from disaster recovery to business continuity and now resilience, we have increased our focus not only on the data but also the people and processes involved.

“ContinuitySA starts with a business impact analysis and risk/threat assessment, working to understand an organisation through interviews with everyone from executives to the workers on the floor. We need to identify and understand every single point of failure and from that, we draw up a business continuity plan, highlighting exactly what the business needs to ensure operations continue seamlessly.

“We also now take a much more proactive view in managing incidents before they arise, during and after. We offer peace of mind to our clients by building their resilience so that they can withstand potential and actual incidents. Considering that we now live in a demanding

24/7, ‘always on’ world, there is a growing demand and greater criticality for being resilient,” Davies says.

ContinuitySA has offices in South Africa, Botswana, Mozambique, Mauritius and Kenya, though they do advisory work all around the world. They are also part of the Dimension Data group, a group company of the Nippon Telegraph and Telephone Corporation (NTT)—a large global company with over 200 000 employees with its headquarters in Japan.

ContinuitySA is also a gold partner of the Business Continuity Institute (BCI), the leading global membership and certifying organisation for business continuity and resilience professionals. The BCI hosts an annual awards programme to recognise individuals, teams and companies that lead the industry on the continent, and ContinuitySA has won a number of awards this past year as well as in previous years.

Davies was named Continuity and Resilience Industry Personality of the Year for 2018, and Advisory Consultant, Movashan Moodley was awarded the Newcomer of the Year for the advisory side of their business. They have also been inducted into the BCI’s Global Hall of Fame after it won the award for Business Continuity Provider of the Year for three consecutive years in 2014, 2015 and 2016

“More recently, we were delighted to win an award from IRMSA in the category of Professional Services, Training Providers, Consultants and Auditors for our outstanding contribution to risk management. The award specifically recognised our recently developed business continuity application, which provides crucial business continuity information to our clients on their mobile devices,” he says.

Corporate social investment is especially important to ContinuitySA, and they have run numerous projects to uplift communities and enhance their industry through skills development.

“We’ve donated PCs to schools, run numerous training programmes and undertaken graduate and learnership programmes in business continuity as there is a lack of skills specific to our industry. Over the years, we’ve seen numerous students come through our programmes and whether they stay with the company or not, we

consider this programme successful because, ultimately, we have given them the opportunity to go into the marketplace where there is a growing demand and use their business continuity management skills,” he enthuses.

Davies has been involved in the business continuity industry for more than 10 years, having spent the last 20 years in the IT industry with companies such as Dimension Data, Enterprise Technologies, Amdahl Corporation, Computer Configurations and MGX.

“I’ve been with the company for 15 years, starting in a financial management role. I was appointed as the Managing Director in 2011, moving into the CEO role later, when the company’s founder, Allen Smith retired a couple of years ago,” he says.

From a financial management perspective, Davies has learnt a great deal, particularly the importance of paying attention to detail. He is careful never to make assumptions, double-checking things and, of course, it has taught him to work to strict deadlines.

“Through financial management, I have also been involved in different aspects of a business, from operations to sales and service delivery. As the CEO, it is very different from a leadership perspective. You have to take people to where they want to go and you want to have engaged, committed employees working with you. We have a great team at ContinuitySA and I live by a very simple philosophy: be inspired and be inspirational. To me, that means doing things you’re passionate about to the best of your ability and, at the same time, being a good example to everyone around you, from your employees to your family and friends. It is also important to be able to have fun. I see my role here as an ambassador and it’s important that I set the right example.

“There’s a new challenge every day and that’s because we live in an always-on volatile, uncertain, complex and ambiguous world. Everyone wants everything done right now, so it’s tough getting enough done in a day. It’s important to prioritise the right things but things can still go wrong, and it can get heated very quickly. To combat this, I make sure to keep people motivated and on track, making sure that they always understand our purpose and vision,” Davies concludes. ▲

Improving the lives of others

Over the past 35 years, Life Healthcare has built a strong brand anchored in quality healthcare delivery, a quality patient experience, efficient operations, strong partnerships and making a meaningful contribution to society and the communities they serve

Dr Shrey Viranna, the Group CEO, discusses their world-class facilities, innovative technologies and treatment techniques and the importance of patient quality and safety measures.

Life Healthcare is one of the largest private hospital operators in the country. Please could you take us through Life Healthcare's journey by telling us about its formation, growth and how, over the years, it has built its trusted reputation?

We recognise that trust is earned through consistent delivery and throughout our journey, we have focused squarely on putting patients at the centre of everything we do, and have strived to embed our core values in all our territories, across all our business lines and partners. We respect our traditions and roots, and we also recognise the importance of continually innovating and challenging assumptions to remain future-fit and deliver on our aspiration of improving the accessibility and affordability of quality healthcare.

The Group's story starts in 1983 when it was founded as the hospital's division of African Oxygen Limited (Afrox) through the acquisition of four hospitals.

Over time, we have expanded our South African operations through acquisitions and the construction of new hospitals.

In 1997, Life Healthcare expanded operations outside of South Africa for the first time with the acquisition of Gaborone Hospital in Botswana. A year later, we began our diversification into complementary health services with the acquisition of Afrox Occupational Healthcare, followed by the opening of Life Healthcare's first rehabilitation, mental health and renal dialysis units in the major centres in South Africa.



Dr Shrey Viranna, Group CEO

The Presmed hospital group was acquired in 1999 in a transaction structured as a merger and reverse listing on the Johannesburg Stock Exchange (JSE). We later acquired 55% of Lifecare (now Life Esidimeni) and the Amahosp Group in Durban.

In 2005, the Group delisted and sold to a private consortium led by Brimstone and Mvelaphanda and changed its name to Life Healthcare. We listed on the JSE in 2010 and our diversification continued with the acquisition of Careways, an established health and wellness business.

Life Healthcare now operates a network of 65 hospitals and facilities situated in seven of South Africa's nine provinces and Botswana. The hospital business is complemented by

mental health, acute rehabilitation, renal dialysis, oncology and employee health solutions.

While Life Healthcare's history is steeped in a rich tradition of improving patients' lives, what really excites us is the future of healthcare and how we can positively impact the lives of many more people and help deliver on new healthcare models to benefit population segments we don't currently serve.

Your purpose is to make life better and to improve the lives of others. Please could you elaborate on this purpose? What are your values, vision and mission and how do they work together to achieve that purpose?

Life Healthcare is driven by a simple, but powerful purpose, making life better, underpinned by our vision to become a market leading diversified international healthcare provider and mission to improve the lives of others through the delivery of high-quality cost-effective care.

Our core values are a passion for people, equality to the power of 'e' (ethics, excellence, empowerment, empathy, energy), performance pride, personal care and lifetime partnerships. Our core values are the cornerstone of our culture and guide the behaviours that support our purpose. Caring for patients goes beyond healing and recovery—it also involves building a thoughtful and empathetic connection with our patients. We, therefore, strive to instil these values not only in our employees but also in our partners through our CARE and iShift programmes.

Life Healthcare has 65 excellent hospitals to choose from—what makes your facilities excellent? What are some of the innovative technologies and treatment techniques that are utilised and how are

you able to offer the appropriate scope of healthcare services?

Life Healthcare is continually expanding, renovating and upgrading its hospitals and facilities to ensure that the treatment offered is world-class.

The rapid advancement of medical technology is also changing the way we deliver healthcare. Stereotactic radiosurgery and robotic-assisted surgery are two examples of cutting-edge technology in use at our facilities. We have also invested in state-of-the-art robotics. Life Kingsbury Hospital is the first hospital in Africa to install the latest version of the robotic surgical system, the da Vinci Surgical System. This system allows surgeons to perform precision surgery, which minimises post-operative pain and reduces hospital stay and recovery times.

What are the various services you offer? Why should people choose Life Healthcare?

Life Healthcare is proud to offer quality services across the full healthcare continuum.

Our hospitals and facilities range from high-technology, multi-disciplinary hospitals, to community hospitals, same-day surgical centres and niche facilities. We are the first and only hospital group in South Africa to be awarded ISO 9001 and ISO 14001 certification, underlining our commitment to quality care that complies with international standards.

Our acute business is complemented by nine mental health facilities, seven acute rehabilitation facilities and other services.

To ensure that patient-centred care remains our focus, at Life Healthcare, we take a disciplined approach to the ongoing evaluation and measurement of the patient experience. We are committed to transparency, thus, we publish our patient experience scores in real-time on our website, giving insight into the hospital stay and the level of service delivered. Similarly, we are continuously improving on our already high clinical quality measures and on reporting these at a hospital level. Patient centricity and compassion is at the heart of everything we do. This is emphasised through our dedication to wellbeing, clinical excellence, quality service, respect and a spirit of giving to those entrusted to our care.

The importance of choosing the right doctor is paramount? How do you ensure only passionate physicians who are truly committed to caring for the patients' health and wellbeing are partnered with?

Inherent in Life Healthcare's purpose is being a clinically-led organisation, focused on achieving the best possible patient outcomes. We believe a key enabler of world-class healthcare is working in close partnership with medical professionals to deliver clinical excellence and quality.

To this end, Life Healthcare commissioned extensive research to inform how we source and partner with doctors. While our doctors are independent healthcare practitioners, not employees of our hospitals, our partnership model guides the attraction and retention of medical talent to build a sustainable doctor succession pipeline.

Relationship-building with doctors begins during their time as students and registrars at university. We test for technical skills, values and a cultural fit. Once we agree to partner with doctors and provide an opportunity to establish their private practice within our facilities, we build a mutually beneficial, long-term partnership with them. To retain doctors, we create an environment in which doctors want to work by providing world-class hospitals, consulting rooms and facilities and market-leading nursing and support services.

At the heart of our mission lies the quest for clinical excellence, which aims to offer the best quality of care at the most affordable cost. We maintain a group quality scorecard, which cuts across patient experience, health safety and clinical outcomes measures. We have also partnered with our clinicians in order to entrench cost efficiency and sustainability in our business. Each clinician receives an annual Doctor Quality and Efficiency report to share his or her practice data. Similarly, we ensure continued clinical excellence through doctor participation in regular clinical review panels.

Please could you tell us about the importance of patient quality and safety measures?

Patient centricity is the foundation of Life Healthcare. As a result, we have very high standards when it comes to patient quality,

their safety and experience. The Group has a clinical governance, quality and safety board committee, which oversees all matters related to quality care and ensures appropriate monitoring, improvement and alignment. The clinical directorate coordinates patient care to maintain international standards of medical care and guides doctors and clinical employees in matters related to clinical services.

We are unique in that we are the only South African private hospital group to publish our quality data both on our website and in our integrated annual report. The data is determined by internationally accepted methodologies and allows patients to make informed choices. This demonstrates how seriously we take quality measures.

Tell us about your personal education and career journey. What set you on your current path and prepared you for your role as Group CEO? What inspired your passion to enter into the medical field?

My career has always been rooted in the healthcare industry and my passion for healthcare stems from my childhood. My mother dedicated her entire life to public health, providing healthcare to disadvantaged communities in South Africa and some of my earliest memories are of spending my weekends with her in rural clinics in KwaZulu-Natal.

I qualified as a Medical Doctor from the University of KwaZulu-Natal and then moved out of clinical practice to join McKinsey & Co, where I worked for 12 years. During this period, I led the healthcare and implementation practices, with a particular focus on healthcare system transformation and the implementation of public health strategies in Africa and the Middle East. I also personally supported a number of Ministers of Health in their reform programmes.

