

# Leadership

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# Leadership

## Contents

12



20



30



40



- 12 **ORYX ENERGIES**  
30 YEARS OF OIL AND GAS EXCELLENCE
- 20 **THULI MADONSELA**  
THE PEOPLE'S CHAMPION
- 28 **OFFSHORE INVESTMENTS**  
A STRATEGY IS ESSENTIAL FOR EXPOSURE
- 30 **THE INTERNET OF THINGS**  
BEHIND SOUTH AFRICA'S FASTEST-GROWING NETWORK
- 32 **INDUSTRY 4.0**  
COLLABORATION IS KEY
- 36 **THE NEW CABINET MINISTERS**  
CHOOSING BATTLES CAREFULLY
- 40 **BUSHMAN'S NEK**  
THE WONDERS OF THE DRAKENSBERG
- 44 **THE SOUTH AFRICAN WATER CRISIS**  
LEADERSHIP LESSONS AND OPPORTUNITIES
- 46 **AN EFFICIENT PUBLIC HEALTH SECTOR**  
CAN IT PROVIDE QUALITY HEALTHCARE?
- 48 **YOU SAID IT**
- 69 **A QUESTION OF LEADERSHIP**  
LEARN TO LEAD, LEAD TO LEARN
- 72 **THE ALFA ROMEO STELVIO**  
THE BRAND'S FIRST SUV
- 74 **THE ART OF GRIT**  
ENDURING IN CHALLENGING TIMES
- 76 **THE LEADERSHIP VOID**  
WOMEN ARE THE BEST LEADERS FOR TODAY'S TURBULENT TIMES
- 80 **MAKING THE TOUGH DECISION**  
IT'S OKAY TO FIRE A CLIENT



With around 1 500 employees in over 19 countries, Oryx Energies has become one of the largest and longest-established independent providers of oil and gas products and services in sub-Saharan Africa

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# Leadership

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Thabo Owen Mokwena serves as Chairman of the Leago Group and is a specialist in Economic Development, Finance and Strategy. Mokwena holds various degrees and qualifications from the University of Cape Town and Durban Westville, London School of Economics and Oxford University.



### Peter van Kets

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### Dhesigen Naidoo

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### Professor Pieter Steyn

Cranefield Principal, 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."



### René Carayol

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### Professor Owen Skae

Skae has been an Associate Professor and Director of Rhodes Business School since 2010, which has 'Leadership for Sustainability' as its essence. His areas of interest are Business Analysis, Ethics, Finance, Governance, Leadership and Strategic Management. He is often called upon to provide analysis and commentary on governance matters.



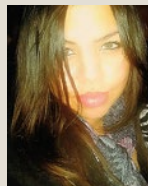
### Gift Lubele

Lubele is a young South African entrepreneur who is currently studying towards a BA (Hons) Business Management degree at the African Leadership University in Mauritius. Gift is passionate about youth entrepreneurial innovation in Africa; he is also a business speaker, corporate MC and blogger.



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Monique graduated from the University of Cape Town with a BSocSc degree. She regards herself as a writer and grammar nazi—a creative by design and a versatile wordsmith who frolics in the playground of ideas on a daily basis. Her goal is to, one day, see her award-winning screenplays with emotive, fantastical undertones grace the silver screen.



### Betsy Ings

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RSA: R343 (per annum)



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## BUILDING SUSTAINABLE BUSINESSES THROUGH SUCCESSFUL PARTNERSHIPS

The Masisizane Fund (NPC) is an initiative of Old Mutual South Africa, established in 2007 following the closure of the Unclaimed Shares Trust. This was done in consultation with the National Treasury of South Africa. The mandate of the Fund at inception was and remains to contribute meaningfully to employment creation, poverty eradication and reduction of inequality, economic growth and the attraction of investment. This is done mainly through the promotion of entrepreneurship, enterprise finance and support to small, micro and medium enterprises (SMMEs).

The target market is made up of enterprises in which previously disadvantaged individual(s) have majority ownership, giving priority to rural and peri-urban/township areas. Masisizane funding is targeted toward businesses in which women, the youth and people with disabilities have 51% (or more) ownership. The Fund targets productive and labour absorbing sectors and works in partnership with others, such as government, to achieve maximum results and benefits for its clients.

The Fund's success is driven by a focused approach to high impact industry sectors, coupled with a comprehensive SMME finance solution that includes business support.

The Fund provides loan finance in the following sectors:

- ▶ Agri-business;
- ▶ Supply Chain;
- ▶ Franchising.

Non-financial value adding services include capacity development, business management and technical support, financial education, market development, and product/service quality standards and compliance. A Business Acceleration Program has been established where potential clients receive training and support to grow into a business eligible to receive financial support.

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# Leadership

## The supply chain development conundrum

Oprah Winfrey believes a mentor is someone who allows you to see the hope inside yourself. As a business mentor, this is imperative, since it speaks to the purpose of your relationship with the entrepreneur.

At present, the subject top of mind for entrepreneurs seems to be how to hook the big customer; they request help to 'get in' with the big companies and onto their databases. This is the hope of most SMMEs in South Africa.

Supplier development and diversity is a major tool that can enable this hope, which aligns with our National Development Plan (NDP) 2030, and the first aspiration for the Africa we want as per the African Union's Agenda 2063: "A prosperous Africa based on inclusive growth and sustainable development—economies structurally transformed to create shared growth, decent jobs and economic opportunities for all." Our NDP has great hope for our SMMEs and has set ambitious goals for them.

Gauteng Finance MEC, Barbara Creecy confirmed her belief at the Smart Procurement World Indaba in Johannesburg that, "at the centre of our efforts to fundamentally change the structure of our economy is a vigorous promotion of SMMEs. SMMEs dominate the world business stage and are currently the main type of business."

MEC Creecy quoted a recent World Bank study, which found that the township economy is worth more than R10-billion a year: "Given the important role that this sector plays in our overall agenda to transform, modernise and re-industrialise, the government continues to use our massive procurement muscle—as well as our vast infrastructure spend at a strategic level—to drive meaningful transformation, empowerment, job creation and economic inclusion."

What is the conundrum we are trying to address to keep the hope of SMMEs alive? Indeed, it is the importance of supplier development through diversity and inclusivity by all stakeholders to create an enabling economy. Supply chain development investment is a major key to the hope that can achieve the economic and transformation goals we strive to achieve.

To achieve the economic growth required to meet the NDP and socio-economic goals, government procurement openings need to be more readily available to small businesses, which, at present, create the most jobs and employ 56% of the South African workforce.

Supplier diversity and inclusivity is a structured, monitored business programme that encourages the use of historically underutilised vendors as suppliers.

Sustainable supplier development is a win-win situation for all. Above all, it can inspire the hope we so greatly need as an economy and as a country.

## Foreword



BETSY INGS  
entrepreneur

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## FARMING

8.140 FL  
5 Ton

15.180 FL  
8 Ton

16.240 FL  
8 Ton

28.330 FL  
14 Ton

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# Leadership

## The soul of algorithms

To deny the rapid takeover of human capability by the algorithm is, frankly, to be delusional. Algorithms rob us of most of our unique human qualities such as intelligence, taste, style, the ability to love and have compassion, be creative, memory and others. What is left of us, is our SOUL.

The question that is troubling my mind is what are the limits of algorithms? I was intrigued by an article penned by Kyle Chayka titled “Style Is an Algorithm”. Kyle contends that algorithms have replaced our sense of style, taste, fashion, intimacy and other inbuilt human capabilities. He asked the poignant question, “Have algorithms destroyed personal taste?”

So, exactly what are algorithms? According to various definitions, it comes down to a technology, system, procedure or formula for solving a problem. It is mostly based on conducting a sequence of specified actions. Accordingly, algorithms can perform calculations, data processing and automated reasoning tasks.

Kyle uses the example of taste and makes reference to the Italian philosopher, Giorgio Agamben who defined taste as a form of knowledge through pleasure, from perceiving the flavour of food to judging the quality of an object. Taste is an essentially human capacity, to the point that it is almost subconscious. “We know whether we like something or not before we understand why,” Agamben writes. If taste is accurately reflected by Agamben, yet is infiltrated by algorithms, then the question becomes, what are the limits?

Algorithms are the engines and sources of power and innovation behind artificial intelligence, it is the system and process behind the blockchain technology and crypto currencies. Algorithms are in control of the daily means of communications, social media, cellphones, tablets and other devices in the digital world and transport systems, such as Uber. They choose shows, movies and products for us to consume. They can even help companies decide what candidates to hire and universities diversify their student bodies. The plans to launch automobiles with complex algorithms that will drive cars more safely than humans are in progress.

The rapid advance of algorithms and artificial intelligence implies that humans will increasingly be at the mercy of technology and whoever controls it.

Could it be that, with the passing of time, technology will go beyond the physical, material and the mortal, into acquiring a soul?

## Publisher's Note



THABO OWEN MOKWENA  
Publisher



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# Leadership

## A time to remember

Welcome to another edition of South Africa's favourite business-to-business monthly, as we bid farewell to Winnie Mandela, a woman who fought for freedom in the struggle against Apartheid, while never being far from the headlines.

The fifth of nine children, Nomzamo Winifred Zanyiwe Madikizela was born in the old Transkei in 1936. Once, while quarrelling with her younger sister, Princess, Winnie reportedly fashioned a knuckleduster out of a nail and a baking powder tin and accidentally struck her sister across the face while aiming for her arm. It was one of many instances for which her mother administered a hefty beating.

This dark side of Winnie followed her through a high-profile controversy, often overshadowing the good that she brought to the community. But one can begin to understand why she acted out, given her difficult upbringing. When she was still young, two tragic events took place. Firstly her elder sister, Vuyelwa, contracted tuberculosis and died—an event which shook Winnie's belief in the God her mother had ardently prayed to during her daughter's illness.

Secondly, soon after her sister's death, Winnie's mother also developed the disease and died. However, shortly before her mother passed away, she gave birth to a baby boy, whom Winnie took responsibility for during her mother's incapacitation and after her death, according to sahistory.org.

Winnie was 22 when she met Nelson Mandela—he was sixteen years her senior. They got married in 1958 and the celebration drew national interest.

And that's how I'd like to remember Winnie, in celebration. In 2016, Winnie celebrated her 80th birthday at the Mount Nelson Hotel in Cape Town. The event was attended by family, friends and a cross-mixture of politicians including Julius Malema, Cyril Ramaphosa and Patricia de Lille.

Speaking at her funeral recently, the family spokesman, Victor Dlamini said in a statement: "She died after a long illness, for which she had been in and out of hospital since the start of the year. She succumbed peacefully in the early hours of Monday afternoon surrounded by her family and loved ones." Rest in peace Winnie.

Meanwhile, it has been saddening to see how some so-called supporters from the historic Kaizer Chiefs F.C. decided to wreck the Moses Mabhida Stadium and knock-out a security guard. What do you prove by beating somebody up with ten of your fellow hooligans? It's a shameless act by cowards, who should be banned from all PSL games for the rest of their life.

Some of the security did very little and looked ill-equipped to deal with the situation. Winning and losing is part of football and happens every weekend, therefore, I'm assuming these 'fans' were more interested in fighting and looting than the beautiful game.

## Editor's Note



A handwritten signature in black ink, appearing to read 'Greg Simpson', written over a light-colored background.

GREG SIMPSON  
Editor



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“We have invested in very different sectors over the years, yet we have always approached them with the same philosophy and values: an entrepreneurial spirit, the ability to recognise opportunities and take carefully calculated risks”

# Oryx Energies is 30 years strong

**With around 1 500 employees in over 19 countries, Oryx Energies has become one of the largest and longest-established independent providers of oil and gas products and services in sub-Saharan Africa**

**F**irst established in the late 80s, Oryx Energies will join their holding company, AOG, in celebrating their 30th anniversary this year.

Founded by Swiss entrepreneur, Jean Claude Gandur, AOG started in 1987 as an oil trader in West Africa, where the company earned a reputation as an entrepreneurial investor with a talent for recognising and developing new opportunities, without compromising its principles and integrity.

“We have come a long way since we began in December 1987,” said Jean Claude Gandur, the Group’s Chairman. “When we started, I knew Africa and oil trading, but our story is really about investments that have continually taken us into new and unknown areas.

“We have invested in very different sectors over the years, yet we have always approached them with the same philosophy and values: an entrepreneurial spirit, the ability to recognise opportunities and take carefully calculated risks, and acting with fairness and respect.

“This combination of characteristics has led to our success over 30 years and will continue to drive our future endeavours,” he continued.

Present in over 30 countries in Europe, Africa and the Middle East, AOG has a focus on the energy and real estate sectors, together with other capital investments.

When AOG started in downstream 30 years ago, African markets were not considered attractive. The group seized the opportunity to buy assets from oil majors as they reduced their presence on the continent. It purchased fuel, liquefied petroleum gas (LPG) and lubricants assets from key players like Esso, Agip and Shell.

In recent years, the pendulum has swung back, and Africa is a popular investment destination again, attracting new players, including more local brands.

“Oryx Energies operates in 19 countries across sub-Saharan Africa where we specialise in the storage and distribution of oil and gas products. This includes lubricants, liquid fuels and LPG.

“In the coming years, liquid fuel will form the base of the growth strategy for the group, specifically focusing on and developing our distribution of liquid fuel through petrol station networks. We currently have 187 petrol stations in operation over the 19 countries, and we want to reach 400 in three years’ time,” explains Oryx Energies South Africa’s Managing Director, Benoit Araman.

Through the years, Oryx Energies has successfully developed seven storage terminals across the continent in order to ensure an increasingly reliable supply; boasting storage, filling plants and millions of bottles in an effort to make LPG readily available, and provide a

safer, healthier and more ecological alternative to firewood, charcoal and kerosene.

“Oryx Energies has the logistical capabilities and technical expertise to professionally transport, stock, produce, fill and deliver the different products, including on-site management services for companies and industries. We also run lubricants blending plants in Tanzania and Togo, and have thousands of distributors to facilitate consumer access to fuels, lubricants and LPG,” he says.

Speaking of AOG’s most significant milestones since the start of their operations in 1987, Araman explains that their downstream activities were first launched in 1989 with their footprint in Senegal and Nigeria. Between 1989 and 2013, the group continued to develop its presence in 19 countries.

“In 2013, we merged this trading activity to form Oryx Energy as the downstream division of the group. Looking back at the company’s history, we have developed, consolidated and restructured and now we are developing again. These four sequences have, and continue to support the successful development of the group,” he says.

“And we’ve proven over these 30 years of experience in the downstream activity that we are very close to meeting customer needs. By that, I mean our ability to find or propose customer value propositions in line with

specific requests, which could come from very specialised industries such as mining. Here, our ability to supply products to a very remote environment, which is sometimes very difficult to access, shows a real understanding of industry needs. We demonstrate flexibility, the reliability of supply and affordability,” Araman adds.

The group’s values—be alert, principled and adaptable—are strictly applied and deserve equal amounts of credit for their overall success. Being alert ensures they are able to quickly snap up any opportunities, while still operating along the lines of non-negotiable values such as integrity, and transparency. And, according to Araman, we live in times which are times of permanent changes—specifically fast-moving continents like Africa—where people and industries have developing needs, which are constantly evolving. Here, the flexibility to adapt to this ever-changing environment is vital.

“Africa has become the destination of choice in terms of investment but it’s not just about

creating opportunities. The continent requires the groups of investors on the continent to be adaptable in order to capture all of the opportunities that are materialising daily. As Oryx Energies, we operate a business in 19 sub-Saharan countries and this also means that we must adapt to 19 completely different environments. Regarding our greatest achievement, I think it was our ability to create a fully-integrated platform with Oryx Energies between its trading activity and distribution activity across those countries,” says Araman.

**Safety comes first**

Oryx Energies has recently been awarded a multi-site triple certification, ISO 9001: 2015 (Quality), ISO 14001: 2015 (Environment) and OHSAS 18001: 2007 (Health and Safety), in recognition of the efficiency of its processes and its management system.

The first oil products company to receive a multi-site triple certification for all its activities,

Oryx Energies may now apply this certification to their activities in both trading and downstream, conducted at its headquarters in Geneva and at the main operational sites of its seven subsidiaries—Benin, Côte d’Ivoire, Senegal, South Africa, Spain/Las Palmas, Tanzania and Togo.

“It is essential to acknowledge that safety is paramount within the group and so is the integrity of assets, and how we operate them. Equally as vital is creating a safe environment for our staff and our customers, but all of these concepts need to translate into solid facts. What is better than having your management of Health, Safety, Security, Environment and Quality (HSSEQ) recognised with a certification like this to really acknowledge the quality of work done daily by the group. It’s not only about keeping up with standards but going the extra mile to make sure that we can demonstrate to key stakeholders, staff, customers, the government and NGOs that we are walking the talk in terms of HSSEQ,” he says.



*Leseding Gas - Oryx Oil South Africa's (OOSA) first black distributor*

The certification is the result of a five-year project started in 2012. It has seen the design and implementation of a global, integrated management system, supported by the leadership in Geneva and subsidiaries, together with a strengthened HSSEQ team. Procedures and processes have been deployed, internal expertise has been enhanced and systematic monitoring and follow-up applied.

“This is, of course, great for us internally, but there is another benefit when it comes to the highly sensitive customer, like mining. We can now prove to that customer that we operate consistent, proper, real quality systems, and this is actually creating and raising the level of trust in our operations from both the customers and our employees,” Araman explains.

**Strategic moves for a new future**

Oryx Energies has also recently announced the sale of its LPG operations in Conakry, Guinea, to NP Group Limited, a company in Sierra Leone.

The move is in line with the company’s refined LPG strategy, which focuses on increasing its market share and reinforcing its leadership position in growth markets. Present in Guinea since 2012, Oryx Energies constructed an LPG filling plant and launched its distribution in September 2013.