This experience afforded me significant exposure to healthcare systems and organisations, both locally and globally. Prior to taking over the helm at Life Healthcare, I served as the CEO for Discovery's Vitality and Card businesses where I helped drive operational and financial performance. I also spearheaded the further enhancement of Discovery's wellness focus to improve measurable health outcomes. ▲

Striving to achieve low carbon transport

The United Nations Industrial Development Organization's (UNIDO) Low Carbon Transport South Africa Project aims to make our country greener. The Energy and Climate Portfolio Coordinator, Conrad Kassier, discusses the project in depth and the opportunities that Industry 4.0 presents.

Please could you tell us about your background, education and core responsibilities at UNIDO?

My background is in international relations, the political economy and globalisation. I hold a joint Master's Degree in Global Studies through the Erasmus Mundus Global Studies scholarship from the University of Wroclaw in Poland and the University of Vienna in Austria. I completed my research at the Pontifical Catholic University of Rio de Janeiro in Brazil.

My academic background also has roots at Stellenbosch University. I always placed a focus on the combinations of development economics, energy and the environment. My UNIDO activities began at the Vienna International Centre and then I moved to the Pretoria Regional Office where I currently coordinate the implementation of UNIDO's energy efficiency-related projects.

These include the Industrial Energy Efficiency Project, the Global Cleantech Innovation Programme for SMEs and the Low Carbon Transport South Africa Project, all funded by the Global Environment Facility (GEF). My duties also cover liaison work between Pretoria and Vienna, with relevant support for the recently launched SADC Centre for Renewable Energy and Energy Efficiency (SACREEE) in Windhoek, Namibia.

What is your involvement in the Africa Energy Indaba?

UNIDO has a long-standing partnership with the organiser, Liz Hart. We typically have all our energy projects on display at the exhibition, which includes the Department of Energy, the South African National Energy Development Institute (SANEDI) and the National Cleaner Production Centre (NCPC). From the Low Carbon Transport South Africa Project, we

include a display of electric vehicles to showcase e-mobility solutions. The Department of Trade and Industry (the dti) joined us in 2018 to showcase their Nissan Leaf. This symbolises their commitment to promoting electric vehicles to diversify the transport mix in South Africa for less future dependence on petrol and diesel engines.

In 2019, UNIDO will facilitate another public-private dialogue on the topic of Industry 4.0, and how South Africa is responding to the

The current and future rates of urban population growth will remain unsustainable if road space management is not urgently addressed. Low-hanging fruit, instead, include repairing South Africa's largely unsafe and still under-performing public transport system.

Please could you tell us more about UNIDO's project in South Africa known as Low Carbon Transport South Africa?

The project is funded by the GEF, implemented

Large fuel guzzlers are not only extremely expensive with the ever-increasing fuel prices, but they also are not a necessity to drive between the office, school and home

imminent rise of new energy vehicles, smart data management and problem-solving skills required by the future workforce. UNIDO's Regional Representative, Mr Khaled El Mekwad normally participates as a panellist.

What are some of the keys to achieving low carbon transport?

Firstly, we need awareness and a behaviour change. In South Africa, too many people believe SUVs and V8 engines are essential. In Pretoria, it is common to see people working at an office park who drive big 4x4s. Large fuel guzzlers are not only extremely expensive with the ever-increasing fuel prices, but they also are not a necessity to drive between the office, school and home. The big cities are running out of space.

by UNIDO and executed together with SANEDI and the dti, based on national priorities. The main areas of work include support for the improvement of policies and regulations that affect the industrial development of the transport sector including electric vehicles and non-motorised transport.

Other areas cover awareness creation about the business case of clean mobility and we spend a substantial amount of time building the capacity of the government and other institutions. We partner with cities including Cape Town, Durban, Johannesburg and Tshwane to demonstrate existing technologies and to support infrastructure developments.

We also address the issues of standards that apply to the use of electric vehicles and



we also actively support all the members and entrepreneurs who belong to the Electric Vehicle Industry Association (EVIA), which is co-administered with uYilo at the Nelson Mandela Metropolitan University. Ms Maletlabo Handel and Ms Ashanti Mogosetsi from UNIDO are dedicated to the daily execution of project activities under the national guidance of the dti and the Department of Transport, with support from Ms Nikola Niebuhr at the Regional Office.

How does UNIDO explore the opportunities of Industry 4.0 in South Africa and beyond?

UNIDO follows national priorities and works with the dti as a line ministry. Our mandate is to achieve inclusive and sustainable industrial development (ISID). Similarly, regarding Industry 4.0, we provide options for what we call technical assistance (specific support aimed at targeted areas in the economy or in the government). The government also

requests us to intervene with research, projects or programmes that will bring international best practice, expertise and capacity-building opportunities to the country for industrial development. UNIDO facilitates international collaboration, with one example being an opportunity to link experts from South Africa and Estonia on matters concerning industrial energy performance certificates based on modern energy data collection tools. UNIDO’s office in Uruguay opened a mechatronics training centre in Montevideo, which offers support to universities and industry, and which is a practical example.

How can Industry 4.0 help create cleaner transportation?

Vehicle owners must understand how the transport sector is changing globally and how the market evolves. Original equipment manufacturers (OEMs) are offering mobility as a service instead of mobility as a traditional motorcar. The capabilities of the car are improving. The modern car is an energy storage system, which we see in electric vehicles. Other examples include autonomous vehicles and intelligent cars and trains that can independently communicate with smart traffic lights, for example. Africa’s first traffic lights that use an algorithm and electromagnetic loops will be installed in Stellenbosch in 2019. People’s behaviour will change when they interact with newer vehicles. Secondly, commuters should know the cost savings of travelling in an electric car, for example, when the battery is charged for free through solar panels. Through digital automotive technology, fewer natural resources are required to move goods and people. Most German and well-established Asian car manufacturers are already operating in this space. The agricultural sector is seeing drones being used for precision farming, reducing the dependence on tractors, smoky two-stroke bikes or pick-ups.

What are some of the latest alternative methods of transport that don’t require fossil fuels?

In the Netherlands, the Dutch electricity company, Eneco, assisted with operating all the electric trains on wind energy as of this year. Electric vehicles and bikes charged from solar



Photo: Elaine van der Merwe

Conrad Kassier, Energy and Climate Portfolio Coordinator

power offer effective transport in cities. Range anxiety is being addressed by prolonging the range of the batteries and installing charging points along major roads. Shell is rolling out super-fast charging stations in Europe. In Germany, Mercedes-Benz and others are pivoting their business model to move away from internal combustion technology in the next decade. Hydrogen fuel cell technology is common in Europe and Asia. Toyota, Honda and Hyundai were first-movers and now Mercedes-Benz produces the F-Cell. Forklifts, buses, trucks and boats are also being commercially tested. Walking and cycling still matter! Non-motorised bikes and other one-passenger vehicles remain popular. Currently, UNIDO is involved with the University of Johannesburg regarding a bike-sharing scheme between the campuses.

What is the biggest challenge in mobility that needs to be changed?

In developing countries, an urgent need exists to improve the energy policy for the transport transition, drastically improving fuel economy standards and changing people's unsustainable mindset. South Africa is no exception and has already fallen behind the curve in terms of new energy vehicles and cleaner mobility. Globally, electric vehicles are viewed as the future of transport. Import tariffs on electric vehicles are a major market entry barrier. Solid political leadership is essential to ensure a competitive automotive industry in emerging markets.

In terms of electric car infrastructure, what are some of the challenges that face this technology and what incentives are in place to promote more electric cars?

The challenges are usually technical. Lots of ICT infrastructure and back-end systems are required to properly manage charging infrastructure and to capture data on battery performance and energy consumption. The standardisation of charging cables remains a challenge. Ideally, drivers will need charge points where any vehicle type can hook up and charge. Incentives to promote electric cars exist mainly in Europe and China where electric vehicle subsidies are available and much forward planning was done to install nationwide charging infrastructure. Some statistics suggest that at the end of 2017, China had 446 000 charge points. In countries where fiscal consolidation is being implemented, the electric car market will be slower. In most countries where electric vehicle sales boomed, a tax incentive or subsidy was evident. Berlin, Beijing, London, Madrid, Stuttgart and others

are directly and indirectly incentivising the use of electric vehicles by banning petrol and diesel vehicles in strategic areas.

Which is the best way to promote cheaper traditional solutions to mobility like bicycles? Do town planners need to take this into account and allocate dedicated cycle tracks to encourage people to go green?

Bicycles and non-motorised transport can only be promoted in safe and clean environments. University campuses and well-managed suburban hubs are good starting points. Cyclists require completed cycle lanes, public safety and

Incentives to promote electric cars exist mainly in Europe and China

smooth paving, free from objects and vendors, which remain major challenges in South Africa. Urban designers hold a golden key to unlock a boom in cycling and public health when our urban spaces are inclusively planned. Additionally, proper law enforcement is crucial.

What have been some of the success stories at UNIDO in terms of cleaner transportation?

Broadly, in South Africa, UNIDO facilitated a macroeconomic impact study of electric vehicles on the economy and, together with SANEDI and the Department of Transport, was diligent in realising the launch of the Green Transport Strategy. These milestones help the country to develop the relevant policies for modern transport development. We support the Sasol Solar Challenge with its legacy projects alongside partners including the Technology Innovation Agency, GridCars, Jukwaa and Proof Communication Africa. We undertook a study tour to one of the world's largest electric vehicle conferences (EVS30) in Germany and a mission to Kaohsiung, Taiwan, as well as Kenya, which showed fruitful results in South Africa.

What effect do fossil fuel cars have on climate change and what difference might cleaner travel make?

Fossil fuels in transport contribute to about 25% of global greenhouse gas emissions and negatively affect public health and air quality.

Cleaner travel saves costs on public health, reduces respiratory diseases, especially in women and children, and reduces smog levels in cities. A greater uptake of non-motorised transport will free up space on the congested roads and lead to better human health due to increased exercise. Cleaner mobility allows municipalities to assist the national government by better achieving the intended nationally determined contributions according to the Paris Climate Agreement.

How can we lessen the impact of air travel on the environment, which has increased over the years with low-cost carriers? What might the green evolution of air travel be?

Tourism and air travel contribute an estimated 2-3% of all man-made carbon emissions. Rising populations mean a rising demand for air travel. Aviation greatly contributes to lead pollution, increases in nitrogen oxides and noise levels in communities near airports. Sustainable air travel could include an improved energy mix, such as solar technology for smaller planes or hydrogen. Fuel efficiency standards and certificates may alleviate air pollution and public health problems. Airlines suffering from mismanagement and cash flow shortages will struggle to comply with such environmental aviation standards and will need to work harder to innovate and remain competitive.

How can business, universities and the government work better together to solve some of our energy and climate change issues?

Businesses and entrepreneurs make industrial development a practical reality. Universities are the intellectual capital and skills facilitators for the future. The government must play its role in creating policy certainty and regulatory frameworks that promote the ease of doing business, reduce red tape for entrepreneurs and should ensure that tertiary institutions are world-class. Currently, the relationships between business and the government in South Africa need restoration, and the universities must be equipped to develop the workforce of the future in a digital and networked information economy so that all three parties complement each other. Once confidence has been restored, better partnerships and improved stakeholder management can exist. A common vision to adapt to climate change and new energy economics can then be embraced to realise a circular economy with impact investments that benefit all stakeholders. ▲

25 years of growing African mining

In 2019, the Investing in African Mining Indaba will celebrate 25 years of driving progress in African mining with a focus on championing Africa's sustainable economic development



Mining has historically been one of the major economic drivers in Africa. With the continent's rich supply of minerals and natural resources, investors are constantly looking for the latest inroads into the market while governments and local economies work toward striking lucrative agreements to stimulate their economies, create employment and drive development.