Already present in Sierra Leone and Liberia, NP was looking to expand its presence in LPG and has taken the opportunity to acquire Oryx Energies’ fully-functioning operation

“After the disposal of our activity in Guinea, the group still operates in the Ivory Coast, Benin, Burkina Faso, South Africa, Tanzania, Zambia and Uganda. As part of our strategy, we decided to keep a strong focus on a limited number of countries.

“These countries show significant potential for LPG growth in the coming years, and we need to realise the full potential of these markets before we venture on to too many places at once. What we want to achieve now in these seven countries is market-share increase and a leading position in those growing markets.

“This move was really an opportunistic one for both parties. This business is very capital intensive, with long-term returns, so you need to have a long-term view with respect to the countries where you invest, and that’s why we have decided to limit our portfolio but go very deep into each of these markets,” says Araman.



“Africa has become the destination of choice in terms of investment but it’s not just about creating opportunities”  
*Benoit Araman,  
 Managing Director*

Oryx Energies has also just entered the Gambian oil product distribution market for the first time with its acquisition of a 75.01% stake in Atlas Energy Limited.

With over 220 employees, Atlas currently manages a network of 28 service stations and a portfolio of business customers to which it supplies fuels, lubricants and LPG. While the service stations will keep the Atlas name, the Oryx Energies brand will become known in Gambia via its lubricants and LPG products.

Oryx Energies’ oil trading division has been supplying Atlas since 2014 and will continue to do so.

“We will maintain a firm focus on liquid fuels, increasing our presence and growing our market share. We are currently looking at opportunities to expand with liquid fuels offshore, between Senegal and Guinea, and we will be spending a couple of million, which will be invested in investigating the potential of these new sites,” Araman explains.

**Strong leadership breeds success**

Araman, born and educated in France, joined Oryx Oil SA in 2013. The self-made leader ended his French career with France’s third-largest LPG distributor in 2003, where he operated as a Sales Executive and has worked in various positions across the globe since then.

Ultimately responsible for the success of the business, Araman’s position as Managing Director has put him at the forefront of everything, where he is expected to run the business

in such a way as to meet all of their key stakeholders’ expectations.

“This includes the shareholder who is expecting a return on their investment, the customers who are expecting a good, reliable service to them and, of course, our employees who have to feel proud to work for Oryx Energies. For them, it is imperative that we create a purpose for them beyond a paycheck. When it comes to the government, our priority is to remain a good corporate citizen, a company that is financially sustainable, creating employment, paying our taxes and working alongside the necessary requirements as laid out by the various policies regarding transformation and safety, to name a few,” he says.

Araman takes some inspiration from watching the company grow, excited to see their footprint increasing, but he also makes a point of looking beyond these numbers.

“To see my colleagues attending their workstation with passion, dedication and, of course, professionalism is what gives me the most reward in my current role. My passion for this industry is not something that necessarily ever needs to be maintained. It’s there in a very natural way, and I am convinced that we as Oryx Energies are doing good for not only our employees, not only the people we provide goods and services to, but also for South Africa, and other countries we operate in, and the environment too,” he says.

“Through the distribution of LPG, we are promoting a solution for energy, which is accessible,

transportable, affordable and friendly to the environment. It is also very versatile, where you can serve both the commercial industry as well as domestic customers. In the African context, we are enabling a fight against polluting fuel, which could be harmful in terms of health, like paraffin, while also fighting against deforestation.

Finally, we are growing economic activity by developing the LPG industry, and we are

his entrepreneurial spirit, innovative mind and his ability to challenge the status quo.

“I also really admire him for his rock and roll spirit. Similarly, there’s Winston Churchill who achieved so much and who was as an exceptional leader during dark times, while still managing to enjoy his whisky and a cigar. I personally think that it’s very important to be extremely disciplined in respecting your life balance.

meetings at home, just as I do at the office,” Araman muses.

### Customers join in the celebration

#### *The SIMS success story*

SIMS was started a quarter of a century ago by Abdul Patel and the company has, from humble beginnings, emerged into one of Southern Africa’s largest distributors of petroleum products in South Africa, and also the only previously disadvantaged gas distributor in KwaZulu-Natal.

“As the only black gas distributor in the Apartheid regime, our core business was confined to the rural areas, small industry and restaurants.

“Government contracts, corporate industry and the hotel and catering industries’ doors were closed to us. These were stumbling blocks that we learnt to overcome in order to excel in a predominantly white industry,” Patel says.

After 1995, SIMS Gas’ penetration into the larger industries was slow due to the fact that most of the industry was tied up with existing suppliers by exclusive supply contracts.

Growth was initially slow and refined to new business developments, but a restructuring of the organisation and venturing into the Natal Midlands area resulted in an increase in the product volume of 23.75%.

#### *The SIMS mission statement*

To explore and exploit the opportunities that avail themselves in the energy business, with due emphasis on the following:

“Currently, we have an active database of 75 commercial customers making up 93% of the volume of our business, ranging from corporate kitchens, bakeries, breweries, catering companies, restaurants, takeaway establishments and garages”  
-FlaxGas

doing this with job creation—both direct and indirect, and by bringing LPG to play a bigger role as part of the energy mix of a country, we are confident that on its own, this is also an important economic agent,” he adds.

For Araman, a leader is a person who is all about action and not position, they do what is right, not what is easy and they have the necessary integrity, honesty, patience, perseverance, courage and humility to be effective in their role.

“Challenging the sometimes difficult situations faced in the business environment has always been my greatest source of learning. It’s those moments where you realise that you are on your own and you need to make the call. Such situations have enabled me to test my resilience level and have always put me in a situation where I have to lead by example,” he says.

Having been exposed to different foreign cultures and living overseas since 2004 has also given him the opportunity to test himself on a personal level, while the values of the group remain at the heart of his leadership style.

Of his many role models, Thomas Edison stands out for the perseverance, patience and resilience he had shown throughout his life, where he failed hundreds of time before being successful. Richard Branson makes the list for

This means waking up early, working out and paying some attention to your lifestyle so that you manage your own resources and find the energy that you need to accomplish what it is you have to do.

“At the same time, never ever neglect those who are supporting you—your family, your spouse or partner, even friends. Take the time to step back and reflect, and always put things into perspective. I also have very important board



- To emphasise the importance of service in the industry
- To establish lasting relationships with customers and suppliers
- To strive for the highest levels of honesty, integrity and customer service
- To inspire their staff through training, equal opportunities, job advancement and rewards
- To involve themselves in the community in which they operate
- To realise the importance of preserving the environment
- To work within the limits of ethical constraints
- Their goal is to provide complete customer satisfaction by supplying quality services on time, every time

SIMS was established in 1974, and the company initially started trading as a one-man business. Since then, it has grown from strength to strength and in 1986, the company was converted to a close corporation.

Patel, the Managing Director and a historically disadvantaged individual, holds 100% of the SIMS Centre shares. Also, 39 of the 40 employees at SIMS Centre are historically disadvantaged individuals.

“We are also involved in various sustainable development programmes within the rural communities in which we operate. The main aim of the programme is to provide energy sources to the rural communities by setting up and establishing spaza shops and general dealers within their communities, and then empowering them to run their own sustainable energy businesses,” he says.

As a company, SIMS Gas is dedicated to safeguarding their customers, the public at large, their employees and the environment, from accidental injury or damage to property arising from any of the operations associated with our business.

“Our policy is that the fulfilling of our legal responsibility represents the minimum level of achievement. Our major objectives are to ensure complete compliance with all relevant statutory requirements; to achieve the highest practicable level of service in all that which we embark upon; and strive for the highest levels of honesty, integrity and customer service. The achievement of these objectives is the direct responsibility of all those in our employment,” Patel explains.



### ***STARGAS grows from strength to strength***

STARGAS was started in 2009 by the current Directors and brothers, Andrea Casillo and Fabio Casillo. The brothers started out as an installation team with just one small installation vehicle and they began domestic installations, offering their customers the highest quality work. This quickly helped to expand the installation side of the business as word of mouth was proof of professional service.

Customers who had installations done by STARGAS started asking for gas deliveries, an avenue the brothers were already looking at exploring. They managed to save up enough capital to hand-build their own trailer, which would soon help them in their deliveries of gas, as well as installations.

The gas deliveries were also becoming popular and allowed STARGAS to grow even further by introducing another workhorse utility vehicle. This allowed the brothers to take on more work.

The Casillos continued with an influx of installations and deliveries up until 2012 when they had, with the assistance from their parents, built up enough to purchase what is now the STARGAS head office and depot in Centurion—a 6x2.5m wendy house and their office—and a 10-tonne bulk tank.

The brothers knew they needed significant investment and attended several conferences in an effort to bump shoulders with whoever

they could to get some assistance. Their prayers were answered when Oryx Energies agreed to take them on board.

Due to the price adjustment incurred as a result of them becoming a legitimate filler, STARGAS lost more than half their monthly tonnage in the wholesale sector between 2013 and 2014.

The situation put them into some financial instability, forcing them to get back onto the street to start hunting and gain back the volume that was lost.

STARGAS then realised that they needed to restructure and move away from wholesale customers, going directly to the end users instead.

STARGAS has now made a name for themselves as a preferred supplier and, since joining Oryx Energies in 2012, they have managed to add a fleet of trucks ranging from 2x1-tonners, 2x4-tonners and a 10-tonner. They have also increased their staff complement from six employees to 21 fully-trained staff members. This includes an accountant, sales manager, installation manager and depot manager. They have also just moved into a newly-built head office, which consists of a boardroom, five separate office spaces and a retail store.

STARGAS has just launched their first of several express stores across the country, with the first one located at Menlyn Maine.

The brothers believe they have achieved this massive growth primarily due to each and every one of their employees believing in the



towards the Tweefontein area in Mpumalanga, following a lead about an LPG project that needed to be resuscitated. Here, they met with David Shabangu, a member of the local chieftaincy, and what they found exceeded their already high expectations.

They found out that a previous LPG project run by the municipality had been abandoned, and they were told that around 10 000 unmarked cylinders were now doing the rounds in the community, despite the fact that there was no longer a proper, professional re-filler operating in the area.

The two men had a vision to bring quality LPG, at a reasonable price, to all.

It then came to their attention that a national player in the LPG sector, Oryx Energies, had set up infrastructure to service the local community. This infrastructure involved five strategically placed shipping containers in the area, and a whole logistics service dedicated to these containers to supply LPG to the locals.

David Shabangu had had a working relationship with Oryx and they trusted him with machinery, containers and free delivery service. Shabangu, however, went bankrupt, in June 2015.

Rabolao and Seakamela took it upon themselves to re-ignite this attractive initiative. They approached Oryx Energies and agreed to settle the historical debt. They were given a contract to enjoy all the facilities and services while paying off the debt. The agreement was signed in 2015, and they were appointed as a sole-distributor in the area. The duo was filled

business structure they have created. All of their employees have had training from both of them personally. Nobody at STARGAS is a number; every employee has a voice and the doors are always open.

STARGAS is now also fortunate enough to take part in social development and currently sponsors several underprivileged schools with free gas installations and free gas supply to help these schools to continue to feed their students. STARGAS also provides blankets to these schools in the winter time and firmly believes in upskilling these scholars as they look to recruit new members from these communities.

**FlaxGas—Cape Town’s bakkie brigade**

FlaxGas, a small family-owned business that started in August 2017 offers their customers the convenience of having their gas delivered to their doorstep at the best possible price.

“I continue to be very proud of the brand I represent as an authorised distributor for Oryx Energies. We have been actively trading since 7 September 2017 where we started with only four deliveries a day and 2 400kg for the month. We have grown month on month and, as at the end of March 2018, we now average eight deliveries daily, and just over 8 000kg for the month.

“Currently, we have an active database of 75 commercial customers making up 93% of the volume of our business, ranging from corporate kitchens, bakeries, breweries, catering companies, restaurants, takeaway establishments and garages.

“The balance of volume is as a result of our domestic base that has grown from only 11 homes in September 2017 to 50 homes today, and we continue to grow as the word of mouth spreads. With the support of Oryx Energies, we will continue to grow both our brand as a service provider and that of the Oryx footprint.

“Thank You Oryx!” says Ashton Flax, the owner of FlaxGas.

**Oryx Energies South Africa’s Enterprise Development Initiative—Red Pixie Creations**

In 2015, two entrepreneurs by the name of Alphie Rabolao and William Seakamela ventured into the unknown. They travelled 80 km



with mix feelings because of the obligation and the opportunity presented.

“In January 2016, we opened for business and hired previous staff. We faced many challenges in the beginning in terms of outstanding rent, lost equipment and vandalism. We opened three branches but shortly after that, two were vandalised. We were so demotivated. However, we realised that the opportunity was greater than the threat,” Rabolao says.

After six months of operating, the pair decided to streamline the business. Their agreement with Oryx Energies was to pay the debt in small portions loaded on their cost price per kg. This worked, it gave them time to save cash and invest in the project.

“We relocated some containers to safer locations and we approached local schools and local businesses like funeral parlours and food outlets. We also appointed local delivery trucks to aid in deliveries to schools. The model was working and within six months, in December 2016, we started seeing a profit,” he says.

In late-2016, Oryx Oil assisted Red Pixie Creations by writing off all their current debt (as a black business grant) and in January 2017, the business was fully operational with two containers in operation—the Kwagga branch and the Miliva branch.

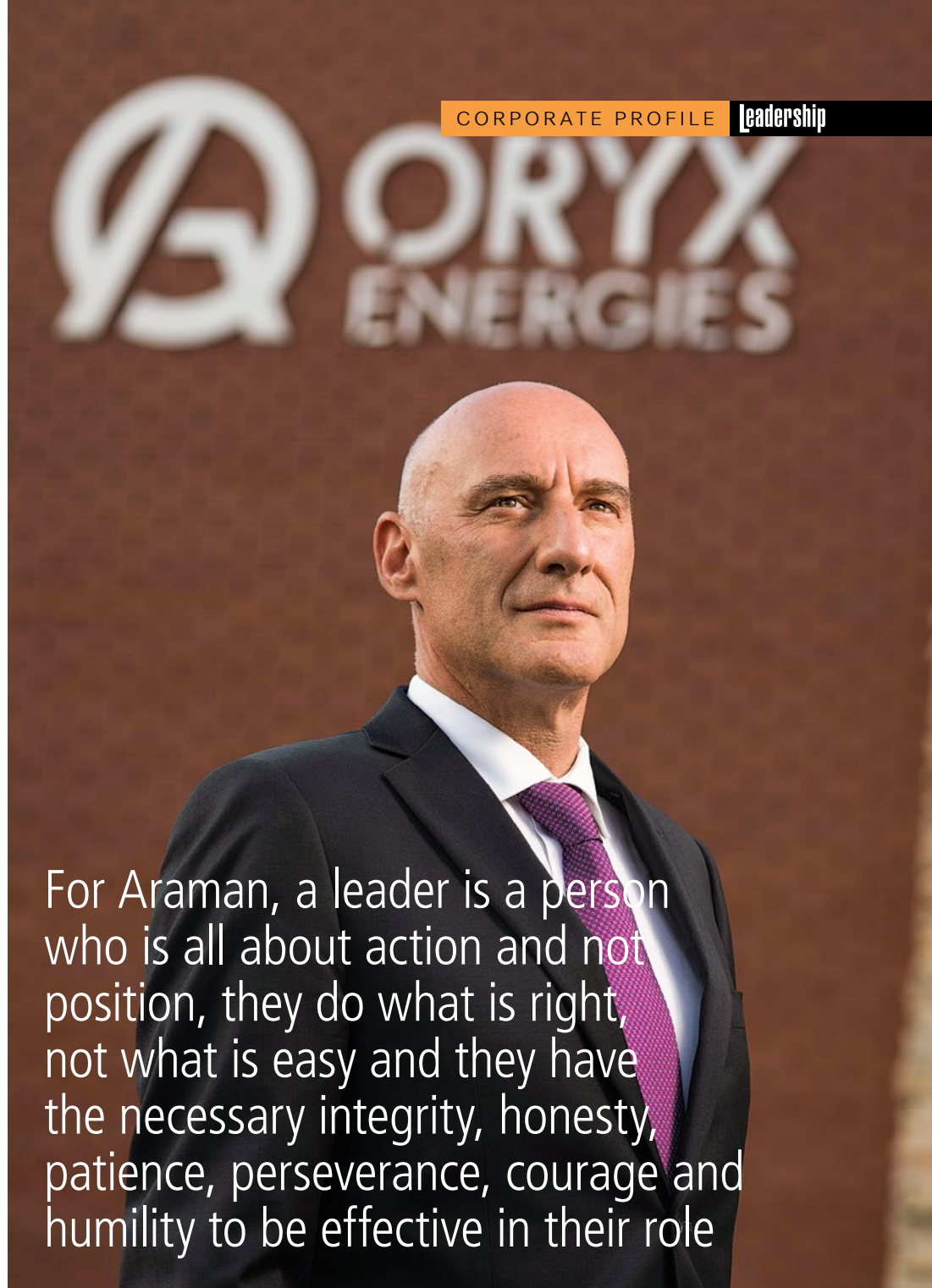
“Fast forward to March 2017, the other three containers were opened, and in September that year, all five branches are operating and its ‘full steam ahead’,” Rabolao says.

#### **Red Pixie at present**

Red Pixie operates in a radius of 40km m<sup>2</sup>. The area is from KwaMhlanga, past Tweefontein and up to Kwaggafontein. They have five containers in strategically located areas and employ five people (of which two were trained and hired by them in the past five months. Two are women). Red Pixie receives weekly deliveries from Oryx Energies and they are competing with local refillers, Afrox and Easigas. Their offering is the exchange of 9/19/48kg cylinders. Additionally, they refill local unmarked 6kg cylinders left by the defunct municipality project. Red Pixie’s volume per month is 6 tonnes, but this fluctuates in colder months

#### **Looking to the future**

“Red Pixie is thinking ahead. We are planning and growing our operation. First on the agenda is to train and appoint a daily supervisor to



For Araman, a leader is a person who is all about action and not position, they do what is right, not what is easy and they have the necessary integrity, honesty, patience, perseverance, courage and humility to be effective in their role

oversee any crisis that may arise daily. Every Friday, we travel to audit and evaluate the containers, but we still reside in Pretoria, and the containers are in Mpumalanga.

Secondly, we want to provide our two best performing containers with access to two electric pumps, as it will make the process faster,” Rabolao explains.

Red Pixie also hopes to erect five boards to tell new customers about their business and enhance their presence. They would also like

to acquire their own delivery truck as it would better position them to expand their business. “The issue of land is a big one, and having a central storage plant where we can build our future distribution plant or refilling plant is key. Red Pixie is fortunate to announce that the local chief has awarded us with one hectare of land in an industrial area to assist us in one day realising our dream,” he says. ▲

*Amanda van den Barg*

# Thuli Madonsela is the people's champion

Listed as one of *TIME* Magazine's top 100 most influential people in the world, Thuli Madonsela has been a beacon of ethical leadership for others to follow in South Africa and continues to be one of the voices of reason and deep understanding

**I**t's interesting to note that International Human Rights Day did not happen on 21 March, it's actually happening on 10 December globally.

In South Africa since 1994, we have it on 21 March because of the Sharpeville Massacre, as most of us will know.

So, where is the business connection? In its Article 25, the International Declaration of Human Rights states the following:

"Everyone has the right to a standard of living adequate for the health and well-being of himself and his family including food, clothing, housing and medical care and necessary social services."

This is not just a topic of general interest in our case but one, which confronts the business community at the deepest core of who we are and why we exist, and what the impact of our actions on the rest of society will be. There is nobody in our country better equipped to comment about this than Professor Thuli Madonsela.



Currently, she is the Chair of Social Justice at Stellenbosch University, she was the previous Public Protector of South Africa, where she made her mark for her no-nonsense approach that cut to the core of much of the corruption in this country and as a result, was never far from the firing line.

She is the founder of the ThuMa Foundation, a foundation she has created as part of the legacy of her work.

The ThuMa Foundation is about deepening and defending democracy and the rule of law through people's empowerment for ethical leadership, development and peace. Her work is focused on the Constitution of Human Rights, on justice reform, good governance, ethical leadership and social justice.

*Leadership* magazine was fortunate to be given a front row seat at the University of Stellenbosch Business School for an enthralling audience with Thuli. She starts off by painting the picture of some of the issues facing South Africa in 2018.

"I will talk about human rights in a fractured world, at a time when we're all very hopeful in terms of this country, but you will agree with me that within this whole hope set-up, there's a bit of uncertainty. When the new President of South Africa was elected as the head of his own party, the governing party, and when he started operating as the President of the country, you could already feel the vibe of hope.

"But you will agree with me that we then got to a point where there was a bit of uncertainty, initially, about whether we're going to have two presidents—one for the governing party and one for the country and what would it mean for the trajectory of the country in terms of our democracy.

"We passed that test and we went on a higher pedestal of hope. President Nelson Mandela put it best, that every time you climb the hill and you get to the top of it, you realise that there are many more hills to climb," she says.

### Hot topic

The hottest debate in South Africa at the moment revolves around land reform. She helped to draft the final constitution of South Africa promulgated by then President Nelson Mandela and has advised within this space as a full-time member of the South African Law Reform Commission, appointed to the position in 2007 by then President Thabo Mbeki.

"There is one issue that has human rights implications for everyone and the issue of uncertainty around the expropriation of land without compensation. It has raised a lot of uncertainty, but it has also raised a lot of hope, isn't it interesting? Now, on my Twitter timeline, I've heard a lot of people who are asking, 'When will we get the land?'

"There's one group that is hopeful to get land. We have 57 million South Africans—not all of them, of course, are able to speak and are able to hope. Some are sick, some are small and some are afraid, but quite a significant number of them, about 20 million, I'm certain are tentatively hoping they are going to get some land.

"Many others are uncertain about what's going to happen to their shares, the company that they invested in, have some shares in farms, will they be confiscated? There are also those who are concerned about, 'Will expropriation also include my house?'

"How many of you have really been victims of the Prevention of Illegal Eviction (PIE) Act? It came from Human Rights protection, because people were being evicted improperly from farms and I remember when people were arguing against evictions, I was there saying, 'No, you give them land and a house'," she recalls.

### The other side of the fence

The captivating Madonsela continues by giving her own personal experience of being on the other side of the fence, when a tenant would not move out of the new house she'd bought.

"I also was a 'victim' of PIE, where somebody whose house I bought refused for a good 18 months to leave the house. Meanwhile, I had to deal with a business person who bought two properties in Johannesburg for business purposes. Eventually, his business went under, his two homes were sold and his children were taken out of school. On the one hand, it was a human right to stop people from being evicted, on the other hand, it was a human right, the right to property and everyday rights to economic activity, which affected this colleague and he was poor.

"In his case, he was one of those lucky ones in a way because the City of Jo'burg messed it up, enabling us, as the Public Protector, to hang onto that and hold the City of Jo'burg accountable and he got at least some funds back from the property he lost, but not many people do.



Photo: Gregory Simpson

So, that's human rights, it is a balancing act; it has always been one of those things about promoting peace. If the relationships between us are not regulated, some people's fortunes can be improved, other people's fortunes may not be," Madonsela says.

### Architects of a good society

Madonsela is usually somebody who can see both sides of the coin and empathises with a spectrum of different people and needs. The question of why countries go to war cuts to the core of some of the issues that SA faces, with a



“Human rights, it is a balancing act; it has always been one of those things about promoting peace”

sizable gap between the middle class and poor, and we could all heed the warning to do more to help the less fortunate if we are in a position to do so. In China, studies have shown that there has been a noticeable increase in civil unrest since it adopted a more cabalistic approach to economics. Madonsela gives her own take on the gap.

“After two world wars, we realised that one of the reasons there’s conflict in the world is some take more than they are entitled to and others end up getting none and in that process, people butt heads. When the elephants fight,

it’s the grass that suffers, as happened in the two world wars. Smart leaders thought, ‘Let’s come up with a universal declaration of human rights,’ and they tried to cover all bases, from basic rights such as freedom and human dignity to socio-economic rights, which are the rights to food, housing and everything else.

“Quite interestingly, despite the universal declaration of human rights covering all the rights, which are similar to the rights in our constitution, the world eventually decided to forget socio-economic rights and focused on what we referred to as civil and political rights.

Presumably, at the time it was thought that those are the rights that don’t require the government to do anything but we now know that they do require the government to do something.

“It was at the time, though, that civil and political rights just required the State to do nothing. They prevented the State from excesses. But we’ve now found that the right to movement means someone has to give you a passport and the cost amount to access to justice requires that somebody has to spend money to provide courts – which cost money. Civil and political rights, just the right to vote,

requires a lot of machinery and one of the huge expenditure items is the IEC.

"People were still hungry, people still needed shelter, all of those things the architects of the universal declaration of human rights had thought about remained problems and continued to create a fracture in the world. Some people would say that a lot of global terrorism might just have something to do with people who live off the grid, and the world is marching forward but they are being left behind. But back here (South Africa), we are in a time when there's hope, but we're also within a time of what will the future hold?" Madonsela explains.

### New role at Stellenbosch University

Madonsela recently accepted an offer to take up a chair in social justice in the Law Faculty at

Stellenbosch University, which is a major boost to the university as it continues on its journey into a fully diverse campus life.

She says, "I am supremely honoured by the offer of the chair in social justice by Stellenbosch University. I hope to work with my colleagues at the Law Faculty to play our part in accelerating the pace of achieving the constitutional promise of an inclusive society based in social justice, shared prosperity, friendship and peace. I am also looking forward to working with young people at the university and beyond on these matters.

"Recently, I addressed Stellenbosch students at a residence that is trying to create a sense of community and a sense of understanding and embracing differences within a diversified community. While I was in that space, I spoke to the

students and one of the stories I told them was Spencer Johnson's story, I'm certain everyone in this room has a copy of Who Moved My Cheese?

"I told them this story with a view to talking about the difference between successful people and unsuccessful people, that the ones who were successful are the ones who react to disruption as leaders. In other words, look at what the point of influence is here, what the point of persuasion is, what the point of inspiring behaviour is, a different kind of thinking on change, whether it's changing me or changing others, but how do I lead in that situation?

"Then, there are those who react by feeling like victims because with Johnson's Who Moved My Cheese?, those mice that find cheese don't even know who put it there, that is their cheese, they eat it. And, eventually, they become



"President Nelson Mandela put it best, that every time you climb the hill and you get to the top of it, you realise that there are many more hills to climb"

Thuli Madonsela and Wendy Luhabe during the 2017 Fairlady Women of the Future Awards



Photo: Gallo Images / Sunday Times / John Liebenberg



Photo: Ruvan Boshoff/The Times/Gallo Images/Getty

*Advocate Thuli Madonsela arrives for the State of the Nation Address on 11 February 2016 at Parliament in Cape Town*

extremely comfortable, some even build little castles they call homes, and one day, the cheese is gone. So, there are two reactions according to Spencer Johnson. There are the mice that complain, 'Who moved my cheese?' They complain, they analyse who did it or how it started et cetera, but they do nothing and, in the end, they stay cheese-less.

"And then there are the mice that realise the cheese has moved and they go and look for other cheeses and, of course, they thrive, which is what happens in society. People move my cheese every day, and some respond as victims some respond as leaders, but what I was explaining to them is that we don't always respond as leaders."

#### **Leadership overload**

Madonsela goes on to give an honest account of herself, admitting that she does not always act like a leader looking for change every minute of the day and, at times, takes a back seat in life. It is fascinating to hear her take on societal accountability. It is obvious that if she ever had the opportunity, she would make for an excellent President one day, given her depth of personality and inner reflection.

"I don't always respond as a leader every day and think about what the point of influence is here, what the point of the situation is and how do I make this work, how do I change thinking, how do I change behaviour, how do I find collateral value with what has just happened? It just depends on giving yourself the opportunity to breathe and process it, and I'll give you an example of this," she says.

#### **The Public Protector's cheese**

During her time in the Public Protector hot seat, Madonsela had her fair share of battles. One such time was with the High Court Judge, Ashton Schippers who accentuated the ambiguity of the powers of the Public Protector. The uncertainty about her powers to get prosecution was arguably undermining her responsibilities to protect the public's interests.

"The example of when Judge Schippers moved my cheese. This was when I was saying the Public Protector's decision is binding, it was extremely important to keep my team motivated and ensure them that we were not a gateway to nowhere. The people of South Africa, those who were concerned about corruption and what they said about administrative justice, I was

worried that if a decision is made, the powers of the Public Protector are not binding in a society where people have become very legalistic and moralist.

"Already, we had enough space where some people were not making a move after we told them to move because they said, 'You're not a court of law,' so, we are akin to courts, the ultimate guardians of the Constitutional Court. Then, when you put yourself out there and hold an idea that has not yet dawned on everyone, it's going to be difficult.

"And you may be wrong. In this particular case, Judge Schippers said, 'You are not a court of law and you don't have any binding powers,' and that was it. However, the two leadership reactions are to accept that that was his decision, he is a Judge, and professionally respond by saying, 'Well, I understand that you are one of the ultimate guardians of the Constitution, but thank God there are many of you.' I did feel like a bit of a victim, he had moved my cheese. How do victims react? They fight back, so I fought back," Madonsela explains.

### Fair taxation

Madonsela changes gears and briefly delves into another current affair, the rise in VAT to help curb a sky-rocketing national debt, which she feels will greatly affect the poor. She believes we should find a better way of raising money from the people who can actually afford.

"Look what's happened with VAT, we need money, let's treat everyone the same, and collect VAT from them, but who is going to be hit more?" she questions.

### Transport barrier

We talk about access to opportunity as a means of creating equality in society; transport is not in the conversation at any major level at the moment. The ability to access opportunity, whatever that is, education, work, play or just social interactions is important. Metrorail is on its knees at the moment and people need to pay a fair percentage of their wages just to get to work and school. More work and planning is clearly needed to take the strain off people's pockets before they even reach their work stresses.

"I do believe that transport is one of those barriers to levelling the playing field in terms of opportunists, burdens and society. In the current model, one of the problems, for example, is that public transport, like busses, is subsidised, but

not taxis. The historically disadvantaged person does not use mainstream transport, they use taxis and the taxis are not subsidised.

"Then, there are also the trains and right now, the trains are not moving and nobody has looked at them, what is the cause? One of the ladies who drove me told me a story about how much it is now costing them when the trains are not working. It is just crazy—the poor pay more and that's something we need to think about.

"One of the success stories in China comes from the fact that the bureaucrats have a relationship with business and that the bureaucrats are also taught business literacy so that, yes, you are going to serve people who start thinking like businesspeople and, in this case, businesspeople can partner with the government to look at models.

"Secondly, people can then also provide community solutions to transport. A student at Stellenbosch University in the Law School said she accepts that she is advantaged and she thinks she has to do something to pass it on. She has decided that her contribution to society will be to teach historically disadvantaged people how to drive. It means very little to you, but it's one of the ways to equal opportunity. She is starting by teaching her domestic worker how to drive," Madonsela says.

### Toxic masculinity

There was a quote from a woman who asked how can we teach men or help men to understand that toxic masculinity harms not only

women but also other men and children and the world of nature. What is it that we as men and women can do to try to help develop another model of power that doesn't do so much harm?

Madonsela says, "It brings us back to International Women's Day. From a woman's point of view, the answer has been, 'Let's think about—let's all become feminists.' When people think about feminists, they think about women who hate men, but it's really about embracing the humanity of all men and women. I think it was Leticia Mort who said, 'To men, their rights, and nothing more; women, their rights, and nothing less.' For me, my speech on International Women's Day, I've moved from wanting to be a feminist or seeing myself as a feminist to the point of where I see myself as a humanist.

"But exclusion or discrimination against anyone because they're different is wrong and as long as we accept some form of discrimination, women will always be the fault line in society, and we need to create a society where difference is not a justification for better rights or better privileges, and it's also not a justification for being treated differently.

"In regards to toxic masculinity, you're absolutely right that it is toxic to everyone, including the holder because I don't think the perpetrators who are illustrative of toxic masculinity are powerful people, they have power but they're not powerful," she concludes. ▲

*Gregory Simpson*



# Offshore exposure is essential, but not without a strategy

**While offshore returns for South Africans have historically been flat to negative, this has changed over the past five years, resulting in both individual and professional investors increasing their exposure to offshore investments**

**T**his is according to Wayne Sorour, Head of Old Mutual International South Africa, who points out that over the past five years to 29 March 2018, in hard currency terms, the S&P 500 has returned 13.2%\*, the FTSE 100 has returned 7.5%\* and the Eurostoxx, 50 9.8% (as at 28 February 2018). “Looking further afield, the MSCI Emerging Markets has returned 5.3%\* over the same period. However, the MSCI Emerging Markets over the last year have delivered 25.4% and are still looking relatively attractive. Investors are seeing real returns in US dollars and in addition, many have benefitted from the rand devaluation,” he says.

Given the decent returns currently being produced by offshore markets, Sorour goes as far as to say that it would be foolish not to have offshore exposure as a part of any investment portfolio. “Investors should have at least a 30% exposure of their investable assets offshore, whether it be direct offshore if they can afford it, or via a rand-denominated fund,” he explains.

Sorour warns investors, however, against trying to time the market or investing heavily when the rand starts devaluing. “If, according to the investor’s financial plan, they need to diversify to offshore markets, they must take action to diversify. Trying to time when the

rand is at the right level or when markets appear cheap will only lead to delay and regret,” he says.

For instance, at the moment, the rand has strengthened against all major currencies, since its low on 14 November 2017; by 18.2% to the USD, 12.4% to sterling and 14.5% to the euro, as at 31 March 2018. Whilst it would be simplistic to put the rally down to the Cyril effect, it cannot be ignored, but its strength needs to be viewed alongside the US dollar weakness as well as the current emerging market strength.

For investors who have never had offshore exposure before, Sorour says that the options available to them depend on their particular situation: “For instance, are they still carrying debt? Are their tax affairs up to date and do they have enough capital to take money directly offshore?”

If the situation allows for it, Sorour says that up to R1 million per year can be directly invested into an offshore foreign-currency fund without the need for tax clearance. “Investors can apply to SARS and the SARB to invest more, in other words, their R10 million foreign investment allowance per person per annum, but this will not be successful if their tax affairs are not 100% in order. Once all requirements have been met, investments can be made in the foreign currency that the client has selected and invested in their preferred jurisdiction.

“Importantly, from that time on, investors need to value the investment in the currency in which they have invested. If they’ve chosen US dollars, then growth needs to be measured in US dollar terms,” he adds.

The second option he mentions is to obtain offshore exposure through a rand-denominated offshore unit trust or fund. “This requires no special clearance from either SARS or the SARB and the premiums are lower, and many funds cater for monthly contributions. However, investments will pay out in South African rand and will only be made available here in South Africa,” Sorour says.

Ultimately, when looking at offshore opportunities, investors, together with their financial advisers, need to access markets with real growth potential.

“In the current international investment environment, interest rates remain low and traditional developed markets look expensive. The Dow Jones hit a record high, reaching 26 609 points on Friday, 30 January 2018 off its low of 6 626.93 in March 2009 during the Great Recession. Despite coming down to 24 033, as at 3 April 2018, it’s still quite expensive,” he says.

Sorour urges investors eager to explore their offshore options to consider more than just returns. “In addition to potential returns, the various investment structures available also

need to be considered, as well as tax implications and estate planning consequences. All of these factors can impact the ultimate success of an investment.

“For example, if an investor with offshore assets were to pass away, there may be consequences of not having an offshore will. This is where an adviser can add a great amount of value in determining what vehicle would be best for each specific client, based on their financial position and requirements,” he explains.

Thus, investors need to think about the structure in which they invest such as direct unit trust funds, or invest via a life wrapper,

says Sorour. “They also need to consider the tax implications of this decision in terms of the markets and jurisdictions into which they are investing, and take into account the impact on local tax,” he elaborates.