The Investing in African Mining Indaba has been the ideal platform when it comes to exploring Africa's vast mining potential. Celebrating 25 years of driving progress in African mining, the 2019 event will be held at the Cape Town International Convention Centre from 4-7 February and is expected to be the biggest yet. With a focus on championing Africa's sustainable economic development, delegates can expect:

An enhanced business matchmaking portal with easy filtering and search functions that will provide you with targeted matches so you can spend more time having focused conversations

An investment pavilion that combines the VIP Investor Lounge and Junior Mining Showcase to provide even easier interaction and deal-making between investors and junior miners

An entire day dedicated to battery metals. Is this an area you can grow your revenue? Hear

from the countries holding the resources, the battery manufacturers buying them and the risks to future growth due to changing battery technology

An increased focus on resource nationalism. Develop strategies on how to restore stability and protect your investment when there's political and economic upheaval

Women in mining—the Investing in African Mining Indaba's pledge to increase diversity starts with more women on 2019's agenda

The Director of Content, Harry Chapman, commented on these plans saying, "We are quickly becoming more than just a conference—we are here to support your businesses. As a team, we also have a long-term, laser-sharp focus on driving investment into African mining and actively contributing to Africa's sustainable economic growth to help your business thrive."

According to the Investing in African Mining Indaba team, since its inception in 1994, the mining indaba has grown from a small conference to one of the most highly anticipated events in the industry, welcoming mining professionals from all over the world each year. From connecting African mining companies with leading investors to providing a platform for important industry discussions, the mining indaba has supported the long-term growth of mining across the continent.

Reflecting on its most recent event, the mining indaba team says, "In 2018, a fresh revamp of branding and direction brought the focus back to the mining indaba's role as a deal-making forum, with a 15% increase in the overall attendance and 47% more mining executives. New elements of the event such as the Junior Mining Showcase and re-developed Sustainable Development Day created platforms designed to explore unique aspects of the mining industry, which were well-received by the attending delegates."

As a highlight of what is to come at the 2019 Investing in African Mining Indaba, it has been confirmed that Nana Akufo-Addo, the President of Ghana, will be a keynote speaker during the event.

Ghana is currently one of the major mining hubs in Africa and delegates will have the opportunity to hear and discuss the future of mining in the country while hearing about the President's commitment to expand the local and international value chain.

With over 300 mining companies and 500 investors under one roof, this event is not missed for anyone serious about investing in the future of African mining.

Register online at www.miningindaba.com with our code LEADERSHIP10 for 10% off. ▲

Michael Meiring

Leaders in dermatology

Galderma Laboratories SA Pty (Ltd) is a focused dermatology company and the medical solutions business within Nestlé Skin Health. Jenny Wright, the Managing Director, shares how the company is achieving its vision to change the way the world thinks about skin health.



Please could you take us through your company's journey in terms of its establishment and global presence?

Globally, Galderma Pharma was founded in 1981 as a joint venture between Nestlé and L'Oréal. It functioned as an independent multinational global company. Originally, the goals and objectives were to provide products and services to meet the needs of dermatologists whilst growing the business into a global leader in Dermatology. The South African

affiliate was formed in 1996 as Galderma Pharma expanded its global footprint. In 2014, Galderma Pharma became wholly owned by Nestlé, as Nestlé Skin Health, the local affiliate has remained registered as, and trades as Galderma Laboratories.

We operate from 50 sites worldwide with products and solutions present in over 100 countries across the globe. Today, we are about to write a new chapter in the history of our company as, together with Nestlé, we seek to identify the right ownership structure that will allow us to thrive by nurturing our people, our brands and our pipeline. Our vision, our culture, and our unwavering long-term commitment to skin health remain unaltered.

What are the prescription drugs and aesthetic solutions you provide, what are your various brands and what sets them apart?

Today, Galderma's extensive medical solutions portfolio treats a range of dermatological conditions including acne, rosacea, psoriasis, atopic dermatitis and skin cancer. Our portfolio also comprises medical solutions for skin ageing. Galderma's medical brands include Epiduo, Differin, Soolantra, Loceryl, Metvix, Azzalure/Dysport and Restylane. As a leading company in the category, we aim to maintain our position by developing a steady progression of innovative technologies and products to protect, serve and enhance skin health. Unique insights and increased investments enable us to drive disruptive and distinctive innovation in medical treatments and consumer products that are truly different.

You've partnered with healthcare professionals and academia across the globe. Tell us about some of your partnerships. In which ways have these partnerships enabled you to find new solutions to skin issues and deliver safe and efficient quality treatments?

We look for partnerships that will help us to continue offering the best solutions for skin health. We have a dedicated alliance structure in each of our businesses—prescription, aesthetics and consumer care—to maximise this collaborative work to meet the skin health needs of people throughout their lifetime.

For example, we have signed a long-term joint research agreement on atopic dermatitis with Icahn School of Medicine at Mount Sinai in New York City and Northwestern University Feinberg School of Medicine, Chicago. The agreement with these two leading academic institutions aims to enhance scientific understanding of the underlying mechanisms behind atopic dermatitis and to improve the quality of life for patients. We still do not know why the disease persists in some patients but clears before adulthood in others, and researchers will collaborate to shed more light on its development and course. Our research grant represents one

of the largest financial contributions made by a single biopharmaceutical company in recent years for pure academic research in dermatology. Earlier this year, Galderma conducted and presented a global survey, as an expert-authored report called 'Rosacea: Beyond the Visible' to assist healthcare professionals to identify the common characteristics of 'High Burden' (HB) rosacea patients. Results of the analysis of the global survey data aim to increase tailored treatment regimens to improve patient care.

What are some of the ways your company has shown its commitment to the healthcare community?

Our main customers are general practitioners, specialists (including dermatologists, plastic surgeons, aesthetic practitioners, podiatrists and paediatricians), pharmacists and nursing sisters. Our commitment has always been in the form of supplying clear product information (we have recently introduced this for some of our main brands in three of the most prominent African languages to improve patient understanding and compliance), continued medical education and high-calibre training for the HCPs, support for local dermatology and aesthetic congresses and support for the SA Dermatology Society and Women in Dermatology Society.

We feel it is most important to assist with projects, which can have a positive impact on the skins of all South Africans. There is little research being done globally on black skins. Galderma South Africa started an Ethnic Research Award some years ago to help facilitate and encourage research on skin diseases that affect our local population. This is awarded annually and, to date, has had 10 recipients. We have also just recently started an Aesthetic Ethnic Forum to help identify and support the aesthetic needs particular to ethnic patients.

Additionally, there is a remarkable Section 21 company called Look Good Feel Better, which was founded by large players in the cosmetics industry, of which Galderma is an associate member. Experience has shown that when cancer patients are able to improve their outer appearance through learning how to look after their skins, learning to apply some make-up etc., their self-confidence is enhanced and they heal better and feel better. More than 20 000 patients have been through this most beneficial programme. Galderma's therapeutic skincare range is ideally suited to these patients who have extremely sensitive skins.

Dermatology has received a growing amount of recognition and attention over the years. What do you think the reasons are for this? Are people as invested in the health of their skin as they should be?

Healthy skin is a sign of overall health and can contribute to better mental and emotional health. I feel there is a greater holistic understanding of health and the role our skin plays in our overall wellbeing. Skin health has a major impact on our quality of life.

We are also witnessing changes in patient and consumer expectations. People are not only living longer, they also have increased access to information. When they consult their healthcare or aesthetic practitioner, many already understand that their skin health may be related to their lifestyle, and want to know more.

These interactions with consumers, patients and experts inspire us to constantly look for new ways to meet the skin health needs of people all over the world.

What are some of the biggest challenges your industry faces in South Africa, and how do our challenges compare globally?

Due to the focused differentiation of Galderma in research and development-based brands, which are premium priced, we are predominantly centred on the private sector of the market, and our greatest challenges lie within the scheduled medicines sector and medical devices, which, in future, will fall under more stringent controls. The registration of new medicines in South Africa remains a very lengthy process (well in excess of five years), making the planning process very complex and bringing significant delays of access to the new treatments for South Africans. Globally, in most cases, new products are registered within 12 months.

We fully support the transparent pricing system for medicines, however, a controlled pricing environment, which doesn't take into account the increasing operating expenses, is very challenging. No dermatological products are considered "chronic" by our medical insurance schemes, thus, these treatments have to be covered by the patient's savings plan portion. These funds are often depleted as early as April, resulting in patients having to find extra cash to cover dermatological products. In many overseas countries, dermatological treatments are covered by national health systems.

Please could you tell us more about your educational and career history?

I was born and grew up in Johannesburg, having chosen to live here all my life, despite many offers to take up positions abroad. I started out as a Microbiologist working in quality assurance for two pharmaceutical companies. I was forever getting into trouble for talking too much, so I decided to put the money where my mouth was and ventured into medical repping. I rapidly worked my way up through private practice and hospital sales positions, followed by sales management. Marketing studies then captured my interest, and I completed IMM, followed by various marketing positions, and started up the Dermacare team within Roche Products, spending seven very successful years there before taking up my current role. During those years, I attended many in-house courses offered by Roche to hone my management, HR, regulatory affairs, and finance and business acumen skills. I am very passionate about leadership and have attended a number of courses on the subject. Furthermore, I joined the SA Institute of Directors and participated in all their excellent courses about the roles and responsibilities of being a director.

What is your leadership style and what are some of the most important leadership lessons you have learnt during the course of your career?

My leadership style is very participative and collaborative. I'm a firm believer in "Ubuntu" and our greater potential to achieve and succeed as a team.

Some of the greatest lessons I have learnt are to dream, and dream big, never give up, as failure is part of the learning curve, always treat people with respect and kindness, which you'd like to receive yourself, confidently speak up and voice your opinion, but do it gracefully and respectfully, listen in order to gain meaningful information and insights, communicate clearly and genuinely, walk the talk and, lastly, the world is small, don't burn your bridges. ▲

Black gold and precious gas: Africa Oil Week celebrates 25 years

Africa is poised to become a leader in the global energy market and with oil and gas in rich supply, Africa Oil Week provided the perfect platform for stakeholders and experts to discuss the road ahead

Africa's veins run deep with a wealth of natural resources. From rich mineral deposits to vast shales of natural gas, the continent has sparked global interest in its untapped potential. Discerning investors, government officials and industry experts from around the world recently gathered to discuss the opportunities, challenges and future of the African oil and gas industry and one thing is certain, it looks bright.

The 25th annual Africa Oil Week event successfully wrapped up its five-day conference held from 5-9 November in Cape Town this year. Known as 'The Leading Business Intelligence and Transaction Platform for Africa's Oil and Gas Sector', delegates included 17 government ministers from South Africa, Nigeria, Mali, Uganda, Gambia, Congo, Niger, Cote d'Ivoire, Guinea, Namibia and Sudan.

Over 200 speakers provided more than 50 hours of industry insights accompanied by

networking opportunities during the conference and exhibition.

"The conference has tackled some of the most compelling issues facing the African upstream today. With luminaries such as the Honourable Minister Jeff Radebe, Minister of Energy, Republic of South Africa and Dr Fatih Birol, the Executive Director, IEA, outlining their commitment to a sustainable future, Honourable Minister Kachikwu confirming the direction of the Nigerian upstream and the American government confirming their commitment to African energy development, Africa Oil Week delivered both insights and tangible takeaways for operators, banks, service companies and governments alike," said the Conference Director, Paul Sinclair.

PricewaterhouseCoopers (PwC) released its Africa Oil and Gas Review 2018 during the conference, which highlighted Nigeria, Angola, Algeria, Libya and Egypt as the main contributors of oil and gas on the continent. The sessions covered various topics including future trends, hotspots and drilling programmes, governance, transparency and equitable growth, to future outlooks including the energy transition outlook to 2050.

Dr Emmanuel Ibe Kachikwu, Nigeria's Minister of State for Petroleum Resources spoke extensively on the oil sector's impact on the Nigerian economy during the Ministerial Insights: National Exploration and Production Strategies panel. "The oil sector has been a catalyst for growth in the Nigerian economy. It has also driven technology. Privately owned



21 national oil companies and 13 government ministers were in attendance:

- The Honourable Minister Jeff Radebe, Minister of Energy, Department of Energy, Republic of South Africa
- The Honourable Minister Dr Emmanuel Ibe Kachikwu, Minister of State for Petroleum Resources, Federal Republic of Nigeria
- The Honourable Minister Aimé Ngoy Mukena, Minister of Hydrocarbons, the Democratic Republic of the Congo
- The Honourable Minister Thierry Tanoh, Minister of Petroleum, Energy and Renewables, Republic of Cote d'Ivoire
- The Honourable Minister Abara Mahamadou, Directeur de Cabinet du Ministre, Ministry of Petroleum, Republic of Niger (Deputy Minister)
- The Honourable Minister Jean-Marc Thystère-Tchicaya, Minister of Hydrocarbons, Republic of the Congo
- The Honourable Minister Abdirashid Mohamed Ahmed, Minister of Petroleum and Mineral Resources, Federal Republic of Somalia
- The Honourable Minister Tom Alweendo, Minister of Mines and Energy, Republic of Namibia
- The Honourable Minister Azhari Abdalla Abdelgader, Minister of Petroleum and Minerals, Republic of Sudan
- The Honourable Minister Fafa Sanyang, Minister of Petroleum and Energy, Republic of The Gambia
- The Honourable Minister Irene Muloni, Minister of Energy and Mineral Development, Republic of Uganda
- The Honourable, Minister Leopold Mbolli Fatran, Minister of Mines, Central African Republic
- The Honourable Minister John-Peter Amewu, Minister for Energy, Republic of Ghana



companies in Nigeria have gotten to a point where they can go to other African countries as investors and service providers,” Kachikwu said.

South Africa’s Minister of Energy, Jeff Radebe, called for a collaborative approach to attract investment in oil refining hubs throughout Africa and hinted at a Saudi Arabian investment to assist with South Africa’s refining capacity. “In South Africa, we believe the time has

come for an expansion of the refining capacity in addition to the modernisation of existing [refineries]. We are working very hard to entice investment in the energy sector. We want to attract investment into a new refinery in South Africa so that we are able to ensure that we are semi-self-sufficient,” he said.

A landmark agreement was signed by Radebe and the International Energy Association’s (IEA) Director, Dr Fatih Birol, as South Africa became

the first sub-Saharan country to join the organization, which is known for its leading role in the global dialogue on energy. During the signing, Radebe said: “I believe this decision positions our country at the centre of the global energy forum and will yield positive economic benefits to our country as we learn from IEA member countries and other association members.”

The event concluded with the hosting of a dedicated student programme, which more than 100 students attended. The focus of the session was on capacity building and workforce development and partnered with institutions including the University of Cape Town, the University of the Western Cape, the University of Namibia and the University of Dar es Salaam.

The success of Africa Oil Week 2018 reaffirmed its status as the go-to event for developing and signing new ventures in the industry. The next Africa Oil Week event will take place in Cape Town, South Africa on the 4 – 8 November 2019 in the newly built Cape Town International Convention Centre 2. For more information, visit www.africa-oilweek.com or contact info.africa@ite-exhibitions.com.▲

Michael Meiring

Over 200 speakers for 2018 included government ministers, presidents, CEOs, and senior Executives who provided 50+ hours of industry insights and networking opportunities. Some include:

- Dr Fatih Birol, Executive Director, International Energy Agency
- Dr Carlos Lopes, former Executive Secretary of the United Nations Economic Commission for Africa
- Cath Norman, Managing Director, FAR Ltd
- John D Hofmeister, former CEO and President, Shell Oil, and CEO, Citizens for Affordable Energy
- Luca Bertelli, Chief Exploration Officer, Eni
- Paul McDade, CEO, Tullow Oil
- Kent Logsdon, Principal Deputy Assistant Secretary, Bureau of Energy Resources, US Department of State
- Wale Tinubu, Group Chief Executive, Oando PLC
- Olivier Mussat, Chief Investment Officer, IFC
- Mahawa Kaba Wheeler, Director for Women, Gender and Development, African Union



The indelible image

Scenic overlook of rolling hills during sunset, Palouse, Washington, USA. This shot was taken from Steptoe Butte State Park.

Photo: Noppawat Tom Charoensinphon /Getty Images

The new Touareg builds on the heritage

The new VW Touareg sets a new standard in the highly competitive luxury SUV market, laying down a marker for the competition with a wonderful all-round package that includes the famed 3.0 TDI V6 engine that outputs 190kW of power



Now, in its third generation, the Touareg burst onto the scene in 2002 with much pomp and fanfare. I still remember the first advertisement that launched the vehicle on South African television, with a father and teenage son bonding over a trip to the Namib Desert in their brand new Touareg.

The Touareg has always had performance in mind, boasting large five-litre V10 engines in earlier models that were capable of keeping up with serious sports cars, doing over 250km/h. The first generation had a low-range gearbox, making it by far the fastest SUV with real off-road ability at that time.

Since those early days, the vehicle has become longer and wider in proportion, while also losing some ground clearance and the low-range gearbox, and with it, some of its off-road ability. After doing some customer surveys, VW found that only 1% of drivers use the off-road functions and decided to drop the serious off-road devices.

To test just how far I could take the latest version of the Touareg, I headed for the Helderberg 4x4 Trail, which takes you up the mountain overlooking Somerset West and down to Gordon's Bay.

I was told that there was an easy blue route and a more difficult red route. It took me 100m of being on the red route to realise that the Touareg was not going to make it through without some damage; and so I opted for the easier route, which was still challenging.

The vehicle does not have a differential lock and wheelspin became a problem on steep sections with loose gravel. After dropping, the tyre pressure grip was immediately improved and I managed to crawl up the hill. The refined diesel engine was perfect for the job, with immense power being delivered when it mattered the most.

Eventually, we reached final section of the 4x4 track and decided to turn around while we

were still ahead. The vehicle could have made it but would have been damaged due to the winter rains that had carved out sections of the track.

This was by no means an easy 4x4 track—it was closer to a grade 3 to 4 in sections. The vehicle has definitely lost some off-road ability but the sort of person who buys it is unlikely to be doing any rock crawling or serious 4x4 tracks.

It shines on the gravel, where the advanced AWD system can show off the terrific handling of this oversized sports wagon. It handles with aplomb through the corners and resembles a rocket ship when you bury your right foot on the accelerator and get pushed into the back of the seat.

The expressive front end of the Touareg is particularly distinctive. The chromed solid grille appears to be machined from solid metal and is seamlessly interwoven with the continuous lines of the signature light.

The Head Designer, Klaus Bischoff says: "We wanted to create something with this front end that had never been seen before. We combined the chrome elements of the front end and the new LED light system of the Touareg so that the transition between design and technology blended into a new entity. This front end makes the new Touareg one of the most distinctive SUVs on the global market."

When driving on smooth tar roads, it oozes quality, with high-class finishes, ample power on tap and comfortable seats combined with all of VW's safety features. The vehicle's only downside is its resale value, where it struggles with older models.

The Touareg shares the same platform and many of the mechanical features of the Porsche Cayenne and the Audi Q7, giving it real racing pedigree in something that you can pick the kids up from school in.

Overall, it's a scintillating package and gets 9/10 on the Leadership car guide. ▲

Greg Simpson

Conquering the great divide

“The biggest risk is not taking any risk. In a world that is changing really quickly, the only strategy that is guaranteed to fail is not taking risks.” – Mark Zuckerberg



One of the great perks of my life as an adventurer and as a speaker is that I have the opportunity to meet some amazing people. Speaking at conferences all over the world also gives me the opportunity to hear their stories in great detail but by far, the most interesting of these speakers are the futurists. Ah, the future. What does it hold in store for us and this fragile planet of ours? Robert Frost once said, “We all dance about in circles and suppose, but the secret sits in the middle and knows.”

It seems, now, that we know a lot (we think we do) and the main point, unquestionably, is that in 10 years time, especially with the influence of artificial intelligence (AI), the businesses that we know today and the way they are led—including leadership styles—will, without doubt, not be the same as they are today. It takes constant strategic adaptation to disruptive business trends and a heap of resilience—in a nutshell—in order to maintain any semblance of sustained

success. Undoubtedly, one of the big problems with this is having an adaptive approach.

Having just returned from the Dunlop Beyond the Rift Valley Expedition in Rwanda and having had another encounter with the unexpected, once again, I have learnt the value of being adaptive in one’s approach to strategy.

My intention for this expedition was to be the first person to traverse the Great Nile Congo Divide—a series of mountains, hills and volcanoes that separate the Nile River to the east and the Congo River to the west. The source of this traverse is in the south of Rwanda, in a spectacular rainforest called Nyungwe, and finishes on the border between the Democratic Republic of Congo (DRC) and Uganda in the north.

The divide starts really close to the Burundi border and as we drove into the reserve, we noticed hundreds (literally) of really well-armed soldiers patrolling the area. At the forest’s headquarters, we were told that we were absolutely not allowed in the area because of a major “landslide”. Something was amiss and we were not going to argue with these extremely competent

looking military personnel. However, this was a big deal as it meant that the whole expedition was in jeopardy and that I would, in fact, not be able to achieve what we came to achieve. And it’s just the start. Enter Plan B.

After a brief chat with the team, we decided not to waste any time, to take advantage of a bad situation and climb the highest mountain in the area called Bigugu. This would be swiftly followed by a cranking mountain bike ride along the Congo Nile Trail, which runs on the edge of Lake Kivu, and a climb of the Bisoke and Karisimbi volcanoes in the north of Rwanda. And, finally, we would kayak Lake Kivu from the north, back down to the south. Keeping it simple!

This change was not easy for many reasons. Mainly, for my psyche, but also because we had been granted many permits (Rwanda is a wonderfully controlled country) by the Rwanda Development Board (RDB), facilitated by Ingrid Baas who heads up Wilderness Safaris in the area. These permits are strictly controlled and any changes made to them would take days, if



We must be vigilant and aware of the changes happening around us and we must be able to adapt our strategy accordingly

My intention for this expedition was to be the first person to traverse the Great Nile Congo Divide



not weeks to get approved. After a few phone calls to Ingrid and the RDB, we eventually settled on the new plan. And it worked magnificently.

There are no greater breeding grounds for adaptive behaviour than those opportunities found in big expeditions. Constant changes in the environment force adaptive behaviour and if you don't adapt, the chances of survival are slim in some cases.

The ocean, especially the Atlantic Rowing Race, has taught me valuable lessons about planning and strategy. During my first row across the Atlantic with my friend, Bill Godfrey, we had had to deal with constant change, but none more exasperating than a cut-off low-pressure system in the middle of the ocean that brought about a total change to the overall race strategy.