He says there are some structures that are more tax beneficial than others.

“Furthermore, estate planning issues need to be taken into account as there can be very serious implications on offshore investment inheritance taxes.

“Regulations in the USA and UK dictate that non-residents are taxed on some assets they have and this can be as high as 40%. For

example, when people buy property in the UK in excess of GBP325 000, it will incur an inheritance tax of 40%,” Sorour explains.

In times like these, Sorour says the role of an astute financial adviser who provides guidance to clients is of the utmost importance.

“A good financial adviser will guide clients to the asset managers and portfolio managers who are able to find pockets of value and, if possible, limit the downside or incorporate protection where required,” he concludes. ▲

*\*Annualised to 29 March 2018  
Exclusive media release*



For investors who have never had offshore exposure before, Sorour says that the options available to them depend on their particular situation

# Behind South Africa's fastest-growing IoT network

**The Internet of Things (IoT) continues to pull the headlines as we step into the Fourth Industrial Revolution, and there are more questions than answers, as South Africans try to get their head around a plethora of new technology and terminology**

**T**he IoT is a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.

One of the leaders in this field locally is SqwidNet, the licensed Sigfox IoT network operator. SqwidNet is able to cover 83% of the South African population with its network.

With over 90% and 75% coverage across municipal and national highways respectively, it has become the fastest-growing IoT network in the country. Since its launch in late 2016, SqwidNet has partnered with over 30 ICT service providers, which are at various stages of deploying IoT solutions across a number of industry verticals.

The interim CEO, Phathizwe Malinga, who has recently taken over the position from the highly respected innovator, Reshaard Sha, discusses this intriguing subject matter. The likeable Malinga is no stranger to the role of a strategist, as he has consulted with both Max Healthcare and the Life Healthcare Group previously.

He has been involved in the information technology and telecommunications industry for over two decades, having held senior management level positions. He completed his Executive MBA from the University of Cape Town Graduate School of Business and he is also a guest lecturer at the university.

**The IoT is the talk of the town at the moment, how does it actually work?**

It's really just about sweating assets, about making your assets visible; while AI is about ensuring that those assets sweat at their most optimal and self-heals.

**What industries are being affected the most as this technology is rolled out further?**

Security—and it's a very South African context—is the thing that lights up for most people. That's the biggest uptake, which sees asset visibility and the asset being clever enough to alert its owner to an unexpected change of behaviour, whether that's sudden stopping or temperature dropping.

**As we look at energy efficiency, IoT is primary to that objective?**

It is, there's an opportunity for revenue in the energy space and I translate that to itemised billing. What you're now able to do is monitor your usage, you can start watching and observing your usage and start bringing down your energy, whether that's you as a consumer or as a business looking at an office management aggregate space.

**In terms of the back-end of IoT, what are some of the structures and the technology in place that makes it tick?**

When you start thinking about the deployments, the assets you want to power become a very big factor to consider. You need to move away from what you and I suffer, which is a seven-day

battery, to something that can last in the field for fifteen years.

The technology that we use, which is Sigfox, gets these manufacturers to start working in a way that they can draw that kind of longevity out in the field from AA batteries. So, on the one end, we've got makers and manufacturers, and their quest is to make it frugal. Then, once you have that information in your data, you need to be able to see that data to act or see that data to improve. And on the outside, you want something that alerts you, and a dashboard that will show your trends.

**When rolling out this advanced technology, do we have enough skills in South Africa in key positions?**

I suppose the answer is in any sector and in anything, we need more skills. A while back in South Africa, it was quoted that one engineer covers about 3 000 people, a similar engineer in Brazil covers 227 people, so that means our engineers have 13 times the workload—the shortage is absolutely real.

**School leavers who might be scared about what their job prospects are, how do you think IoT will fit in with employment, so to speak?**

Employment is not something to do and the nice thing about what IoT does is, it targets something to do, it targets the repetitive. School leavers, we believe, are just as capable as any other human being of solving really complex problems, maybe not terribly complex to somebody who has graduated, but complex enough

that a machine can't do it because it's not repetitive. Each thing that comes about is different, so in the IoT space, we're going to start seeing better school leavers, because we don't need to just give them something to do, we're going to get them to start solving real problems and start learning before we can get to a point where we automate those things. Therefore, IoT is going to be good for job creation.

**How do you approach safety and security concerns with the IoT and hacking?**

There are very real concerns. When you start connecting 100/200 000 objects for your business, how you connect them becomes very, very important; if you connect them in a fashion that allows a backdoor into your current systems, you should be aware from the design. If you have no choice, build and protect against that. If somebody does hijack your door, they haven't gained access to a system because your door cannot speak onto your system, so security is something that is key for somebody who is going to be rolling out that many devices.



*Phathizwe Malinga*

**Are there any radiation issues if every device is constantly connected via Wi-Fi?**

If we take this big thing called broadband and establish these connections, including our Bluetooth, then yes, we are going to start seeing quite negative outcomes in terms of our health. In fact, Bluetooth and the cell phones that we put against our ears today, in ten/twenty years, we will finally start seeing the research that tells us what's safe for us as human beings.

In the IoT space, we need to start using unconnected devices, they must be IoT enabled and they must just connect enough to send what they need to send but not affect you as a human being— much like an SOS if you're out at sea.

**In terms of transformation, would you say the ICT sector is ahead of other sectors?**

We're going to go through a bit of a cycle for the next couple of years, and I don't think any sector can say they are ahead, because market conditions shift a little bit, shareholders demand figures at the very least. If you're measuring transformation, you see a step back in transformation, you start seeing white CEOs come in versus black CEOs, or joint-CEOs. But it's what's available at the time and who is willing to jump, so industries lead and lag based on where they find themselves. Luckily, at the moment in ICT, there's a big appetite for a shift towards transformation but four years ago, it was almost the exact opposite when we started feeling the effect of the 2008 financial crisis, where anyone who was available and capable came in and taught the next person—it's a lead and lag environment.

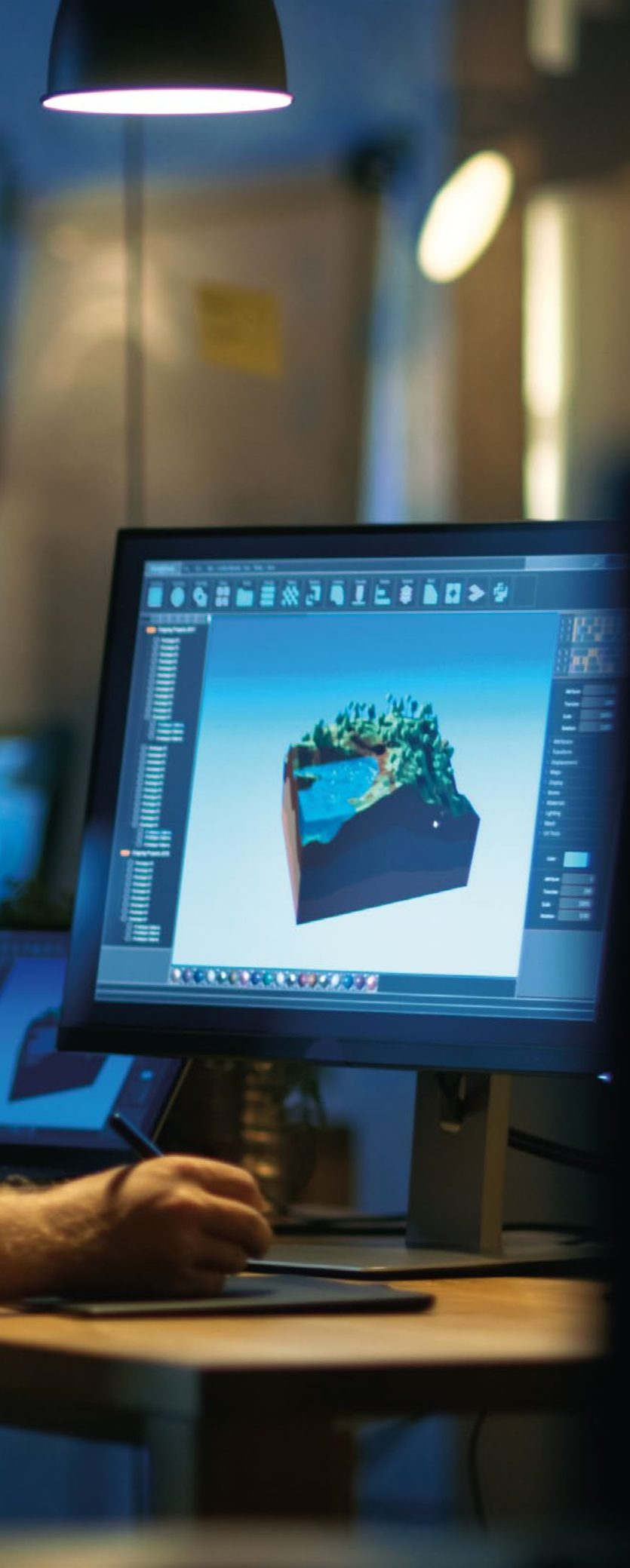
**Finally, is President Cyril Ramaphosa good for the economy and your business?**

He is excellent for the economy and absolutely excellent for business, and particularly for my business. I've been thinking about working on a few things that I've watched in terms of his leadership, and that I find quite amazing. He has the ability to make you believe that if you ever phoned him, he would take your call, just from an accessibility point of view. I admire that. As a leader, you need to be seen as accessible—and the walks that he's doing, the fitness that he's doing, and riding on a plane, all of a sudden, he's your mate in the economy seat next to you. ▲

*Gregory Simpson*

# Collaboration is key to Industry 4.0

In the Industry 4.0 economy, an increasing number of organisations realise that networking with partners can lead to innovation and turn out to be profoundly beneficial



**S**mart organisations utilise the capability of resources from partner organisations and knowledge workers to optimise their own potential. Teams from different locations create opportunities for participating in the design and development of products, services, manufacturing processes and supply chain operational activities.

At the start of the new Millennium, organisations began to realise that outsourcing had to be seen as a strategy in their relentless search for a competitive advantage. Hence, organisations recognised the limits of their own distinctive competencies and started looking at outsourcing (and partnering) for boosting their needed skills, products and services.

The possibilities extend along the transformation processes from the initial design all the way to serving and delivering to the customer and include, inter alia, design services, parts procurement, sourcing sub-assembly and component partner capacities, and logistics.

Moreover, all the above transformation process elements need to be effectively and efficiently integrated and coordinated in a sound flow-control system to ensure the timely, accurate, value-adding movement of products and services through the various stages of processing.

The appropriate vehicle for this is the cross-functional Manufacturing Flow Management supply chain process.

Likewise, the appropriate vehicle for the design and development of products, services and processes is the Product Development and Commercialisation supply chain process.

#### **The Manufacturing Flow Management supply chain process**

Better controls are important elements with respect to customer-serving processes. Quality is very important, but other customer wants and needs such as lower costs, faster response times and flexibility are of paramount importance in customer-serving processes.

Hence, central to designing, developing and maintaining customer-friendly processes is effective and efficient manufacturing flow control. Operations and manufacturing flow control ensure the timely, accurate, value-adding movement of goods, services or, sometimes, even customers through the processing stages. Poor flow control produces highly variable, unpredictable results, such as late or early completions and poor quality. Good flow control requires correcting the many weak points in the process stages

There is no single functional department that can control all flows. Flow control and the management of it are about keeping things moving between an array of value-adding production and operations activities. Flow control in wholesaling is mostly an inventory system; in human services, a customer processing system; and in manufacturing, a production and inventory system.

The aim is to keep everything flowing as smoothly as possible with an overall objective of avoiding slacks and gluts or at least reducing their impact. It is a multifaceted system of identifying and eliminating delays, poor quality, unnecessary costs and any other undesirables that may surface. The vehicle for achieving the desirables is the cross-functional Manufacturing Flow Management process located in the capacity-focused component of the Industry 4.0 economy supply chain.

#### **The Product Development and Commercialisation supply chain process**

Product development and commercialisation is an important cross-functional process of the organisation's supply chain portfolio. The commercialisation component has to do with the

effective and efficient delivery of the product to the market. Product development and its commercialisation activities are achieved through project work. The success of a project deliverable is profoundly dependent on the success achieved in the conceptualisation and design phases of the project life-cycle. This is where the project deliverable to satisfy the customer's needs is created.

Importantly, the project deliverable and commercialisation activities are achieved through programme managing the Product Development and Commercialisation supply chain process. Examples of functional elements for integration, coordination and collaboration are business planning by sales and marketing, the product design assistance by the technical department, movement requirements by logistics, process specifications by the manufacturing department, material specifications by purchasing, and research and development costs by finance and accounting.

#### **Industry 4.0 product, service and process design and development**

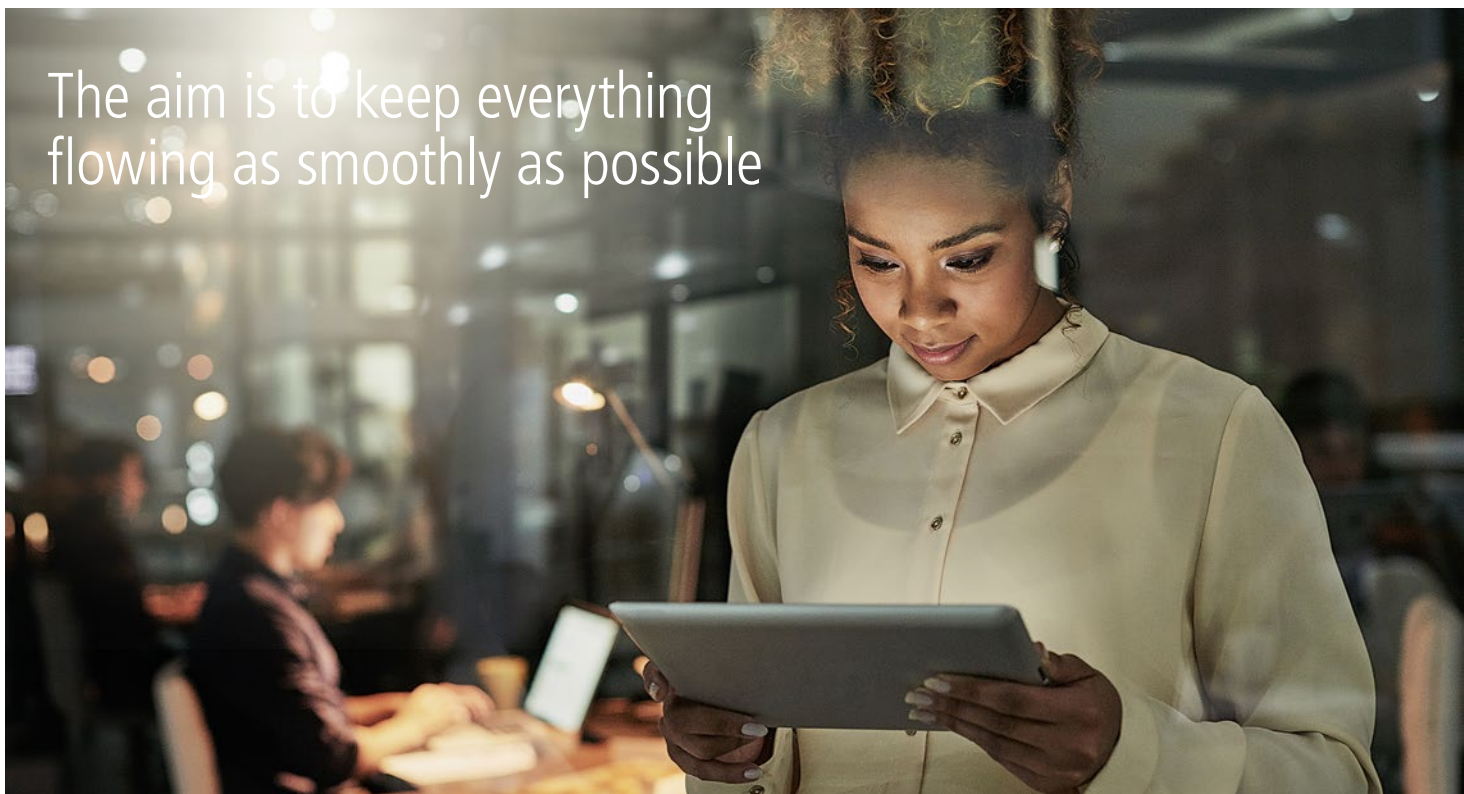
Design is a core responsibility of organisations. Moreover, a chronic weakness among many

organisations is the under-management of the design and development of products, services and the processes delivering those products and services. Design problems have a tendency to creep into operations. The quality deteriorates, processing slows or stops and costs seem to mount. This causes customers to look elsewhere and competitiveness suffers as a result.

Managers must ensure that the design for customer needs delivers a competitive advantage to the organisation. In the Industry 4.0 economy, an effective and efficient design capability has emerged as an important competitive key success factor. Product, service and process design and development are highly important in today's organisational environments.

Importantly, it must be remembered that project work is about creating a product known as a project deliverable. Hence, when speaking of product design and development, it includes the design and development of a project deliverable within the conceptualisation and design phases of a project's lifecycle.

The design of a project deliverable is informed by either a business case from an internal customer or a request for proposal (RFP) from an external customer.





## Managers must ensure that the design for customer needs delivers a competitive advantage to the organisation

Design is generally financed through the organisation's research and development budget. An effective design strategy for any entity is one that overcomes weaknesses inherent in conventional design efforts. Moreover, contemporary design programmes must directly support the immediate organisational needs.

Unhappy customers normally take their business elsewhere. Attempts to gather customer feedback are plausible but improvements in design need not wait. Many problems deserving immediate attention can be traced to a number of historical weaknesses of conventional design.