In any endurance event, the race route is a decisive factor; it's even more important when you have to choose your own path from start to finish and you have to decipher the winds and currents of an entire ocean in the process. Our task was to navigate a seven-metre rowing boat 5 500 kilometres across the Atlantic Ocean, from the Canary Islands to Antigua, and finish on a line only one mile wide—all without assistance or motors to keep us on track if we were blown off course.

We had decided to take a direct route to Antigua (which is not the norm). On Christmas

day, we were in 1st position (out of 23 boats), our strategy, which was a straight-line route, was working perfectly. And then everything changed.

The next 24 hours saw us go backwards in maddening currents and constantly changing winds. At this stage, the only other boat who had decided on this route as their strategy was a boat called Pendovey Swift. They were 50NM behind us and in second position.

In short, our straight-line strategy had just about failed us. Tjaart, my weatherman, and I discussed the options over the satellite phone: stick to our route in the hope that the low-pressure system would dissipate or get out of the system by heading south and pick a fight with the guys down there. If we chose option one and the low persisted, our race chances would be shot; if we headed south now, we could well give up our first place position. Neither option filled us with joy. We headed south.

Not only did we have to head due south, but to make up the distance we were about to lose, we also had to do it as fast as we could. This meant rowing together as much as possible. Initially, we shortened our rest periods to one hour while maintaining our 90-minute shifts, giving us 15 minutes together at the start/end of each shift.

Then, once we were used to shorter rest periods, we dropped them further to only half an hour each. Now, it was 90 minutes on, 30

minutes off, allowing us 30 minutes together at the start/end of each shift.

Our risky decision paid off and after 3 days of heading south, we turned and headed west, still in 1st position. But it wasn't over yet. We would still have to work hard to maintain that lead. Over the next few days, we rowed hard into a strong north-easterly wind, but we managed to maintain our heading, which was a great relief.

As the time passed, we heard less and less about Pendovey Swift and, eventually, they dropped off the radar completely. Despite being front-runners for much of the race, I believe their ultimate failure was down to their inability to adapt when the conditions around them changed. They stuck to their original strategy, come hell or high water, and it didn't work. They arrived in Antigua, broken, 12 days after we finished our race.

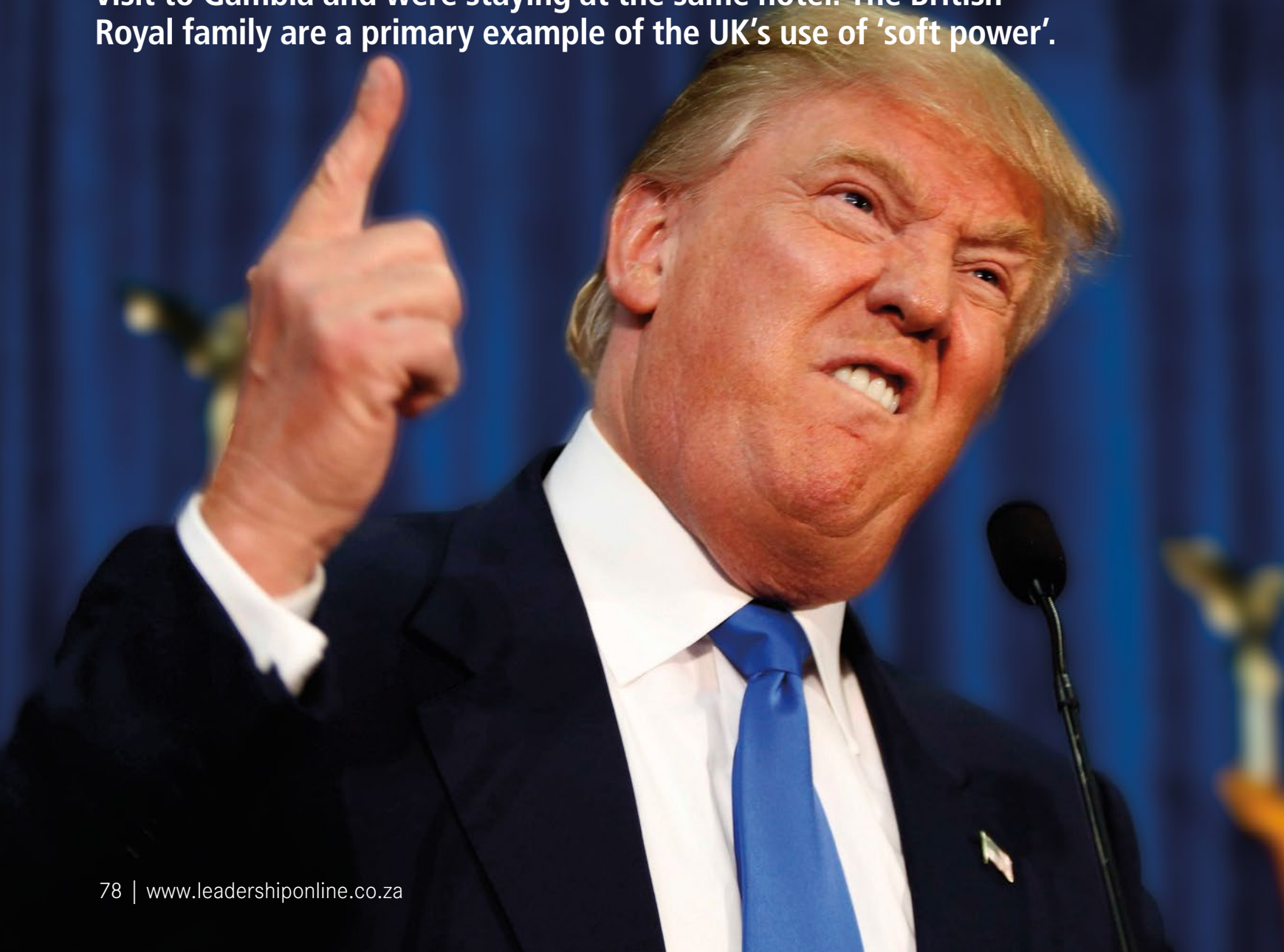
We are living in dynamic times in a dynamic environment. It's absolutely essential to have a good strategy in place if we are ever going to achieve the visions and goals that we have for our lives.

However, we must be vigilant and aware of the changes happening around us and we must be able to adapt our strategy accordingly. A clear but flexible strategy hugely improves your chances of success. ▲

Peter van Kets

The squandering of soft power

I recently spent a wonderful week in The Gambia, the land of my birth. We stayed in the glorious and welcoming Coco Ocean hotel. As we were preparing to leave the hotel for the airport, Prince Charles and Camilla, Duchess of Cornwall, were arriving for a royal visit to Gambia and were staying at the same hotel. The British Royal family are a primary example of the UK's use of 'soft power'.



Joseph Nye came up with the term “soft power” in 1990. He described it as a country’s ability to coax and persuade others through peaceful means—Britain has been unrivalled at influencing foreigners.

The soft power index, created by the Center on Public Diplomacy at the University of Southern California and by Portland Communications, a public relations company, measures the use of soft-power assets across 30 countries.

After losing the top spot to France in the 2017 index, Britain is now back on top. Britain scores particularly well in the cultural, educational and engagement dimensions. Meanwhile, America continues to slip down the rankings. The USA was on top in 2016, but that was before Donald Trump became President, and they now lie fourth.

President Trump appears to only want to deal in hard confrontational power and it’s my guess that America will continue to tumble down the rankings. Trump’s bellicose and threatening mantras of “Make America Great Again” and “America First” are the precise opposite of soft power and are dismissive of any form of collaboration or cooperation. To make things even worse for their soft power, Trump has a ‘zero-sum’ approach to foreign policy—in order

international sporting events has helped to improve their scores).

South Africa is yet to enter the top 30, it might just be time for a focus on capitalising upon the major assets it has and could utilise so much better in terms of soft power. Under President Mandela, South Africa managed to turn around its previous pariah status, and so many nations took an active interest in wanting to support the progress and success of the new South Africa.

In terms of soft power, there are many untapped opportunities for African nations. Many could learn from South Africa’s hard learnt approach to the arrival of much-needed tourists and potential investors into Africa. Far too many African countries still make it so difficult and unappealing to visit them. From the complex and expensive visa entry process to the most unwelcoming arrival processes with immigration officers checking and treble checking travel and identification documents, oblivious to the growing queues in hot and stuffy airports. Hardly anyone gets stopped, so why not push them through quickly with a smile and a warm welcome? The prize in terms of soft power is so much more valuable than the visa entry fees, which are a sad and short-sighted ‘own goal’.

Back to Prince Charles and Camilla. They went on to visit Ghana and then Nigeria. They were greeted with the full red-carpet treatment

The balance of soft power is changing rapidly, many nations, especially in Asia, are investing more and adopting ambitious strategies for their soft power

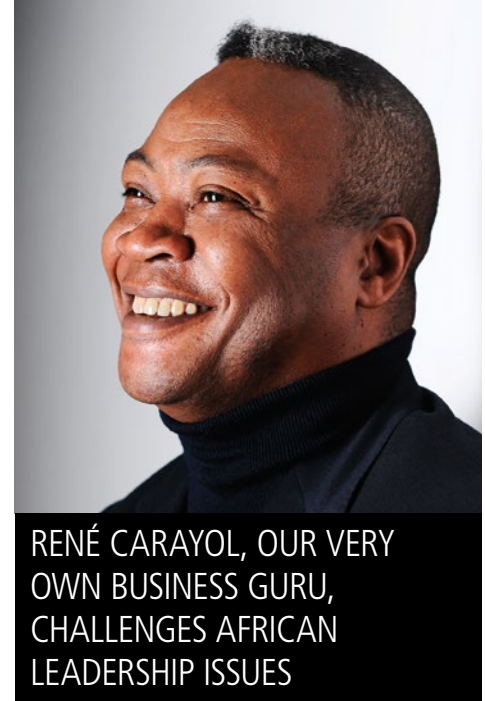
for him to win (and that is paramount to all he does), someone has to lose.

When this is added to his incredibly thin skin and the enormous chip he has put on America’s shoulder, it’s a remarkable abandoning of any form of soft power, which the USA had become so adept at deploying across the world.

Argentina, Brazil, Russia and China are at the bottom of the top 30 states on the index. They score about 30 points below Britain. Argentina and Brazil perform poorly in enterprise; Russia and China score particularly badly on public perceptions (though their hosting of major

and will have made it very clear that the former colonial masters now hold all three nations in very high regard. This is vital for the new (trading) relationships that Britain desperately needs with Brexit looming. Britain now needs all the foreign friends it can get. Why wouldn’t you take advantage of those you already have warm reciprocal relationships with? And what better way to kick-start this new partnership of equals than with a royal visit.

Despite this, some are starting to question whether the UK is still quite as good as it used to be with its use of its soft power. The UK may



have lost the authority of its days of Empire but it still peddles an influence in the far-flung corners of the world. A recent example took place as we witnessed its high-profile diplomatic role in the tragic killing of Saudi Journalist, Jamal Khashoggi, in Turkey. Some might wonder why Jeremy Hunt, the UK’s Foreign Secretary, was dispatched to Riyadh for some urgent shuttle diplomacy. It never does any harm to be seen to be trying to heal heated international divisions. This is a very clever use of soft power.

Not everyone gets it right though. President Trump took the correct step to attend the 100-year remembrance services for World War I in France as a guest of President Emmanuel Macron alongside many other heads of state. The nefarious President Trump wasted no time in offending his hosts by deciding not to attend the ceremonies at the cemeteries as it was raining. He then lashed out at President Macron using his favourite calling card, Twitter, with a denigrating tweet in which he said Parisians had started to learn German during the Second World War before the US saved them from occupation. Very classy indeed.

Machiavelli, a brilliant advocate of soft power, said: “it is better to be feared than loved”. But the infamous Italian Philosopher also cautioned that the wise always ensure that they are never hated.

It’s more than just academia

I had just finished my address to the gathered officers of the Royal Navy at HMS Collingwood, the swish maritime warfare training centre in Fareham, England, when a prominent professor from Oxford University gave a

thought-provoking speech on soft power. He was very challenging of Britain's lack of innovation and new thinking when it comes to soft power. He felt the Commonwealth was an institution that was designed for Britain to capitalise on its soft power but in his view, Britain had not taken it far enough. Most of the 53 countries of the Commonwealth had extremely strong ties to Britain. And most of them had been former British colonies (like Gambia, Ghana and Nigeria). He was berating the lack of investment in the Royal Navy and mentioned a little provocatively that, nowadays, the Thai Navy was bigger than the Royal Navy.

He painted a vision of how Britain might make better use of its soft power. He challenged the audience: "Why couldn't Britain influence India to build aircraft carriers, the Nigerians to provide the top-class crew and, of course, Britain to provide the leadership (beautifully flattering and charming his audience)?"

This would be a new and dynamic use of soft power, to the benefit of all those who took part. Whilst being provocative, it may not be as farfetched as it may seem.

President Donald Trump, despite losing the House of Congress in the recent mid-term elections, still managed to convince himself and all those who would listen that it was a tremendous victory. He (obviously) attributed this entirely to his incredible genius at winning votes. Whilst many saw this for the hogwash it truly was, most of his base cheered him to the rafters. Trump never bothers with soft power. He prefers to talk tough and is not afraid to make threats—and he sometimes carries them out. His wide use of sanctions and trade tariffs has been controversial and has caused huge rifts with his so-called allies, but 'hard power' is what he trades in.

He has successfully built the cult of Trump, these are the Republican voters who love the President for whom he hates.

The marketplace for soft power

Nations around the world are increasingly recognising the importance of soft power for the realisation of their global ambitions and are investing heavily to increase their reach and impact. They are keen to tell their stories and further shape and expand their international agendas. Russia and China, in particular, have been massively expanding their investment in soft power activities such as international

broadcasting and international cultural institutes and programmes.

In the last five years alone, China's network of Confucius Institutes has grown from 320 to 507, making it the largest of the international cultural institutes by far. Russia, too, has been growing its cultural presence, with an increase of 209% in its cultural institute, the Russkiy Mir Foundation. In contrast, over the same period, the networks of European countries' cultural institutes have proven largely static or reduced.

Despite the UK being the current high watermark for soft power, the UK could still learn a lot from others. As the UK's beleaguered Prime Minister, Theresa May still refuses to remove foreign students from the list of immigrants, which they were recently added to, despite strong lobbying and disagreement from many of her cabinet ministers. She is shooting a major platform of the UK's soft power in the head, as many foreign students are not bothering to apply to the UK now, as they perceive that they are no longer welcome. Having foreign students come to your nation to both spend and learn is a mighty use of soft power, as they will either stay and add huge value to the home economies or return home as advocates and ambassadors for the country that taught them.

On the other hand, Germany's investment in scholarships and outward student mobility is giving it a real edge in terms of growing its appeal in high-growth export markets in Africa

broadcast and social media and they tangibly influence human networks and connectivity better than anything before them. Many states now deploy international broadcasting platforms like the BBC World Service, Deutsche Welle, NHK World and RT as key "soft power assets" representing a country overseas.

The balance of soft power is changing rapidly, many nations, especially in Asia, are investing more and adopting ambitious strategies for their soft power. Over the long term, this has the potential to change the relative balance of global influence.

Back to President Trump who has managed to create a dramatic fall in the percentage in most countries who believe the USA will take care of them or their interests. For example, over 80% of Germans now believe that the USA is doing less to deal with global problems than it has done in the past.

This lack of faith in the USA has also stemmed from the belief that the USA no longer takes its own civil rights as seriously as it once did. High-profile stories of race-related violence, like the shooting of seemingly innocent young black men by cops in the USA, have not helped. Once civil rights at home are not deemed to be taken seriously, perceptions can shift very quickly. Only about a third of Europeans believe that the US protects civil rights at home.

This feeds the image of a unilateral, selfish, 'chip on the shoulder', and maybe of a dangerous

The UK may have lost the authority of its days of Empire but it still peddles an influence in the far-flung corners of the world

and East Asia. Brazil is developing strong socio-cultural links with other Lusophone countries that are, in turn, supporting the expansion of economic and security links in a model with potential lessons for the UK's relationship with the Commonwealth.

The new-age global influencers

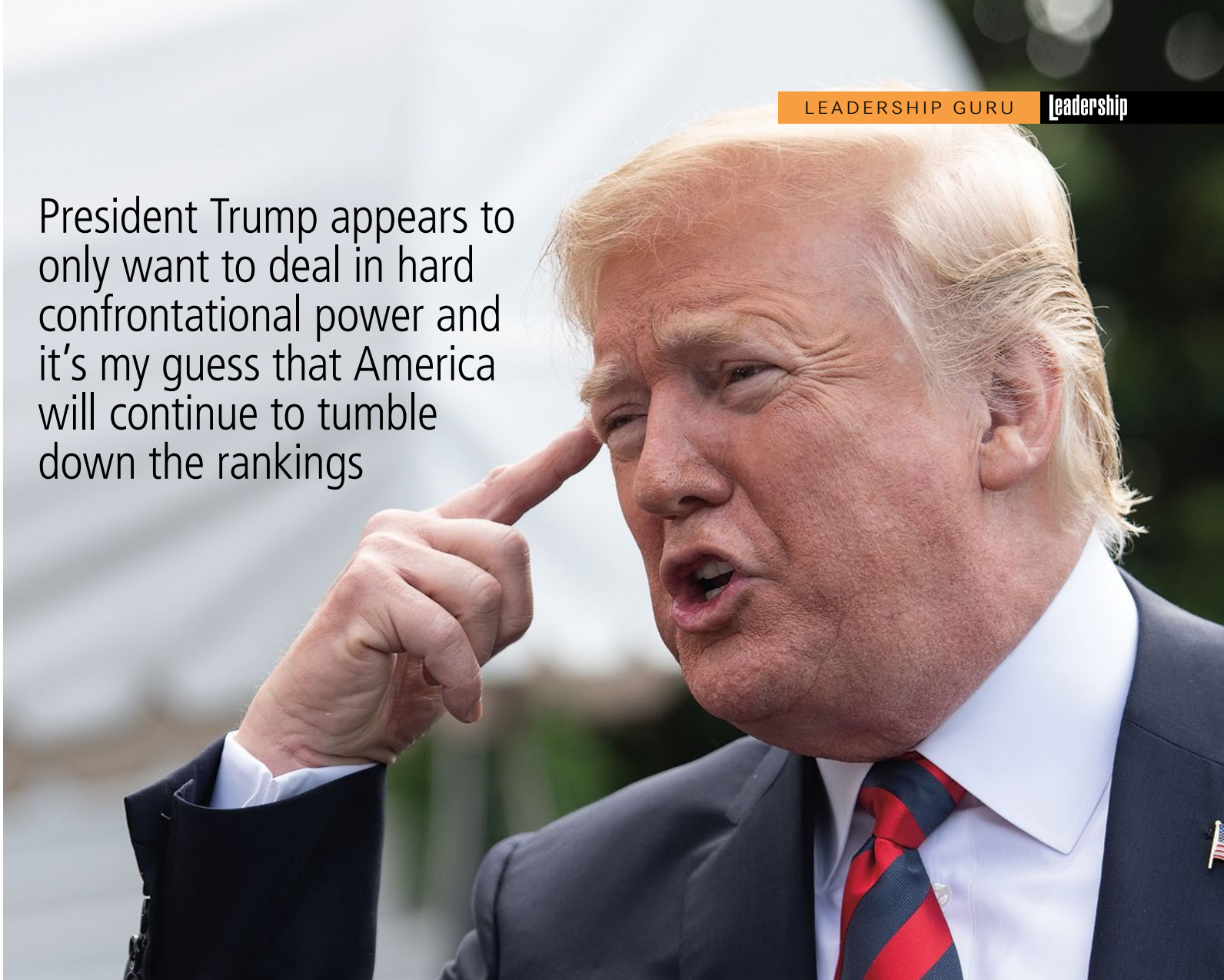
Today, the new-age networks are of vital importance to the international success of states. Nowadays, huge influence flows through the

America under President Trump. So much so, that President Macron and Chancellor Angela Merkel have begun talks about establishing a European army, as they can no longer count on Trump.

Yet, most people still believe that the USA still does a better job in terms of civil rights than either Russia or China, maybe that is behind the huge push by both nations on soft power.

The Trump administration doesn't seem at all affected by the criticism at home or abroad,

President Trump appears to only want to deal in hard confrontational power and it's my guess that America will continue to tumble down the rankings



they are carefree in their attitude and embrace all of the levers of hard power—tariffs, sanctions, trade wars and threats of military action. They might just be missing a trick here, soft power has massive value, especially in these more complex and hugely polarised times. It's not just President Trump's reputation at stake, it's also the USA's reputation and as we all know, it can take years to build a reputation and seconds to destroy it.

From best practice to next practice

- Soft power requires the sustained investment in both financial terms and the right resources
- Soft power is a force multiplier
- Soft power rarely works on its own but is usually the carrot preventing the threat of a stick
- It's not just about the government, society can play a much bigger part—pop culture, universities and art
- Public diplomacy and exchange programmes can be hugely powerful
- When travelling abroad, look for as much press and media coverage as possible, they have a vital job in reporting what you set out to do
- You had better practice what you are preaching, otherwise, nobody takes soft power initiatives seriously
- This is not a zero-sum game, it doesn't harm if many are pushing their soft power as well—climate change initiatives are a great example
- Hard power is always much more expensive than soft power, just look at the huge size of every nation's defence budgets
- Hard power always involves governments—soft power can come from anywhere

The last word should belong to Joseph Nye: "When you can get others to admire your ideals and to want what you want, you do not have to spend as much on sticks and carrots to move them in your direction.

"Seduction is always more effective than coercion, and many values like democracy, human rights, and individual opportunities are deeply seductive."

Prince Charles and Camilla are important emissaries of Britain's soft power programmes but that is nowhere near enough anymore. It's a great British beacon, lighting up what else is to follow in their footsteps. A very different approach to President Trump and his belligerent Twitter rants. ▲

René Carayol
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The capacity to be dishonest

I've been thinking about South Africa's run of chartered accounting and auditing indiscretions and wondering what this says about the profession

The answer is simple according to Dan Ariely, Professor of Psychology and Behavioural Economics at Duke University, United States, Author of *The (Honest) Truth About Dishonesty* and founding member of the Centre for Advanced Hindsight: 1% of all people are totally dishonest, 1% are totally honest and 98% have the capacity to be dishonest.

In an article in the Wall Street Journal in May 2012, he said that we like to believe that a few bad apples spoil the virtuous bunch. Accordingly, the dishonest chartered accountants, financial advisers or corrupt individuals in any arena would be quickly flagged and shunned but, as he explained, that is not how dishonesty works. The reality is that everyone cheats a little—always have, always will—and, consequently, there is always the danger that this can accumulate to the point where some people lose all sense of integrity.