The specifics of design programmes differ but smart organisations agree on several common characteristics that describe the effective product, service and process design. Products and services must be selected to fit within a chosen Fourth Industrial Revolution competitive market environment.

This is followed by the organisation's design strategy that must be positioned and implemented within the market segments. Continuous Industry 4.0 environmental scanning and analysis is required and specific attention needs

to be paid to customers' changing needs and competitors' shifting abilities and weaknesses. Rapid Industry 4.0 environmental change often triggers modification in the organisational (emergent) strategy that may lead to a reformulation of the design strategy. The planning of the design strategy is followed by strategy implementation.

Smart organisations choose the cross-functional team concept for addressing historical design weaknesses.

In today's Industry 4.0 economic dispensation, these teams include partner organisations and knowledge workers, customers, suppliers and cohorts from the functional departments of the initiating organisation.

### Teaming up for effective design

Virtual networks of multifunctional and partner organisations'/knowledge workers' design teams are profoundly beneficial to both providers and customers.

It enables providers to overcome the weaknesses in traditional design with a host of powerful design techniques and tools that such teams made possible.

Customers, in turn, enjoy the improvements evident in the final designs, often having made direct contributions to such designs themselves. Virtual networks of partner teams facilitate the concept development and make concurrent design possible and much more feasible. By making design team-based, it ensures that products, services and processes are rendered much more socially responsible.

Concurrent design raised in stature with the arrival of the Fourth Industrial Revolution economic dispensation. Concurrent design, also known as simultaneous engineering, happens when many contributors provide their expertise concurrently while working as teammates in a virtual network of collaborating partners, instead of being isolated functional specialists.

This delivers significant benefits since it prevents serious disruptions and avoids time-consuming misunderstandings and costly rework. A structured way of viewing the holistic picture and organising the details of the product, service and process designs can bring many advantages. ▲

*Professor Pieter Steyn*

# Choosing battles carefully in times of crisis





While many South Africans were left wondering why certain ministers in President Cyril Ramaphosa's first round of new Cabinet appointments retained their seats, albeit in different portfolios, what we need to bear in mind is that leaders have to choose their battles carefully, and Ramaphosa practised this here. Certain appointments were non-negotiable; others were the outcome of realpolitik.

**Three non-negotiable ministers, who have to get South Africa back on track, are Minister Nhlamhla Nene (Finance), Minister Pravin Gordhan (Public Enterprises) and Minister Zweli Mkhize (Cooperative Governance and Traditional Affairs). They are non-negotiable because it was clear to all that South Africa was looking over the edge of an economic precipice and, while I have always said that politics might get you into power, it is economics that keeps you there.**

Ramaphosa's presidency is going to succeed or fail in the short-term, based on the speed at which the country's economics and finances can be stabilised, the systemic risk we face from public enterprises being mitigated, and the parlous state of local government and problems of service delivery being confronted and turned around.

The problem is that we are still at a level in our democracy where, to date, our country has not been able to agree on the path to get there. And so, right now, we are hovering at an economic crossroads. While some people remain positive about Ramaphosa, others are in a 'wait and see' holding pattern. They are waiting to see what radical economic transformation and land expropriation without compensation really means and how it unfolds; and they are waiting to see skills development take place and jobs being created, especially for the youth, instead of endless talking.

However, regardless of political affiliation or ideology on economic development and social emancipation, the majority of people in South Africa want to achieve the same objectives: stability, strong economic growth, social equality and ensuring that our young people are given the best opportunities to succeed.

Therefore, Ramaphosa's government has its hands full with trying to navigate a tightrope between the expectations of an increasingly frustrated populace, the rating agencies, which have the power to determine what our borrowing costs and foreign exchange rates are going to be, and investors who see all kinds of potential in the changeover but who still think, let's wait and see.

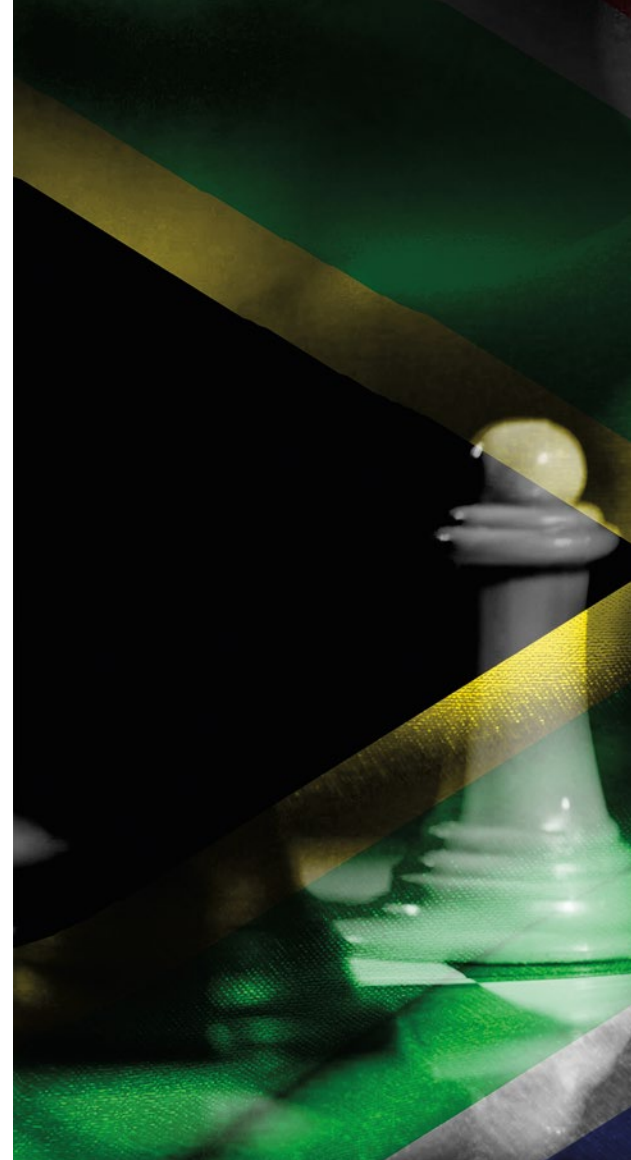
What he does in subsequent Cabinet changes will be telling, but what he could not compromise on at the start of his presidency was to appoint the best ministers for the job to manage

the financial, economic and governance crisis in Finance, Public Enterprises and Cooperative Governance and Traditional Affairs. The three are vital to South Africa's economic and social wellbeing and, hence, they are inseparable. The national government cannot do its work without the full support of a functioning, capable, ethical finance ministry, efficient, transparent parastatals and accountable, well-run provincial governments, municipalities and traditional leadership communities. This does not diminish the importance of all the other ministries but these key areas had to be addressed in the context of Ramaphosa's crisis leadership.

Two interesting leadership perspectives to consider in this regard are Fred Fiedler's Contingency Theory and Hersey-Blanchard's Situational Leadership Theory.

Fred Fiedler was one of the leading researchers in industrial and organisational psychology of the 20th century, which remains relevant today. His Contingency Theory in his 1958 work on Leader Attitudes and Group Effectiveness states that effective leadership depends not only on the style of leading but on the control over a situation and the leader's personality or psychological disposition. How the leader is perceived and whether the leader can actually exert control over the group determines how effective the leader-led relationship will be. Paul Hersey and Ken Blanchard, whose Hersey-Blanchard Situational Leadership Theory from the 1970s and early 1980s, posits that leadership depends upon each individual situation and no single leadership style can be considered the best because each type of task requires a different leadership style. They say that a good leader adapts their leadership approach to the goals or objectives to be accomplished, including choosing the right person for the job at the right time.

The right person must be wise, well-informed, experienced, excel at goal setting and execution and have a heightened capacity to assume responsibility. Minister Gordhan exemplifies this and he is exercising the 'control over the situation' in the Contingency Theory by cleaning out the state-owned enterprises where required, and board members in place who have the experience, ability and ethical commitment to do what has been entrusted to them and take the necessary actions required. Here, he is also practising situational leadership: sorting out the governance as quickly as possible in order to



stabilise the state-owned enterprises and to then start rebuilding capacity and morale.

Looking at Minister Nene's portfolio, he demonstrates considerable leadership skills, the right temperament and experience to do the job, take the actions required and inspire confidence. However, certain key factors that are currently outside of his control, such as how the National Treasury resolves which actions to follow with all the municipalities and government departments that are not paying what they owe. In an update on local government debt, for example, as at December 31 2017, municipalities owed Eskom R16.2bn and water boards R73bn.

How is the National Treasury going to resolve this? Perhaps it will be given more authority to exercise the necessary control in the face of the escalating number of towns and cities on the verge of financial failure or that have already failed.

Overall, there is no doubt that both Gordhan and Nene have the situational and contingency



## Regardless of political affiliation or ideology on economic development and social emancipation, the majority of people in South Africa want to achieve the same objectives

credentials and character to make the tough decisions required to put our economy and state-owned enterprises back on a path of economic sustainability.

Minister Mkhize has been far less vocal and visible than Gordhan and Nene but my reading of this is that it is consistent with his character and his role as the former Treasury General of the ANC to be the diplomat who is quietly working behind the scenes to exercise change and control. At this stage, the central government does not have the *carte blanche* to dictate to the local government, but something big has to be done fast, as the signs and symptoms of decline and decay are already caked in dust in too many places.

When NASA went through a major period of disaster, decline and decay in the late 1980s and 1990s, the symptoms included: no long-term planning, no innovation, scapegoating, resistance to change, staff turnover, low morale, fragmented pluralism, the loss of credibility, non-prioritised cuts and organisational conflict.

These are the same symptoms, plus a few more, afflicting our state-owned enterprises, government departments, municipalities and metros, which are not deriving the productivity that is required.

The capable people are drowned or scapegoated in this context. All three ministers need highly capable people who can help them sort out the 'willing and able' from the 'unwilling and unable' and put development plans in place to address the 'unwilling and able', and the 'willing and unable'.

All three ministers need to radically change the way things are done, including addressing which opportunities for training and development in government are being offered to young people. Minister Gordhan has spoken about the need to employ young graduates in the state in meaningful ways, and to redefine national service for all young people in order for them to gain experience and opportunity.

It is all about moving beyond the crossroads, taking charge of our own destiny, facing the

facts of the decline and decay in all areas of governance in our country, and tackling the key issues through wise, bold leadership. The economic issue and the land issue are not going to go away, and unless we address them, we risk causing unintended consequences, which are not in anybody's best interests.

This includes giving a messianic-like status to leaders who, whether in politics or business, exploit crisis situations for their own self-interest. The danger is they too easily become untouchable and when situations change, they are beyond our reach.

As citizens, we must always hold our leaders to account and our leaders, in turn, whoever they are, must always hold themselves to account.

They must do the right thing: it is the first thing they must do and it is the last thing they must do. ▲

*Professor Owen Skae, Director of Rhodes Business School*

# Bushman's Nek: the wonders of the Drakensberg

**The iconic leisure resort, Bushman's Nek Berg and Trout, is sporting a new R4.6-million makeover that is set to keep it a firm favourite as a premier family vacation destination**

**This forms part of the managing agent, First Group's large-scale four-year refurbishment programme of eight properties with a total investment of R179 million. I was lucky enough to be invited to Bushman's Nek to experience the wonders of the Drakensberg and the nearby Lesotho mountain ranges, which captivate the skyline.**

Being based in Cape Town and not a fan of flying per se, I decided to try to organise the new Ford Ranger FX4 to review for the journey. When you are going to the mountains, you need decent boots. And the Ranger FX4 is certainly that, and then some.

The limited edition model is based on the bulletproof and best-selling XLT, which packs one hell of a punch, while upping the ante in the luxury department with leather seats,

satellite navigation, cruise control and Ford's scintillating 3.2 turbo diesel engine. The bash plate, black rims and chunky 31-inch all-terrain tyres look impressive on the FX4.

It was the perfect size to fit all the kids in and a mountain of luggage. The bigger the car, the more you are going to bring. Which is all fair and well, but somebody needs to carry it. My advice is to still pack light, even if you have a one-tonne capacity like the Ranger. Fully loaded, it did take a bit of getting used to, as the brakes react differently.

Our overnight stop was Graaff Reinet as usual, as it gives the perfect halfway refresh when travelling from Cape Town towards the Southern Drakensberg. It's a quaint town with plenty of fine restaurants, serving some of the Karoo's tastiest dishes. There is plenty of accommodation on the many game farms in the region, ranging from the R800-R4 000 per night. Many

of this countries' prime wild stock is bred in the area for top dollar.

Onwards and upwards through Queenstown and the old Transkei, which is showing signs of improvement since the last time I travelled the R56 three year's previously, it was refreshing to see nearly every house in the area had a 5 000-litre JoJo Tank connected. There had obviously been an initiative, so hats off to the Eastern Cape for that. I hope to see more of that in the Western Cape.

We finally arrived in Underberg after ten hours at the wheel but loved every kilometre in the Ranger, which is just so effortless on the highway. I drove normally and got 9.7 litres per 100km, which is really good for such a big fully-loaded truck.

After a 23km drive down a weathered gravel road to the resort, which the FX4 took care of effortlessly, we reached our destination. It is

arguably one of the best family destinations anywhere in southern Africa.

It has numerous family activities including two hot swimming pools, a rock pool, tennis court, bowls, badminton, large chess pieces, a jungle gym, putt-putt, quiz night, bingo and, of course, the hotel's mascot, Fred, the fat chicken, as one of the youngsters joked. Its family fun at its best, all in the luxury of a secure resort in the middle of nowhere. Don't forget the trout fishing, horse riding, paintball and picnics.

That's my idea of unwinding after a busy time at the office. The sunsets at the Nek are amazing, and you can marvel at the deep red colour of the sky as you sip your G&T with intent.

The service at the resort is first class and the head of entertainment, Strike, is a joy to behold and a real character at the resort. The reception is also very friendly and nothing is too much trouble.

There are different accommodation options ranging from 2- to 3-bedroom wooden cabins, starting at R1 500 per night, which is very





affordable for the location, all the way to luxury 3-bedroom family suites starting at R2 000 per night. So, it really is an affordable family holiday without having to skimp on quality. The food and drink are excellent and well-priced.

For those of you who enjoy horse riding and adventure sports, there is plenty to keep you busy in the area, while 4x4 enthusiasts can check out the world-famous Sani Pass. I left my passport behind, so instead, my brother-in-law and I headed up to Ramas Gate, which is to the left of the Sani Pass on the Lesotho border and is less demanding. He drove the Suzuki Grand Vitara—I was impressed by the vehicle too and, at times, could keep up with the big Ranger.

There were some potholed gravel sections that the Ranger excelled at. They've really got the balance right with this vehicle, and it's little

wonder that it is the best-selling bakkie in many international markets.

As for the upgrades to the hotel, there are some really nice touches, but they have kept the original vibe, while adding some modern finishes.

Tim Spencer, Hotel Director for First Group said, "Our focus was to enhance the comfort features of our accommodation while embracing the much-loved rustic appeal of the Berg that has made this resort so popular. We believe we have achieved exactly that, based on the tremendous feedback from our guests."

The new king-size extra-length beds fulfil the promise of added comfort to your stay. Fireplaces, a favourite winter feature, have been added to the self-catering units along with wall panel heaters in the bedrooms. The popular

outdoor braai areas have been upgraded with roofing to ensure comfortable use throughout the year, especially in the rainy season.

The La Vita wellness spa offers treatments for the whole family and there is a delectable breakfast, lunch and dinner menu to satisfy your palette at the famous Bushpot restaurant.

"The extensive refurbishment of Bushman's Nek not only showcases our transformation efforts but also exemplifies First Group's commitment to deliver the ultimate vacation experiences. Together with our renowned service and quality amenities, we look forward to continuing our proud tradition of helping guests create memorable family vacations," concluded Spencer. ▲

*Gregory Simpson*

# Leadership lessons and opportunities from the South African water crisis

**South Africa has recently been through an elongated and, in parts, devastating series of drought episodes over a period of close to four years on the back of the most severe El Niño event in 20 years**

**T**he water crisis has affected all communities, some more severely than others, and, indeed, every sector of the South African economy.

South Africa, a traditional grain exporter, had to resort to maize imports to maintain the national food security. While the poorer communities were hard-hit, the even wealthier municipalities including metros like Cape Town and eThekweni were challenged to the extreme. It was a crisis.

The Chinese expression for crisis is 'wei ji'. 'Wei', or danger, is the part we all see and react to immediately. The wiser among us are also remember to engage the 'ji' or opportunity. This water crisis will not be the last time we have a period of low rainfall, and we should lean our lesson.

And as we know, leadership is everything. So, what were the principal leadership lessons and opportunities that have emerged from the water crisis?

## **Firstly, acknowledge the politics of water**

During the drought, there was a strong plea from various parties, led by the previous Minister of Water and Sanitation, Nomvula Mokonyane, to work across political party lines to engineer quick but sustainable solutions to deal with the water crisis.

This was both correct and effective. However, our ability to develop the long-term solutions for water security and universal access on an

equitable basis demands that we acknowledge that water is highly political.

It was a political decision that organised the preferential movement of water to the mines to enable the imperial forces at that time to exploit South Africa's natural resources. It was a political decision by the Apartheid government to preferentially allocate South Africa's meagre water resources to the development of the white economy, ensuring their water security while simultaneously removing that water from the black majority, thereby threatening personal

water access on the one hand and denying access to water for the development of black business and agriculture on the other.

Equally, it was a political decision in the National Water Act of 1998 by President Mandela's government to delink water rights from land rights to give impetus to the notion of equitable access for all. In 2018, it will take a political decision to make drastic changes to our economic model to enable water security, going into the future. It will take nothing less than a water and sanitation revolution.



### **Secondly, planning for extreme scenarios is key**

There has been a lot of finger-pointing at the planning model that has been relied upon for long-term water infrastructure investment that guarantees water availability. In particular, the 'reconciliation' planning studies conducted in the early 2000s for the Western Cape have drawn sharp criticism. This is the planning tool relied upon by the players at a national, provincial and city level for the past 15 years, and pointed to long-term water security with the current infrastructure, with no new infrastructure needed until 2022.

Early warnings from the likes of the Water Research Commission (WRC) began as early as the 1990s and continued regularly. There were three factors that demanded that the Regional Plan for the Western Cape needed to be revisited. The first is that the population profile and economic character of the region was changing rapidly.

The City of Cape Town has one of the highest resident growth rates in the country while simultaneously investing in a water-intensive economic growth plan. The second factor is the increased frequency of extreme weather events.

Even before the 2014 El Niño, we had a series of high-intensity storm events and intense drought episodes in the Southern African region, all of which demanded an update of the plan. The third factor related to one of the critical success factors of the plan and that was the failure to meet all of the water conservation and water demand management targets that the plan demanded. As a matter of course in an increasingly volatile local and global environment, leaders need to have scenario planning as a key component of their planning toolbox and have to use it regularly. The Western Cape drought has provided added motivation for this.

### **Thirdly, invest in public water literacy**

The motto of the WRC is "Amandla Olwazi Kubantu", which loosely translates to 'the power of knowledge to the people'. The 21st-century society is a knowledge-, information- and data-driven one. Managing water behaviour through either appeals or threats may induce a short-term behaviour change but will not offer the long-term change management that is required to ensure a water-secure future.

Knowledge sharing in a manner that takes in the consumer as a partner on this journey is

critical. This also means empowering the consumer (individual and corporate) to effect and sustain the water behaviour changes required. We now have a range of tools that allow folk to have a real-time picture of the state of the water system, as well as your individual water consumption.

Advances in analytics and the rapid development of cloud computing means that, as you read this article, you can know exactly how water is being consumed in your household, what the temperature of the water is in your geyser and how this compares to your normal pattern, all courtesy of an app on your cell phone. More importantly, what I am describing is a South African invention coming out of the research funded and supported by the WRC.

### **Fourthly, embrace the new technology platforms**

When President Ramaphosa launched the Sanitation Indaba in his capacity as Deputy President in 2015, he highlighted the fact that there was an obvious incongruity in using a 2000-year-old wasteful water mechanism, like the flushing of toilets, using almost 30% of household water, in the 30th driest country in the world. Similarly, not recycling adequately robs us of another 30-40% of savings at a household level and possibly higher at an industrial level.

In addition, we know that our water usage in all sectors—mining and agriculture in particular—has the potential for large savings through greater water efficiency. The cherry on top is that the technologies to enable all of this already exist and South Africa's water, science and technology community is at the forefront of many of them.

Examples include a new toilet system called the Arumloo. Using biomimicry (copying nature) with a special vortex circulation, it already executes a perfect flush with only 500ml of water and further development is expected to get this down to 250ml per flush. This is less than 5% of the water required of the best systems on the shelf today. As a country with great desalination potential, we have developed another innovation that counts as a world first. UCT's faculty of engineering has developed Eutectic Freeze technology that has the ability to use a low-energy solution to harvest freshwater from saline and polluted waters like AMD.

Even better, the system can then selectively harvest and 'mine' high-value salts for economic

exploitation. Water leadership in the 21st century must involve the embracing of these and other new innovations that will very soon become the new platform for water and sanitation management.

### **Fifthly, water security is good business.**

On the back of this is the recognition that the water and sanitation needs of South Africa are mirrored by two-thirds of the world's population. And, all of these countries in the developing world have signed up to the United Nations Sustainable Development Goals (SDGs). They have expressed the common desire to have universal access to safe water and dignified sanitation in every country in the world by 2030. South Africa has a technology base, a policy environment, a research and development platform and a slew of international partnerships that position the country to be a global provider of technologies and services to meet these needs as envisaged in the Industrial Policy Action Plan (IPAP) as well as in the Water Infrastructure Investment Summit. This provides us with a unique global leadership opportunity.

### **And finally, a strong partnership between the public and private sectors and communities is pivotal**

One of the most important leadership lessons learnt from the water crisis was the value of partnership. We have managed to mitigate most of the worst possible impacts of the drought country-wide through the development of many public-private teams and partnerships at all levels. Although there was much discomfort, inconvenience and suffering, Team SA managed to survive the harshest periods of the drought through high levels of co-operation, teamwork and the most public expression of Ubuntu.

Ordinary people were collecting and transporting fresh water to the most severely affected communities, contributing to funds and know-how to help towns and villages to drill boreholes to augment their water supplies. Fellow South Africans gathered in churches and mosques around the country to summon the higher powers to intervene in a true showing of solidarity. It would be a pity if we did not manage to maintain that community spirit and camaraderie in building tomorrow's Water Team SA. ▲

*Dhesigen Naidoo, Water Research Commission*

# Can an efficient public health sector provide quality healthcare?

**The need for universal healthcare in the country has become a necessity as economic uncertainty and the rising cost of living continue to take their toll on South Africans**

**W**hile the National Health Insurance (NHI) has the noble intention of creating a healthcare system, which is not only affordable but accessible to every South African, it could heap additional unnecessary pressure on the South African taxpayer.

According to the white paper, the funding of the NHI will rely on various mandatory pre-payment sources, primarily based on general taxes.

However, the key to a sustainable and free healthcare system in South Africa lies with an efficient public health sector, according to Profmed Chief Executive Officer, Graham Anderson.

“While the NHI is striving to provide affordable healthcare to every South African, the financial implications on the taxpayer could be extremely detrimental. We believe that there is sufficient funding available in the public health sector to provide quality healthcare at no cost

to the unemployed and those living under the poverty line,” says Anderson.

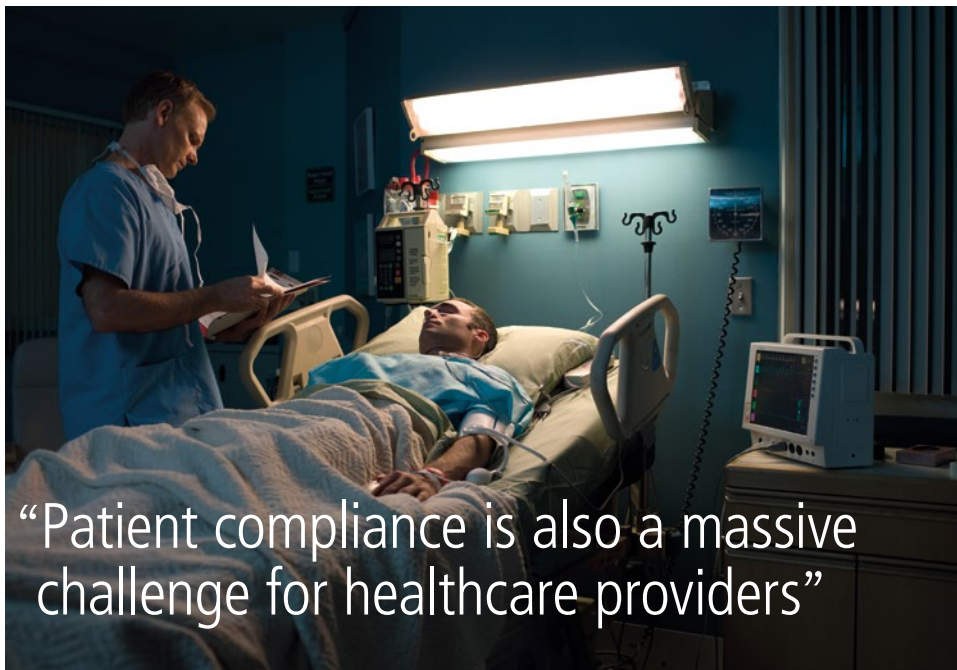
With over 4 200 public health facilities in South Africa, the sector is more than capable of ensuring free quality healthcare for all. “When the public healthcare sector is running efficiently and providing the correct level of service and care, it will be able to deliver primary healthcare to the South African public,” explains Anderson.

Despite the general perception that the quality of healthcare provided by public institutions is lacking, Anderson stresses that there are various public health institutions that are able to currently provide quality healthcare.

“There are centres of excellence, which attract people who can afford medical schemes. Examples include the burns unit at Chris Hani Baragwanath in Gauteng and the Red Cross Children’s Hospital, in the Western Cape,” explains Anderson.

Anderson is adamant that if the public health sector is running effectively enough, additional services can be added and therefore create a natural progression to full social health insurance over time.

“It should essentially begin by covering primary healthcare as well as preventative benefits, like screening for high blood pressure, blood sugar and other health issues. This will see medical schemes working in tandem with NHI, which will save the consumer money by bringing down consumer contributions,” says Anderson.



“Patient compliance is also a massive challenge for healthcare providers”

### The opportunity for a centralised healthcare record

Meanwhile, imagine a world in which all healthcare data was centralised. A world where both patient and provider had access to a patient's full health record. One where an outpatient recovering from a heart attack could share their heart rate with their cardiologist remotely, who would then be able to monitor their patient's progress more frequently.

While it may seem somewhat idealistic, particularly given our local healthcare context, Apple is working to do exactly that.

### The imminent arrival of NHI

Vernon Foxcroft, Business Development Manager: Healthcare at Apple Premium Reseller Digicape, says: "The aim of the government's National Health Insurance (NHI) plan is to ensure that all South Africans receive the same level of healthcare, irrespective of their socioeconomic status. The need for this is indisputable.

"However, with improved healthcare access comes increased pressure on already overburdened providers, resources and facilities.

"Herein lies the greatest opportunity for technology. Through improving comprehensiveness and accuracy of healthcare data, by giving patients greater responsibility for their own health outcomes, and through improving the consistency and quality of treatment, technology can play a role in alleviating some of the pressure placed on a taxed healthcare system."

We've seen an influx of consumer-orientated wearables, which aim to provide users with a clearer picture of their health status. "For the potential of these devices to be fully realised, the data collected needs to be integrated across all devices and there needs to be governance over its storage.

"It is also vital that all data is secure and presented in a user-friendly format," says Foxcroft.

### Centralised, patient-owned health data

This is where Apple has the advantage. Apple has gone to extreme lengths to create an infrastructure that ensures the privacy and protection of data.

"Not only is health data extremely secure, but Apple's 'Health Kit' is built into the operating system; a programming framework accessible via iOS to all application developers. This central framework plugs into iOS wearables such as the



"The aim of the government's National Health Insurance (NHI) plan is to ensure that all South Africans receive the same level of healthcare, irrespective of their socioeconomic status"

Apple Watch, offering users an activity tracker and health vitals, results and records; all in one accessible, user-friendly hub that overcomes previous language barriers through its multi-linguistic functionality.

"The user can then choose to share this data with healthcare providers, meaning that these providers receive a consistent and comprehensive medical history and lifestyle overview, which results in a better-informed treatment plan," he says.

Apple's 'Medical ID', available on all iOS devices such as the iPhone and Apple Watch, takes this a step further. All pertinent health information such as pre-existing conditions, blood type, emergency contact numbers etc. can be pre-loaded and accessed even on a locked phone, in an emergency situation.

"In an accident scenario, having immediate access to this type of information leads to a quicker response and more appropriate treatment, which can be the difference between life and death," he explains.

Patient non-compliance, technology costs and access are major challenges.

"The cost of technology is a huge hindrance, particularly given South Africa's socioeconomic landscape and vast disparity between segments of our population. In addition, access to healthcare facilities as well as the Internet is limited in rural areas.

"Patient compliance is also a massive challenge for healthcare providers. For a centralised health record to be successful, you are assuming that the patient is ready to take responsibility for ensuring its comprehensiveness and distribution to relevant parties," he says.

Merging a fragmented medical landscape into one central database—where all the various service providers have access to patients' comprehensive, consolidated healthcare data—seems like an impossible dream at present.

But Foxcroft is optimistic. "If we tackle this task in sizeable chunks, we will start to see a massive improvement. With such a desperate need for transformation, even slight and slow progress will have a significant impact," he concludes. ▲

*S'thembele Duma and Steve Khumalo*

*ZENANI MANDELA-DLAMINI, Winnie Mandela's daughter, slammed her mother's critics in an emotional and fiery eulogy:*

**"It was my mother who kept his (Nelson Mandela's) memory alive. South Africa, and indeed the world, holds men and women to different standards of morality. Praising her now that she is gone shows what hypocrites you are."**

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*KAIZER CHIEFS' VINO MAPHOSA said that, while they will be launching a probe into the riot internally, the police are definitely investigating the assault of a security guard on the field:*

**"This matter has now transcended, it's no longer a matter of football, it's now a security, medical matter that has seriously become subject of an investigation (sic)."**

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*SHANIA TWAIN has apologised after saying she would have voted for Donald Trump in the 2016 US election. The Canadian singer, who cannot vote in the US, told the Guardian she appreciated the President's honesty:*

**"I would like to apologise to anybody I have offended. The question caught me off guard. As a Canadian, I regret answering this unexpected question without giving my response more context. I was trying to explain, that my limited understanding was that the president talked to a portion of America like an accessible person they could relate to, as he was not a politician."**

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*MASANORI KATAYAMA, the President of Isuzu Motors, said, in light of Isuzu South Africa announcing that the first shipment of its new MU-X sports utility vehicle (SUV) has arrived at the Port Elizabeth harbour:*

**"This is the first commercial and light commercial vehicle manufacturing operation outside of Japan in which we have acquired a 100% ownership."**

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*BEAUTY DLULANE, the Chairperson of the Parliamentary Portfolio Committee on Sport and Recreation, is to propose that the Premier Soccer League be summoned to explain what it is doing to deal with incidents of hooliganism at stadiums:*

**"We know as the committee that in each match, there are plans before the match starts. Therefore, we would love to hear from the PSL what is it that is not correctly done now and then in those stadiums. As the Chairperson, I am thinking that we need to call them [the PSL] to share with us what is going on."**

*DAVID DEIN, former vice-chairman, speaks about Manager Arsene Wenger's decision to leave Arsenal at the end of the season after almost 22 years in charge:*

**"He will undoubtedly go down in history as the greatest Arsenal Manager ever. His style of football, the way he has conducted himself, his honesty, integrity, the way he handles players, the way he is concerned with youth development—what he has done for the club is immeasurable."**

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*ISAAC PHAAHLA, the Kruger National Park's spokesperson, said, in light of two people being killed and 10 arrested in a gunfight with 12 suspected rhino poachers, that:*

**"It is a relentless war with people who don't want to give up. This is what they (the rangers) face on a daily basis."**

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*SERGIO MARCHIONNE, Ferrari President, has reiterated his view that the company could quit F1 if the rules are made unattractive:*

**"If there are any proposals that distort F1, I think Ferrari will pull out. We are working with Liberty Media to find acceptable solutions. We had a proposal from Liberty 10 days ago. We expect to know the details and then we will make choices in the interest of Ferrari. We could look for alternative solutions. It's not a threat, but it does not mean we stop shopping."**

# Leadership

FOCUS



SPECIAL ADVERTISING SECTION

# Leadership

## FOCUS



51

### Contents

- 51 HEINEKEN SOUTH AFRICA
- 54 GREEK CHRISTIE'S INTERNATIONAL REAL ESTATE
- 56 STANLEY BLACK & DECKER
- 59 STEWARD BANK
- 62 THE BASIX GROUP
- 64 ANB INVESTMENTS
- 66 ECALA LIFE



54



56



59

62



64



66



# A history of brewing excellence

Formed in the Netherlands in 1864, HEINEKEN has established itself as the leading international brewer and marketer of premium beer and cider brands. HEINEKEN South Africa (SA) is striving to become the fastest-growing beer and cider company in the country.

**H**EINEKEN SA's Dutch Managing Director, Ruud Van den Eijnden, studied Business Economics at the Erasmus University in Rotterdam, Netherlands, majoring in Logistics and Marketing.

"HEINEKEN's iconic status appealed to many Dutch students. So, once I finished my studies, I applied for a graduate programme. HEINEKEN Netherlands hired a few graduates from schools and universities, giving one year of various assignments and then you got your first real job," he explains. Van den Eijnden worked for the company for seven years and from 2000, he worked for large corporates Unilever, Sara Lee and PepsiCo. In 2007, he returned to HEINEKEN Netherlands as its Sales Director Off Premise and thereafter, he joined HEINEKEN Bulgaria as its Managing Director. "In 2013, I returned to the Netherlands where I became the Sales Director for Africa Middle East and, as of July 2015, I have been HEINEKEN SA's Managing Director," he says. In terms of key staff, Van den Eijnden is quick to emphasise that everyone is a vital member. HEINEKEN SA has a diverse management team in place, which comprises seven senior employees. "It's quite traditional in set-up: finance, supply chain, marketing, sales, HR and corporate affairs," he says, adding they have a great mix of locals and internationals and praising the multi-cultural talent. "There are currently four expats on the Management Team, three Dutch, one French,



*Ruud Van den Eijnden*

and there are three South Africans," he says, making special mention of the young and talented, Njabulo Mashigo, the company's HR Director, who previously served at the JSE, and Nantha Moodley, their Sales Director, who has 27 years of experience in the liquor industry, and who brings a wealth of knowledge and expertise with him.

**HEINEKEN SA's formation and rapid growth** Led by the Heineken® brand, the Group has an impressive portfolio of more than 300 international, regional, local and speciality beers and ciders, employs over 80 000 people globally and operates 167 breweries, malteries, cider plants and other production facilities in more than 70 countries.

Although many of the brands have long delighted South Africans, it was only in December 2015 that HEINEKEN SA officially became an independent entity, taking the decision to dissolve the Brandhouse joint-venture with Diageo and form the new company.

"During the first two years, we were extremely focused on getting people on board, getting the basics right, expanding our portfolio, getting our route to the market right and ensuring our BEE rating and goals are aligned with our development strategy.

"Thus far, it has been very promising. Typically, we don't share market share, volumes or numbers, but we have seen double-digit growth in a single-digit market, which means we have been getting market share in both beer and cider," he says proudly.

The South African market has indeed done exceptionally well for the Heineken® brand.