Applying the 1%, 98%, 1% rule to the South African Institute of Chartered Accountants (SAICA), then, if 1% of its approximately 46 000 members are dishonest, that is no less than 460 members giving the whole profession a bad name. A further 460 are totally honest and the other 98%, as in any profession, are good people who regard themselves as honourable and honest, but the potential to be tempted to do wrong is always there and has the capacity to germinate when good governance and ethical leadership is lacking.

Offering the analogy of a locksmith, Ariely tells the story (based on an observation from one of his students) of how quickly a locksmith can



open a door when you lock yourself out of your home. The locksmith explains it very simply: “Locks are on doors only to keep honest people honest. One per cent of people will always be honest and never steal. Another 1% will always be dishonest and will always try to pick your lock and steal your television; locks won’t do much to protect you from the hardened thieves, who can get into your house if they really want to. The purpose of locks, the locksmith said, is to protect you from the 98% of mostly honest people who might be tempted to try your door if it had no lock.”

Ariely’s approach unblurs the distinction between clear issues of right or wrong, but also between the less clear issues of immoral, amoral and moral management. Moral management

is the 1%, immoral management is the other 1%, but amoral management, which infiltrates the 98%, has become a serious organisational problem worldwide.

In the tenth edition of *Business & Society – Ethics, Sustainability, and Stakeholder Management*, Authors Archie B. Carroll, University of Georgia, Jill A. Brown, Bentley University and Ann K. Buchholtz, Rutgers University, explain that amoral managers are not necessarily bad people; rather, they inhabit a worldview where profit outplays all other factors, disregarding the impact on society and the environment, ethics and stakeholder inclusiveness. Moral management, on the other hand, requires stakeholder inclusiveness in decision-making, as the King Code has done, and South Africa has adopted a stakeholder-inclusive model.

What Ariely and decades of good governance and ethical business research emphasise is that we need mechanisms in place to regulate the 98% of us and continuously keep us in the lane of good governance and ethical leadership. There are clear mechanisms to achieve this, such as ensuring the majority of board members are non-executive and that there is a clear separation between managers and auditors. Where we are seeing the corporate scandals is where the lines become blurred.

King IV and the Company Code are very clear about this and it is up to us to ensure they achieve an impact. For this to happen, we have to acknowledge that 98% of us need good codes of conduct or ‘locks’ in place in order to make sure that we do not cross the line. It is not something we should fight against, it is something

we should embrace because, in the absence of good regulations with which we willingly (but not blindly) comply, the alternative is the imposition of an autocratic environment that stifles creativity and treats everyone as if they are part of the 1% totally dishonest category.

“Calls for defined standards of good corporate conduct have issued from many corners of the globe. Sparked by corruption and excess of various types—from garden-variety deception and bribery to labour abuses and elaborate schemes of market manipulation—dozens of industry, government, investor and multisector groups worldwide have proposed codes and guidelines to govern corporate behaviour”, write the Authors of a feature in the December 2005 issue of the Harvard Business Review titled: Up to Code: Does Your Company’s Conduct Meet World-Class Standards (by Lynn S. Paine, Rohit Deshpande, Joshua D. Margolis and Kim Eric Bettcher.

Thirteen years later, the need has intensified in an environment where our chartered accountants have shown themselves up to be every bit a part of the 1% dishonest and 98% potentially dishonest categories. These are the very people who are supposed to make sure that companies are reporting and behaving honestly. Should we be surprised by this? I think not. Ariely and others don’t make exceptions; they don’t say their research applies to everyone except chartered accountants. They are as human as everyone else and they, too, need to be regulated by well-entrenched ethics and company codes of good governance that are upheld across the organisation and transparently practised by the leadership.

“In so doing, a company can clarify for all parties, internal and external, the standards that govern its conduct and thereby convey its commitment to responsible practice wherever it operates”, write the Up to Code Authors. They go on to say that company codes serve a myriad of other practical purposes: “A code can help employees from diverse backgrounds work more effectively across geographical and cultural boundaries. It can also serve as a reference point for decision-making, enabling companies to operate with fewer layers of supervision and to respond quickly in times of crisis.”

They add: “Like any tool, a code of conduct can be used well or poorly—or left on the shelf to be admired or to rust. But the better it is made, the greater the chance it will fulfil its

intended purpose.” They undertook a systemic analysis of codes from leading corporations, globally, and came up with a set of overarching, widely endorsed principles and standards that they called the Global Business Standards Codex. These include eight underlying ethical principles, namely fiduciary, property, reliability, transparency, dignity, fairness, citizenship and responsiveness.

They concede that a world-class code is no guarantee of world-class conduct but what emerges is a universal, timeless commitment to ethics in leadership. In *Is Leadership History?* by André van Heerden, the founder of the corporate leadership programme, *The Power of Integrity*, he writes: “Ethics is central to leadership, and amidst all the moral confusion, at the root of the leadership crisis, it’s good to know that the evidence for a higher law that transcends the often discriminatory laws of man remains compelling.”

As with wisdom, the development of ethics is a lifelong pursuit with several stages along the way, as described by the late Lawrence Kohlberg, who conducted 20 years of research into moral development. A Professor in the Psychology Department at the University of Chicago and at the Graduate School of Education at Harvard University, his stages of moral conduct have been widely debated.

Level 1 is the infant and child level where the focus is on the self. At Level 2, social relationships form and a sense of “rightness” and “wrongness” and what it means to be a good citizen according to society and convention develops. Kohlberg says many adults never get beyond Level 2. Level 3 is the “postconventional, autonomous or principled level”, where the individual develops a mature concept of ethics, not because society insists on them but because the individual internally embraces them as “right”. Stage 6 is the “universal-ethical-principle orientation”, where the individual’s ethical principles are focused on justice and the good of all.

Ariely supports a strong commitment to ethical development but adds that this has to happen alongside regulations, well-applied checks and balances, and good governance. Together, they strengthen the lines of defence that deter the 98% from dishonesty and encourage a better outcome for all of us, where we don’t have to live in fear that our homes, livelihoods, businesses and country are there for the picking. ▲

PROFESSOR OWEN SKAE



Professor Owen Skae,
Director of Rhodes Business School
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The influence of Industry 4.0 enabling technologies

In recent years, the world is witnessing simultaneous and profound changes in all sectors of private and public organisational activities

This applies to all sectors of the economy including mining, engineering, energy, agriculture, finance, etc. Organisations and society are becoming highly volatile and value-driven, demanding continuous innovation and learning.

These changes, caused by the inflow of new digital enabling technologies intertwining with our daily lives, influence the way we are performing our organisational activities and daily chores. This is only the first taste of the dramatic changes that will take place in the years to come.

In an article by Brane Semolic and Pieter Steyn of Cranefield College published in the USA-based PM World Journal, enabling technologies are defined as equipment and/or methodologies that alone, or in combination with associated technologies, provide the means to generate giant leaps in the performance and capabilities of the user. For example, the coming together of telecommunication technologies, Internet, and groupware has levelled the field so that even smaller firms are able to compete in areas where they otherwise could not.

Drivers of the changes

The world is exiting the Third Industrial Revolution (Industry 3.0) economic environment, where the optimisation and automation of an organisation's resources were the main issues. The Fourth Industrial Revolution (4IR or Industry 4.0) economy business ecosystem, does not depend solely on innovation, optimisation and the competitiveness of own resources, but on the inter-organisational value chain's innovativeness, complementary partner

technologies, products, digitisation and supporting services systems as a whole. Together with partners, organisations are co-creating innovative inter-organisational value and supply chains operating in a global collaborative ecosystem. The primary drivers and causes of these changes lie in the rapid development, availability and affordability of modern key enabling technologies (KETs).

Key enabling technologies are knowledge-intensive and associated with high research and development intensity, rapid innovation cycles, high capital expenditure and highly skilled employment. They enable process, goods and service innovation throughout all sectors of the economy. Moreover, key enabling technologies are of systemic relevance, they are multidisciplinary and cut across many organisational areas with a trend towards convergence and integration.

The bottom line is overall digitisation with the Internet of things (IoT) and services that profoundly enable opportunities for the introduction of new products and business models. The strategic transformation and changes of the Fourth Industrial Revolution are driven by modern ICT artefacts that allow for the introduction and integration of new business models of vertical and horizontal supply and value chains.

In a recent report on the "factory of the future", KMPG asserts that when it comes to manufacturing in Industry 4.0, there is a paradigm shift from "centralised" to "local" production provided through networking and transparency. Unlike globalisation, where the focus was on taking advantage of lower labour rates and, thereby, building factories in these locations, in Industry 4.0 the focus is on strengthening local production. A recent article

by Roblek, et al., argues that Industry 4.0 will have an important influence on the complete transformation of industry because it represents progress in three areas:

- **The digitisation of production:** information systems for management and production planning;
- **Automation:** systems for data acquisition from production lines and using machines; and
- **Linking manufacturing sites in a comprehensive supply chain:** automatic data interchange (ADI).

The distinguishing factor of Industry 4.0 is increased competitiveness through smart equipment, making use of information about high-wage locations, demographic changes, resources, energy efficiency and urban production. The four main technology components of Industry 4.0 are:

- The cyber-physical system: this defines connections between the real and virtual world.
- IoT: the Internet of things
- IoS: the Internet of services
- The Smart Factory

All of these systems are about increasing communication between machines and human beings so that organisations can remain competitive.

The key research findings in the 2016 Global Industry 4.0 Survey report, published by PwC (Geissbauer, Vedso, Schrauf), reflect the following needs or situations:

- Industry 4.0 has moved from theories and strategies to real investments and actions.
- Companies that successfully implemented Industry 4.0 no longer need to choose

between focusing on a better top or bottom line. They can improve both at the same time.

- Deepened digital relationships with more empowered customers. Customers will be at the centre of changes to value chains, products and services.
- The focus on people and culture to drive transformation. This survey output shows that industry's most profound implementation challenge is not the right technology, but a lack of digital culture and skills in their organisations.
- Data analytics and digital trust are the foundation of Industry 4.0.
- Robust, enterprise-wide data analytics capabilities require significant change. Companies need to develop robust organisational structures to support data analytics as an enterprise-level capability.
- Industry 4.0 is accelerating globalism, but with a distinctly local and regional flavour.
- Significant investments with big impacts are required. The primary focus will be on digital technologies like sensors or connectivity devices, as well as on software and applications like manufacturing execution systems (MES). Moreover, companies are investing in the improved education and training of employees, and driving organisational change.

The 2017 Roundtable on Digitizing European Industry—Work Group 1 (WG 1) report avers that “digitalisation is essentially an innovation issue”, and organisations are approaching it with the usual wide variety of attitudes, methods and expectations encountered in managing innovation. These attitudes depend on an organisation's digital maturity defined as adapting the organisation to compete effectively in an increasingly digital environment. It is argued that digital maturity goes far beyond simply implementing new technology by aligning the company's strategy, workforce, culture, technology and structure to meet the digital expectations of customers, employees and partners.