"For the Heineken® beer brand, South Africa is now the fifth biggest country in the world," Van den Eijnden says.

## Product portfolio and craft beers

With its state-of-the-art brewery in Sedibeng, Midvaal, HEINEKEN SA has brewed an exciting portfolio of brands. Van den Eijnden elaborates, "There are our premium brands, Heineken® of course, Windhoek, Miller Genuine Draft and Sol, a Mexican beer. Amstel has been a long-term favourite for South Africans, and just saw the launch of Amstel Radler, the famous Amstel beer mixed with real lemon juice. Soweto Gold has just been launched, born in Ekasi, but brewed for all South Africans. Finally, the Tafel



*HEINEKEN SA is headquartered in Sandton, Johannesburg*

brand appeals to consumers in specific regions in the country. And then there is Strongbow Apple Ciders, a South African game changer and the global number one cider brand.

Craft beer has grown at a rapid rate within the industry and Van den Eijnden says it's a fantastic opportunity.

"I think it's good that craft is growing, in addition, it also keeps us on our toes, it helps us to stay modest and humble, and to focus on what we actually put in the bottle," he adds.

HEINEKEN SA is actively participating in the craft category and has partnered with Stellenbrau, Soweto Gold Craft Brewery and Jack Black, the leader in the craft market, in this endeavour.

The breweries use the HEINEKEN SA distribution systems and they have access to all HEINEKEN SA capabilities, skills and systems, while remaining completely separate from the HEINEKEN SA operation.

"We don't run those companies. We support them, help them to make sound decisions and to work efficiently.

"They can fully benefit from the HEINEKEN systems and on the consumer-facing side, they can play their own game and differentiate themselves completely from our other brands," Van den Eijnden explains.

### **South Africa's beer market**

According to Van den Eijnden, South Africa has the 12th biggest beer market in the world and the second biggest cider market.

When asked about recent developments, he states: "There is much more proliferation in terms of pricing. You have cheap and expensive beers entering the competitive arena. And now, you have fruit-flavoured beers. There is less of a distinction between what a beer is versus what a cider is. The consumer has many choices in that sense, both in terms of price and drink of choice.

"In terms of international brands versus local brands, you see many more international

up with the trends is to continue to innovate, as well as a willingness to discontinue products if they no longer serve their purpose," he explains.

### **Future aspirations**

It is HEINEKEN SA's goal to become a sustainable challenger in both beer and cider. Currently, AB InBev (which acquired SAB last year) and Distell have the majority of the shares in beer and cider respectively.

Van den Eijnden says their vision is to be the fastest-growing company in beer and cider in the next three years and, at the same time, to build a sustainable base for the future.

"Our agenda is to keep on accelerating our top-line growth and improve our profitability but most importantly, we want to have a company that is winning with the people and a company that is winning in South Africa. I would like to be seen as a company that is admired and respected by consumers and customers.

"We call it 'bringing moments of joy' to all our stakeholders and bringing moments of joy to consumers through the quality of our brands," he says, adding they would like to excel in customer service and ensure their partners make a decent margin.

### **A hub of global talent**

HEINEKEN SA has a staff complement of almost 900 people and several hundred staff with their dedicated partners, and it's Van den Eijnden's goal to build a unified company culture.

"If employees feel as though they're part of a winning organisation, if they feel respected and valued, they will give their best, and then it becomes so much easier to manage the company because things will happen automatically," he says.

As the company is still very young, a long corporate memory has not yet been established.

"We need to build a 'this is how we do things here' kind of mentality. My dream is that South Africa becomes one of the talent hubs for HEINEKEN globally, so that HEINEKEN SA

brands gaining a presence, like Heineken®, Sol and Corona, for example. The consumer has more options, which is good news, and one of the ways to keep

employees can truly aspire to a global career. Over the past two years, eight of our people were able to enter into a global HEINEKEN career and develop their international skills during their assignments abroad.

"We have hired talent, we've discovered talent, we've retained talent and, essentially, the HEINEKEN world is open to them," he says.

He believes HEINEKEN SA attracts talent due to the culture. The company has an entrepreneurial environment, the employees have the freedom to fill a role in the way they feel it should be filled and there is room for creativity and input.

"In general, I don't think HEINEKEN is a very hierarchical company. Leadership is quite approachable and involved in the daily business," he says.

### **The Supply Chain Academy**

"One of the key initiatives to attract, develop and retain talent is our newly established Supply Chain Academy," Van den Eijnden says.

The purpose of the academy is to bring HEINEKEN SA's various training programmes together into one comprehensive offering, with the goal of ultimately aligning employees' competencies and skills to the requirements of their role.

"The idea is, everybody in the supply chain organisation receives a clear picture of the company, understands where we see him or her in terms of competencies and skills and how these compare to what we require for the job.

"It also gives us a clear understanding of career ambitions, essentially allowing us to match current competencies versus desired competencies, and then we can design a training plan," Van den Eijnden explains.

This also ensures that when a promotion opportunity arises, the employee is ready.

"There is quite literally a classroom at the brewery where 10 to 15 types of modules and courses will be offered and it's not a one-sided approach, it really is based upon individual learning needs," he says.

These training modules, designed specifically for HEINEKEN SA, fulfil the company's long-held desire to demonstrate their commitment to skills development.

### **"Brewing a Better World"**

In their newly revised 2020 strategy, HEINEKEN is, globally and locally, committed to a campaign of 'Brewing a Better World', and through this, six

important pillars receive attention. This results in sustainability and good business practice being embedded in the business and delivers value for all stakeholders.

“Brewing a Better World’ links six different pillars, and we have dedicated programmes for each, as sustainability should be ingrained in our way of business thinking,” Van den Eijnden explains, listing health and safety, CO<sub>2</sub> reduction, water conservation, responsible consumption, local sourcing and growing with the communities in which they operate.

#### *CO<sub>2</sub> reduction*

HEINEKEN has set quite significant targets in order to reduce their carbon footprint. For example, all of their coolers and fridges that are on the market are green coolers. Often, the impact of these are underestimated, but there are thousands of them in bars and restaurants. These green coolers and fridges give off very limited CO<sub>2</sub> emissions and they save a lot of electricity. All together, they have a significant impact. In addition, they are investigating the use of a solar panel farm at the brewery to power production. Such investments and projects are in line with the global 2030 ambition to primarily use renewable energy.

#### *Water conservation*

The company’s goal is to use a limited amount of water when brewing the beer.

“There are numerous projects in place, which are aimed at reducing water usage.

“For example, we are using cooling towers next to the packaging lines that will enable us to use less water to conduct the entire operation,” he says. This has enabled them to reduce water usage by 12% per litre of beer.

“We are actively contributing to that and while regionally, in the last few months, Gauteng has not seen challenges, we are actually teaming up with HEINEKEN Global to see how we can further decrease the water usage in the brewery in South Africa. We realise very clearly that South Africa is a water scarce country so we see it as key to doing our part—and more importantly—to preserve water,” he adds.

#### *Local sourcing*

Their local sourcing efforts focus on two pillars: their raw material and packaging material. In terms of packaging, over 80% is already sourced from companies within South Africa. For their raw materials, they have a regional target to

source at least 60% sustainably from the African content. Many of their operating companies in the region have partnership projects with local smallholder farmers. This boosts the local economy, provides household incomes and limits their CO<sub>2</sub> emissions of importing raw materials.

“Our main raw material, the malted barley that we put into the beer, is still coming from Europe but we’re trying to educate and support a new generation of emerging black farmers to grow a specific kind of barley. We need barley of the highest quality to eventually use for our beers, so we provide training to these farmers.

“In the process, barley is malted and this malted barley is eventually used in our beers. As we currently don’t have malting facilities in South Africa, we will be investing in a malting plant to process our barley. This is a win-win in every single way: the new plant provides local jobs and we can increase the number of farmers who work with HEINEKEN and will have a guaranteed off-taker for the future. Essentially, we are supporting a new generation of farmers to work with HEINEKEN, thus creating local employment,” says Van den Eijnden.

Providing local employment in this manner is a multi-year process, but Van den Eijnden says it began two years ago and every year, they enlist more and more farmers to start working with them.

#### *Communities in which they operate*

HEINEKEN places a great deal of importance on Corporate Social Responsibility and they have embarked on a number of initiatives, which give back to the communities.

HEINEKEN is a proud co-founder of an initiative called Orange Corners, which supports young South African entrepreneurs.

“We currently have three so-called Orange Corners in Johannesburg: in Braamfontein, Diepsloot and in Maboneng. These are workspaces where young entrepreneurs receive training, coaching and the tools to start and grow their businesses. HEINEKEN employees actually mentor these young entrepreneurs,” Van den Eijnden says.

Secondly, they help communities to gain access to clean water.

“An initiative we support is Play Pumps—an organisation, which installs and maintains water pumps at a school. We installed and helped maintain close to 50 in rural areas in the last two years, mainly in the Free State and in the Eastern Cape. Families play on the play pump and then water will be taken out of the ground. It serves as a fun tool and provides clean water at the same time,” he explains.

The third initiative is a fairly new one, which centres around mother and child health.

#### *Health and safety*

Every company within HEINEKEN is obliged to have a programme that promotes health and safety.

“Part of this is our Africa Health Placements, where we bring internationally qualified doctors to the rural areas of South Africa. They volunteer from Europe, come for a minimum of one year and serve in these areas, uplifting the pressure on understaffed hospitals where healthcare is needed the most,” Van den Eijnden concludes. ▲



HEINEKEN SA brewery in Sedibeng, Midvaal employs about 350 direct employees

# Record-breaking real estate excellence

Mike Greeff, CEO of Greeff Christie's International Real Estate, a niche market real estate agency, discusses the company's recent rebrand and the growth possibilities that it presents

**G**reeff Properties announced its rebrand as a recognition of and alignment to its exclusive affiliation with Christie's International Real Estate, and will now be known as Greeff Christie's International Real Estate. Please could you tell us more about the respective brands (Greeff Properties and Christie's International Real Estate), and about some of the feats and achievements?

I started Greeff Properties from my dining room table in 2001. The company has grown from strength to strength since then and boasts some outstanding sales at very high-end values—R42 million in Bishops court, R29.7-million in Claremont Upper, R26 million in Higgovale and many more. It is this level of record-breaking excellence and a turnover of R12 billion after 16 years that contributed to Greeff Properties achieving an affiliate status with Christie's International Real Estate. Greeff has also shown an unparalleled level of service excellence and client expertise.

While Greeff Properties' Head Office is based at Greeff House, 262 Main Road, Kenilworth, it has a strong presence throughout the Cape Peninsula, with our branches in False Bay, the Breede Valley, Paarl and the Winelands, Somerset West, the Western Seaboard and the Cape Town City Bowl, South Africa.

Christie's is a name and place that speaks of extraordinary art, unparalleled service and expertise, as well as international glamour. Founded in 1766 by James Christie, Christie's has since conducted the greatest and most celebrated auctions through the centuries, providing a popular showcase for the unique and the beautiful.

Its natural progression to luxury real estate led to Christie's International Real Estate, a brand known for its global reach and network affiliates. Obtaining admittance to the esteemed network is through an invitation-only process. This is determined when real estate brokerages demonstrate a proven record of success in luxury property sales in its areas of operation. Driven by the global span of its affiliates, Christie's International Real Estate's network extends to more than 138 affiliated brokerages in 46 countries.

Christie's most recent feather in its cap is the record-breaking sale of Leonardo da Vinci's Salvator Mundi for US\$450.3-million. As affiliates of Christie's International Real Estate, Greeff is uniquely positioned to promote high-end property to international buyers via the Christie's Auction house website, catalogue and art auctions as well as the Christie's International Real Estate website, catalogues and corporate events where Greeff is guaranteed unique and immeasurable exposure.

**What is the revitalised concept and how does it still encapsulate the Greeff reputation that has been built over the years?**

Over time, Greeff Christie's International Real Estate established itself as an agency that has created a reputation of being a company that works in a tightly-knit community, and cross-referring qualified buyers and sellers as far as possible.

In addition to our highly effective network, Greeff employs traditional marketing techniques as well as advanced online strategies and continues to stamp its unique presence on the Cape Town property market. In this



next step, in the form of the company rebrand, we aim to more closely align ourselves with Christie's International Real Estate, who are known for their prestige, excellence and impressive pedigree as well as the reputation of being tried and trusted in the luxury real estate arena.

**Every aspect of the rebrand was given considerable thought, including the new colour scheme—please tell us more about the psychology behind the colours and what it will inspire?**

The new look and feel of the brand are geared towards aligning the company with its affiliation to Christie's International Real Estate. The new colour scheme being adopted by Greeff is grey and red. The psychology behind the colours has been painstakingly considered. Grey is seen as being modern, dependable and practical. It

is also perceived as a colour of maturity and responsibility that is cool, timeless and sophisticated, while the red dot is a nod to the affiliation with Christie's International Real Estate. The red dot on the logo is symbolic of the red dot placed on 'Sold' items at an auction.

**A company's brand identity is what gives it presence and is a point of reference for those who have interacted with the brand—why was the decision taken to rebrand? Why could it be considered the next logical step in the brand's natural evolution and expansion?**

Given the phenomenal success achieved by Greeff Christie's International Real Estate across the Cape Peninsula and the manner that it has captured the market, it is only natural that the brand evolves and expands.

The intrinsic value that is added is immeasurable in that it inspires confidence among local and foreign buyers. Greeff Christie's International Real Estate is truly a forward-thinking niche agency that is positioned to offer the best luxury property across the spectrum. This is completely in keeping with Christie's reputation as being the best in the luxury market and their impeccable customer service.

**What type of growth possibilities does it represent? How will it inspire confidence among local as well as foreign buyers?**

The affiliation that is the basis for Greeff Christie's International Real Estate adds its brand weight and reputation to the excellent reputation that Greeff has locally. This exceptional reputation comes with a database of qualified leads from all corners of the globe. Locally, our expansion into new areas is always carefully planned and executed with only experienced, qualified agents who have extensive databases of leads and referrals, and proven track records. These agents don't merely know their areas, they are immersed in the culture of their areas of operation.

Each Greeff agent prides himself or herself on having a thorough understanding of their particular suburban market and brings strong negotiating skills to the table as well. This mindset guarantees that the buying or selling process is accelerated and that the chances are higher of achieving the listed price.

**A notable trend is that 80% of Greeff Christie's International Real Estate sales in the Cape occur via buyers already living in the Cape—how will Greeff Christie's International Real Estate's planned expansion allow for even greater repeat lead generation and a higher hit rate on property?**

This links to our expansion into new areas and the opening of new offices across the Western Cape. We believe in a cross-pollination of leads and have an excellent referral system that is employed by all our agents. With agents having access to a collective database of qualified leads, the result is an exponential increase in market share and brand power.

We are also accustomed to being recommended by our current clients to their friends and families and that is a testament to our levels of client satisfaction.

**Please could you provide us with an overview of your educational and career history, prior to being appointed CEO? What set you on your current career path and prepared you for your role?**

When I completed my schooling career, I furthered my studies in Marketing, Sales and Administration, wherein I received my diplomas.

After having run a few sweet companies, I realised my unique and natural sales ability was best used when channelled effectively. I started my real estate career at Pam Golding Properties where I worked for three years. During this time, I gained critical experience that I would use later in life.

After I moved on, I joined Seeff Properties where I worked as a Regional Director. After spending three years there, I decided it was time to start my own company. I had built up the experience, referrals and relationships and was ready to forge my own path. I've faced many challenges, which could have veered me off track but with each difficulty, I stayed the course and persevered and it is this perseverance that has empowered me with the ability to face many challenges and move through many doors.

**Which aspects of your role do you most enjoy and how do you maintain your passion on a daily basis?**

The ability to make a positive difference in the world by living by my core values—compassion, commitment, community involvement and leadership—gives me great satisfaction. Helping people, passing on knowledge and giving the best service possible is my recipe for success. Mentorship and open communication lines are pivotal and something I credit for helping the process. But more than that, it makes me very happy to see a healthy business running well. I maintain my passion by making it a habit of touching base with everyone in the office at least once every day and maintaining my 'open door' policy, which makes me more easily accessible to the staff who need advice, guidance or a sounding board for their ideas.

**What does it take to be a good effective leader? What is your leadership philosophy?**

An ideal CEO knows how to listen, is able to advise and empowers the people with whom he works to reach their full potential, to live their lives to the fullest, with good values and good principles.

**Who are some of the role models that have inspired you during the course of your career and why?**

The late Graham Beck was my mentor. He taught me what not to do and what to do. While he never helped me financially, he helped me use my mind to work through the many problems I faced. I spent many hours listening to him and learning from him while he was in the mining industry. Another mentor of mine is Allister Rogan, who happened to be Graham Beck's right-hand man. Allister continues to be a source of wisdom and inspiration for me.

Another role model and mentor of mine is definitely Dr Ray Berard, who has helped and guided me, and gave me the confidence and belief that I could go it alone.

And lastly, Andy McPherson and Martin Sheard, Directors at STBB who have assisted me legally and have been great mentors. Books that have helped inspire me along the way include, *Good to Great* by Jim Collins, *The Advantage* by Patrick Lencioni, *A Whole New Mind* by David H. Pink, *Great by Choice* by Jim Collins and *Thinking, Fast and Slow* by Daniel Kahneman. ▲

## The right tools to build Africa

Stanley Black & Decker, a leading global hand tool manufacturer since its inception, has always been well-known for its iconic products. Celebrating 175 years of growth, the company has moved beyond the common perception that it is a brand just for hand tools.



Yemi Fatunla, South Africa Managing Director

**T**oday's customer will find everything from hand tools, power tools, storage and more under one company.

Formerly known as The Stanley Works, the Fortune 500 American manufacturer of industrial tools and household hardware is headquartered in the greater Hartford city of New Britain, Connecticut, with their South African counterpart taking over the distribution of their products in the country in 2011.