According to MIT's Gerald Kane, digital maturity is a continuous and ongoing process of adaptation to a changing digital landscape. But digital success isn't all about technology. The 2015 Digital Business Global Executive Study and Research Project by MIT Sloan Management

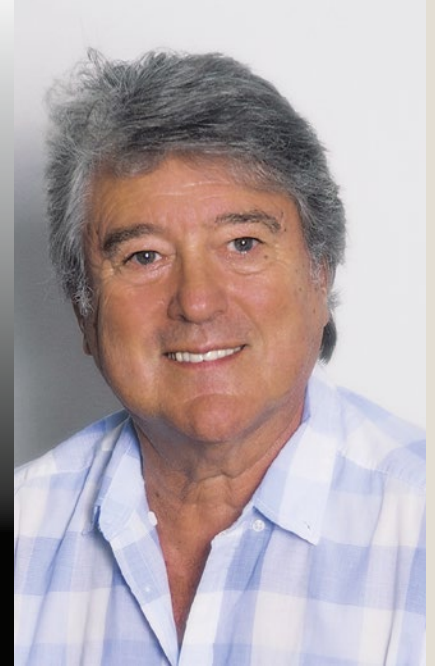
Review and Deloitte identifies strategy as the key driver in the digital arena. Companies that avoid risk-taking are unlikely to thrive and likely to lose talent, as employees across all age groups want to work for businesses committed to digital progress. The urgent need for such innovation and change should rather be explained and motivated by the language of increasing profitability, competitiveness or customer satisfaction, rather than by hard technologies.

Global-intensive digitalisation processes and the technical complexity of industry products and services are generating the new landscape of Industry 4.0 markets. The global and regional markets, similar to organisational structures and culture, are in the process of radical strategic transformation and change. Big companies will not solely dominate these markets anymore. There is a place for innovative small- and medium-sized companies that are becoming global leaders with their innovative products.

Capacities to generate market-attractive products and services through the exploitation of the creative mix of own, regional and global technology resources formed in the innovative, flexible digitised processes of agile, value and supporting supply chains, will be preconditions of business success. The allocation and sustainable exploitation of the regional innovation potential can generate benefits for all involved parties in such endeavours. Industry 4.0 businesses are flourishing in regions and countries with adequate competencies, available resources, transformational leadership, a sound corporate culture and sustainable regional support. Modern Industry 4.0 organisations in regions and countries are searching for new mechanisms to create favourable business conditions by providing adequate supporting services.

It is evident that technology changes in the Fourth Industrial Revolution economy, as was the case in the past, are not enough to achieve the expected results. Exploiting innovative technologies for the benefit of all the stakeholders requires a profound understanding of how these novelties will affect personal lives and organisations, as well as how they will reshape culture, economic landscapes and societies. The burning question is how organisations can successfully cope with such complex strategic transformation and change processes. ▲

PROF PIETER STEYN



Prof Pieter Steyn, Cranefield College

The journey to becoming a leader

I'll admit it. Binge-watching movies is my favourite way to switch off after a long week. It's a guilty pleasure.

Indulging in my all-time favourites one night, I allowed my mind to switch to autopilot. An unsolicited insight emerged to spoil the enjoyment: **The Matrix and Game of Thrones were one and the same story...**

Both started with a decidedly non-hero character—Neo and Jon Snow—each with hang-ups of their own. Then, something happened, and they were both called on to become the hero, which both reluctantly did. Yet, becoming a hero didn't just happen. It was a process, with tests and trials, but that very point where the old died and the new self was born, that was when the hero entered the story.

Then I started looking around: Luke Skywalker went on the same journey, as did Lara Croft. William Wallace. Even Forest Gump. Turns out the hero's journey is pretty much woven into every movie script.

This got me thinking. The hero is usually seen as a leader upon his/her return, but only after being forced to shed the old and emerge with a deeper understanding of the self and the environment. This tells me three things: leaders are not born, they are made, challenging external circumstances are a pre-requisite for making leaders and leadership is an internal job that only comes through understanding oneself.

Whether the blue pill/red pill challenge has been a choice or an unexpected event in your

life, there are three things we can learn from Neo and Jon Snow.

Being comfortable is the real enemy

The only difference between the non-hero and the hero is that a latent power within has been awakened. It just took a decision: a decision to not remain comfortable. We all tend to get too comfortable at times, which just means it is a choice that we make to be sleepwalkers, instead of potential Skywalkers.

To be fair, we opt for the comfort zone not because we are complacent or lazy, but because we live in fear of what people would think of us. Self-doubt makes it seem easier to hold back. With failure as a possible outcome, we often opt to not even try.

The point that we miss though, is that not trying is a decision in itself, and a failure in itself. One does not have to know the path in order to succeed. Just walking the path is often all that is required to succeed.



Tools for becoming a hero (who will return as a leader)

Sit yourself down and ask: what would you do if you didn't care about everyone's opinion? What would you want out of life? We each have to define our own reality. We need to identify our fears about creating this reality, lean in and commit to conquering that which frightens us. Part of this plan should be to actively look for opportunities to fail because if we fail often and hard, we ultimately fail forward. The hero becomes a hero by growing through what he/she goes through.

No excuse is big enough

The best heroes, and the best leaders, all start out with some kind of hang-up about their past, their choices or their lineage. It is important to recognise that allowing these excuses to be the most defining part of our story prevents us from taking the first step on the journey to becoming the hero. Think about it: heroes never come across as victims. They may very well be victims but they use the fuel of that indignity to push them to something well beyond that.

Tools for becoming a hero (who will return as a leader)

The only person that is responsible for the quality of your life is you. There are three things that you can control in your life:

- the thoughts that you think;
- the images that you visualise and;
- the actions that you take.

Get these three lined up and you'll have a powerful combination to guide you as you become a hero and a leader. We are the authors of our own stories and have a chance, every day, to turn the page and write a fresh new chapter. Owning our own unique gifts and putting them to work within a bigger picture is the starting point. Victims see problems. Leaders see opportunities. The only difference is interpretation.

Insight does not come in the mail

Neo didn't receive an email explaining all he needed to know in order to become a hero. He had to work at it. External challenges force the leader to delve internally, to that place where the battles with self-doubt and fear are fought. That is also where the metaphorical dying takes place. It is the battle with ourselves, rather than a battle with an external force, that brings about a hero. And that can only happen by knowing your thoughts, feelings and motivations.

Tools for becoming a hero (who will return as a leader)

Confucius said: "Try not to be like the one that is enlightened, but rather walk his path to understand the mindset that led to his enlightenment." He is talking about clarity, the powerful breakthrough where the negative is replaced by the positive.

Clarity is only ever attained through reflection and is the most effective way to navigate challenges. Solutions tend to open up as soon as we start articulating our thoughts.

There are two ways to reflect on things: talk to yourself, and/or talk to someone.

Talk to yourself by putting pen to paper (or fingers to keyboard). Ask yourself:

- What can I learn from this?
- What can I do better?
- What bad habits do I have that contributed to this?
- What trends can I identify?
- What can be changed?

Now, decide whether it is going to be the red pill.

Add to this by talking to someone else. Find a mentor, your own Morpheus, to guide you through the transitions. Mentors not only know what it takes to succeed, but they also provide you with a sounding board against which to test your own thoughts.

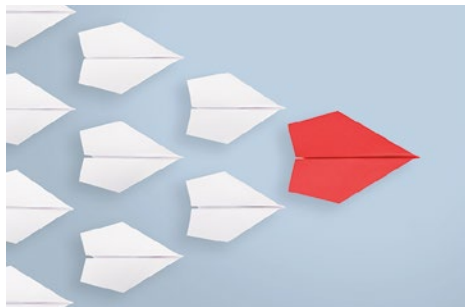
This is called the "Hero's Journey", not "How To Become a Hero in 60 Seconds Or Less". Becoming a leader is a process.

The beauty of a process is that it becomes a roadmap for anyone who wants to venture on the same path.

Sure, Jon Snow could have stayed at the Night's Watch and Neo could have taken the blue pill. It ultimately remains a deeply personal choice. But just think of the personal power that would have remained hidden, undiscovered. The same goes for each of us.

The good news is that we all have the undeniable potential to become phenomenal leaders. The bad news is that it is a journey and only those committed to the process will come back a changed person who is changing the world.

Becoming a hero is a choice that impacts everyone around us and, more importantly, it impacts us too. Becoming a hero and a leader is not just about what we do but about who we become and who we were meant to be. ▲



JUSTIN SILJEUR

Justin Siljeur, Chief Executive Officer
Pétanque International

Keeping the tackle real

The role of a rugby referee can offer valuable lessons to corporate leaders. Knowing the impact a particular decision can have—and learning lessons from your decisions—can contribute immeasurably to the successful leadership of a business.

Two recent examples show the impact a referee's decisions have had on the final match score:

In a 10 November Test Match, Jerome Garces, the French Rugby Referee, referred a decision to TMO, which resulted in the All Blacks beating England by 1 point (16-15). It was a marginal call but the correct call, even though the England Coach, Eddie Jones, said afterwards: "I leave it to the TV umpire. If he cannot make a call after 10 replays, who could?"

However, in the England South Africa game the week before, the Australian Referee, Angus Gardner, failed to make use of TMO for an illegal tackle by Owen Farrell on the Springbok Centre, Andre Esterhuizen, and did not award a penalty. This resulted in a 12-11 score in favour of England, blatantly ignoring rule 16.9 of the law book. The consequences of these two decisions will forever live on in the record books.

Let's get back to business: how relevant is refereeing in business? Very relevant, I believe. Leaders have to make calls instantly and the result can have a powerful financial and strategic impact. Here are some important leadership lessons business executives can take from referees:

- Rigorous focus and concentration—for 80 minutes on the rugby field, you have to be in the moment in order to be effective. Focus and concentration are just as important for leaders to ensure important matters are not neglected or missed in the boardroom.
- Examine and consider the consequences—just as a referee needs to consider the outcome of his decisions on the field, the manager needs to consider all the consequences of his decisions on the organisation, its employees and various stakeholders.
- Facts—stick to the facts and the information you have available. As the leader, base your decision on real facts, data and information to make an informed decision. Also, be decisive—there can be no second-guessing on the rugby field. Make the call and move on. The same is true in business—you have to plan and move on. Indecisiveness can be a huge disruptor and create uncertainty across the organisation.
- External interferences are to be managed—the vocal crowd and interfering scrumhalf should not influence the decision of a referee. In the same way, a leader should not be influenced by interferences from negative business sentiment, the media or competitors. Referees have to remain calm under the pressure of players, coaches and fans yelling contradictory messages at him. Remaining calm while stakeholders are expressing their displeasure is even more important.
- Refer and consult when needed—when in doubt, refer your decision to someone who is in a better position than you (touch judge) or has more resources available to make the decision (TMO). This applies to the leader who does not always have all the answers and resources and needs to engage with experts and resources when required.
- Employ the resources and tools given to you—technology is able to assist the referee in decision-making (television replays, referrals to TMO). Leaders should also make use of the available resources, whether it be financial, human or physical resources.
- Embrace your actions and own the consequences—admit when you have made a mistake. Referees are never bigger than the game and should respect their role as match officials. You will make mistakes, own and learn from them and do not allow your past mistakes to cloud your future decisions. Be accountable for your decisions and take proactive action when faced with similar situations.

In the same way that referees undergo regular intensive training to stay experts on the rules of the game, corporate leaders should engage in continuous learning to run their organisations as well as they possibly can. They need to be able to understand the changing rules of the (corporate) game and to remain an expert at what they do.

And finally, there is a reason that the "advantage" law allows referees to manage the flow of the game and make certain decisions. It is the same in business. Allow space for objectivity and fairness—all the things great leaders are known for. ▲

*Dr Tienie Ehlers,
Chief Learning Officer USB-ED
and ex-rugby referee*

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