"Today, Stanley Black & Decker, the result of a merger between Stanley Works and Black & Decker in 2010, is a leading diversified industrial, driven by our commitment to serve the builders, makers and protectors of the world. This year, we celebrate 175 years of innovating, creating and transforming the world of tools for everyone, from the DIY enthusiast to tradesman and the professional builder. Through constant innovation and acquisition, we have become the leaders in our industry," says Yemi Fatunla, Stanley Black & Decker South Africa's Managing Director.

Some of the Stanley Black & Decker brand acquisitions utilised in sub-Saharan Africa include Stanley Black & Decker and Expert by Facom, DEWALT Tools, Irwin, Lenox and Hilmor tool brands from Newell Brands.

### Breaking barriers through design

Stanley Black & Decker brands have built their reputation on pushing the boundaries of what's possible and continuously bringing fresh twists to familiar, indispensable products. And while innovation lies at the very heart of their business, Fatunla believes that it is the ever-changing needs of their customers that drives their disruptive spirit.

# DEDICATION

“Innovation continues to power our businesses, right from the idea phase, and the innovation starts with the customer design concept. What we do then is design a machine that’s best in class, provides real value, does exactly what the customer wants it to do, and all this in a cost-effective manner,” he says.

Embedding responsible design principles and practices into their products, Stanley Black & Decker looks at all processes from safety and ergonomics to reducing the environmental impacts of material sourcing, manufacturing, packaging, customer use, distribution and end-of-life.

“We strive to improve the sustainability of our products and design new products with our ECOSMART operating philosophy in mind. We have implemented solutions to ensure that we are sustainable, from the design phase to our manufacturing plant itself. We are starting to ask how we could make it a carbon-positive type of facility in the future, I think that that it is the endpoint of this journey. For now, we continue to raise the bar every year when it comes to improving ourselves on the sustainability index,” Fatunla says.

“It’s also about making products that are more efficient and effective, so we take quite a holistic point of view. The faster you do a job, the less energy you use. You get things done much quicker if you have the right tools, and you also waste less material,” he adds.

With a robust culture of innovation and newly-established breakthrough teams, the company’s STANLEY Fulfilment System (SFS) has created a far-reaching innovation ecosystem. One aspect of this system is the dedicated Digital Accelerator, located in the Atlanta tech hub and responsible for enhancing the digital experience across this global enterprise, making digital pervasive in their products and marketing, manufacturing, supply chain and customer service platforms.

SFS also allows for continuous improvement in the operational aspects of Stanley Black & Decker, including innovation, commercial excellence and functional transformation.

“Most global companies have their own operating system, and SFS is ours. It encompasses all the key facets of our operation to ensure that the different parts of the engine all work together. To stay ahead and build a long-lasting

organisation in a fast-changing world, you have to disrupt yourself. This disruption helps us to drive innovation and come up with new ideas, create paradigm shifts and reinvent ourselves. I think it’s important for us to think like innovators, not corporations, in order for this disruption to take place.

“Not only does a company like ours need to disrupt itself, but we must also then step out and do something about it. You must have a process in place that allows for new ideas to have a life of its own, and the results may see that idea filter back into the organisation or join the global commerce space, which is obviously the ideal outcome here. It takes someone who thinks differently to make this all possible,” he says.

Stanley Black & Decker has also created autonomous, off-site teams across the globe that pursue new ideas. These teams are purposefully located in innovation hubs, for easy access to start-ups, leading academics, potential partners and external inspiration. The teams work independently, but also coordinate and collaborate deeply with the businesses and with one another when ideas and opportunities coincide.



“We want to be topical with every customer, we want to add value, and want our customers to know that we are not just about tools but also home appliances and much more. We want to be everywhere, in every home and every business. We want to be seen as a company that serves those who make the world come to life on the continent,” says Fatunla.

“We understand the continent and the dynamics of the end users, what they need and how to supply it. We are here, close to them and have set up value chains and supply chains to make us relevant. Service is key, but we must also be bold and courageous, and go to places where others are not too keen to go,” he adds.

Stanley Black & Decker’s presence in East Africa, West Africa and Central Africa has increased significantly since their return in 2011, and they have established service centres and training academies, while developing their supply chain closer to the customer/channel structure.

“We have become top-of-mind and very relevant to the various market segments we serve, and there is an interesting mix of sales between tools and appliances. But there are challenges. Like most corporates, we need to make sure that fluctuations in currency have the least impact on our customers through proper management. You also have things like supply chain linkages, and it’s almost sad that it’s easier to bring products into Africa from Europe than to Africa from inside Africa. As we start to develop these linkages amongst the key sectors and geographies on the continent, we will become much bigger players and can do this efficiently by building up our capacities and capabilities to make it workable. I think in the very near future, we will be able to say that we are more efficient with our regional commerce, logistics and supply chain,” he says.

Just as important when it comes to the Stanley Black & Decker’s renewed presence in the country is their dedication to uplifting communities and contributing to sustainable development.

“In sub-Saharan Africa, there is a critical skills shortage and we need to start to help the development of certain skill sets in industries. How do we train people and develop them? What we need is for people who have those skills to talk about their technical knowledge,” he says.

Stanley Black & Decker has also been supporting the Daily Sun’s Mr Fixit team, a team of two men who, for 15 years, have been helping cash-strapped readers by fixing their leaking toilets, broken taps and doing other basic household repairs for free.

Readers send their requests to Mr Fixit via SMS and the team of two—Warren van Niekerk and Rudzani Ratshikakala—receive about 7 900 requests for assistance per year. The operation depends mainly on the sales of the newspaper to keep running.

Seeing the value of the service this duo provides for countless people, Stanley Black & Decker has partnered with Mr Fixit to provide them with hand and power tools, overalls and training using a variety of their own top-quality Stanley hand and power tools, including the popular and iconic Stanley knife and tape measure.

#### **A man on a mission**

An entrepreneur at heart, Fatunla applies his passion for innovation and growth to the corporate setting.

Comparing Africa to China, he believes that the two countries are similar, and that China serves as an excellent example of Africa’s growth potential.

“Our continent is waiting to rise. Every continent reaches a point of self-actualisation and every continent has had their period of industrialisation, except Africa. It’s exciting for me to be here now, helping this continent come of age.

Stanley Black & Decker is dedicated to investing in this dream and that’s really important to me personally. It’s then also crucial for us to develop new leaders who can handle the task at hand, it is big, and we can’t do it without strong leaders in place. I would consider myself to be a big picture kind of person. The prospect of what is possible and making the impossible possible is my main motivation,” he concludes. ▲

“And when you have our kind of vision for those who make the world, you have no choice but to cater for everyone. For a company this size, with our history and breadth of products, we are one of a very few who can take on this challenge. In everything we do, we keep our heritage in mind and our experience means we already have an in-road to the mind of the average customer. We’re in touch with them, we understand the next frontiers, and it’s this customer-inspired innovation that makes us so successful,” he says.

#### **Taking back the African market**

Stanley Black & Decker sub-Saharan Africa is a testament to the global organisation’s belief in the potential of the continent, where they want to become the number one tool company.

# Converging telecommunications and banking

Founded as TN Bank in 2009 and rebranded in 2013, Steward Bank is a commercial bank registered and trading in Zimbabwe. Dr Lance Mambondiani, the CEO, explains why, first and foremost, they are a telecommunications and technology company and what the bank of the future is.

**Please could you provide us with an overview of the bank's history by taking us through its journey and evolution? Why was the decision taken to rebrand and what is your relationship with Econet Wireless Zimbabwe (EWZL)?**

Steward Bank was established in 2013, following the acquisition of TN Bank by EWZL, the country's largest telecommunications company. We are one of only a few banks in the world wholly-owned by a mobile network operator. We occupy a very unique space globally—the convergence between telecoms and banking.

The bank's mandate is to offer simplified, low-cost, accessible and universal banking services to every Zimbabwean previously excluded from participation in the financial sector leveraging on technology and innovation.

We are a telecoms and technology company first before we are a bank. We like to say we are a technology company that happens to have a banking license. Our approach is digital and mobile first with all the products and services we offer.

Our close partnership with other group-related subsidiaries such as EcoCash (the Econet group's mobile money subsidiary) has been a key piece in our competitive advantage. This allows us to simplify and to scale our business



*Dr Lance Mambondiani, CEO*

to reach as many of our customers as possible without having to build a large physical distribution channel as our peers have done.

**Steward Bank is the first bank in the country to converge with telecommunications. Why is a focus on technology so crucial and how will**

**it change the way Zimbabweans view banking?**

Technology and, in particular, the mobile phone has changed the way people do banking. We believe the bank of the present and the future should be in your pocket—easily accessible and on the go. The customer of the future, as Brett King says, is “more interested in banking and not banks”.

New technologies also allow us to reduce the cost of distributing banking services to our customers. We are aware a number of banks worldwide are looking for similar partnerships with mobile network providers. We are privileged to drive this new banking model, not only in Zimbabwe but across Africa.

We believe we can make banking more exciting and engaging for customers who have chosen to bank with us. We have committed to developing simplified products on the mobile phone such as savings accounts (EcoCash\$ave), microloans (EcoCash Loans) and digital group savings services (Mukando or a Stokvel), which allow clients to save as a group using their mobile phones. We've observed group savings within our communities, we've just found a way to make group saving digital, safer and more convenient. That, to us, is the power of convergence between telecoms and banking.



**You've said the bank of the future is not necessarily about apps, but about engaging people where they are spending time. Please could you explain this sentiment in terms of what you believe the future of banking to be and why the use and growth of cell phone usage on the African continent is where the future of financial inclusivity lies? How will partnering mobile and banking services change the story of Africa?**

Mobile banking services are already changing the story of Africa. The success of mobile money players, such as EcoCash, is an example of how transformative this revolution has been. Despite the declining prices of smartphones, they are still out of reach of the majority. Feature phones provide the greatest potential for financial inclusion at this moment and remain a bigger part of how financial services are currently being delivered to millions of households across Africa. We have to find innovative ways of delivering relevant solutions to our customers through USSD platforms.

Africa is a young continent. In 2015, the UN estimated that 19% of the world's youth aged 15-24 were from Africa. By 2030, 42% of the

global youth will be from Africa. This generation consists of the Millennials and Generation Z. Our research suggests that this generation spends about a 1/3 of their waking hours on smartphones, much of this time on social media platforms, such as Facebook, WhatsApp and Twitter. In our view, to remain relevant, banks have to offer services where customers are spending their time, on Facebook or WhatsApp. Whilst closed-loop platforms such as bank apps will continue to serve a limited number of customers, the future belongs to platform businesses.

**The advent of the Fourth Industrial Revolution and the Internet of things (IoT) is upon us. How is it transforming the industry and why is it so important to embrace Industry 4.0?**

We are about to witness a rapid transformation of various industries worldwide due to the acceleration of technological innovation. In Africa, where it is estimated that 200 million people are between the ages of 15 and 25, the young population and how they are working with technology will be a major growth stimulus and determinate of exponential growth.

The current buzzword in the banking sector right now is digitisation. Incumbent banks will increasingly find themselves under extreme pressure from digital, agile and nimble first 'challengers' such as Steward Bank in Zimbabwe, TymeDigital, Bank Zero in SA or Orange Bank, which is currently being launched in a few African markets by Orange Mobile. Big data, the blockchain, and artificial intelligence will drive the transformation of banks into platform-based ecosystems.

**What opportunities lie in the digital space?**

The acceleration of digitisation in the banking sector will allow banks to scale their businesses, increase efficiencies and reduce the cost of serving the customer. We will most likely witness an increase in adoptive collaboration between banks, fintechs and other various financial service players. I also expect that banks will reduce the cost of hosted services due to the increase in cloud services.

**What are the dangers of failing to evolve with Industry 4.0?**

For banks, as with companies in many other sectors vulnerable to disruption, the current

business models will not survive in their current formats. The current pace of transformation will blur the lines across many industries whilst increasing the onslaught on businesses protected by licenses or through legislation.

There will be a significant increase in the number of start-ups who will offer some form of banking product or service without the encumbrance of a bank license or huge capital requirements. To use the popular Game of Thrones tag, ‘Winter is Coming’.

**Steward Bank may be one of Zimbabwe’s youngest banks, but in a bid to become an innovative and leading player in the digital space, you’ve recently introduced a range of new products. Please could you tell us about these products/innovations and what their purpose is?**

Most of the products and services we introduce are often aimed at addressing a significant challenge for the country. In January this year, we launched the Kwenga solution, a low-cost merchant solution for SMEs such as vendors, transport operators, barbers and other small businesses struggling to take electronic payments as a form of payment (Kwenga translates to ‘swipe’ in Shona).

The Kwenga merchant solution allows up to five small merchants to share one device, the bank also provides merchant loans to Kwenga merchants based on the number of transactions on the Kwenga device. The service has been hugely successful and an answer to a call by the Zimbabwean Government to create a cashless society.

In March, we introduced social media banking, allowing our customers to perform limited banking transactions on their social media accounts for now. We believe that in the future, banks will have to innovate their products and services on channels where customers are spending their time.

**Cyber-fraud is an ever-growing challenge as fraudsters adopt increasingly sophisticated methods. What are some of the biggest challenges cyber-crime presents to banks?**

The reality worldwide is that the more we digitise, the more businesses systems and client data become vulnerable to cyber attacks. This often results in frauds, theft, data manipulation and misuse and threatens confidentiality.

Technological tools such as geolocation and biometric authentication are helping to address some of these challenges. For instance, our new mobile app includes biometric login as an option, which is more secure than a four-digit PIN.

**Please tell us about your selection of NetGuardians’ software to fight financial crime. Why did you choose NetGuardians/ what can they offer in terms of cybersecurity?**

We were looking for a reputable international player to partner with to improve transaction security and monitoring for our customers. NetGuardians has a unique approach to fraud and risk assurance, which leverages big data to correlate and analyse transaction behaviours on all our platforms, mitigating the bank against fraudulent transactions.

**Recently, you were a keynote speaker at the prestigious Zimbabwe Achievers Awards. What type of platform does one such as this present and what was the nature of your address?**

We are very active in the Zimbabwean diaspora community connecting the millions of Zimbabweans living abroad to Zimbabwe. We would like to believe we are a bank away from home for many of our clients in the diaspora. The Zimbabwe Achievers Awards, which recognises and celebrates exceptionally talented Zimbabweans around the globe, was a perfect partner for us to reach the diaspora community. For us, this platform is to share our vision as a financial partner to the diaspora community through their various endeavours.

**Please could you provide us with an overview of your educational and career history, prior to being appointed CEO? What set you on your current career path and prepared you for your role?**

I am a father and banker, both are full-time professions. I’ve been with Steward Bank since 2013. Whilst I have a PhD from the University of Manchester, and experience working in several financial roles in various countries across Europe and Africa, the most important qualification for me is passion and love for what I do. I am relentlessly curious, a fintech enthusiast and hopelessly hooked on innovation as the only constant.

I always say, “Success is an inside job.” Nobody is born a CEO. You can only stay

relevant in any CEO role not because you have some shiny qualification from an Ivy League School—you have to be willing to take calculated risks to achieve exponential results, and constantly innovate to stay ahead of the game. Before I was a CEO, I was just a hungry kid who was audacious enough to think outside the box and challenge the status quo.

**Which aspects of your role do you most enjoy and how do you maintain your passion on a daily basis?**

I have the privilege of being a part of a highly driven team that believes in making a difference through relentless innovation. I am also honoured to be part of the Econet Wireless Group and Cassava Fintech with a presence in several African countries and with a DNA for constant innovation. I love being a contributor in the global fintech space and take every opportunity to showcase to the world, on every platform I am invited to speak at, some of the world-class innovations that have come out of our group and Zimbabwe in general.

**What does it take to be a good effective leader? What is your leadership philosophy?**

The ability to serve, to listen and to act decisively. I strongly believe in failing fast and forward. I also believe in rolling up my sleeves and leading by example. The demanding customer of today wants to be engaged. Social media platforms have reduced the distance between the customer and the CEO. Sometimes I spend a fair amount of time resolving customers’ social media queries. Unfortunately, this is now part of the modern-day CEO’s job. It’s not all glamour. Oftentimes, it’s getting your hands dirty.

**Who are some of the role models that have inspired you during the course of your career and why?**

Strive Masiyiwa, the Chairman and founder of the Econet Group is one of my inspirations. He is a global figure, a business leader, a philanthropist, a mentor and one of the most influential people on the planet. I could go on. He has achieved a good balance between dedicating his time to business and philanthropy. Africa as a whole is in great need of inspirational leadership that can inspire the next generation to do ten times more, ten times faster and, to me, Strive Masiyiwa is one such leader. ▲

# Making the concept of smart cities a reality

Adrian Groenewald, CEO of the Basix Group and an accountant by profession could not be further from the stereotype

**I**magine a world with self-regulating traffic control and police cars able to X-ray traffic to look for guns or drugs. Well, that time is now. Groenewald eagerly discusses the technological advancements available to municipalities, which will assure the citizens of a smoothly run, transparent and effectively run city.

The Basix Group was started by Jeff Groenewald in the early 1990s. He started the company using his last pay cheque and a bakkie. The company was initially a small electronic security company. Groenewald explains the growth:

“Our first major client was one of South Africa’s Top four banks, where we opened offices in most South African Provinces. We later tendered on a National Roads Pilot Project within a consortium and later, Bona Electronic Solutions was born.”

From there, the Basix Group became one of the leading electronic system integration companies in South Africa. The company is a family business but that doesn’t mean nepotism.

“Just because my father started the business, doesn’t mean I walked in and was hired in a management role. I started in the trenches and had to work my way up,” Groenewald says.

A great misconception about family businesses is that the family members are favoured. Sometimes, this, in fact, proves to be the complete opposite, where family members are made to prove themselves more so than other employees for fear of the backlash.

The Basix Group has several subsidiaries, all of which offer services and technology, which are complementary to each other. A smart city cannot be effectively achieved with one solution, an array of technologies is required and the Basix Group has these skills and technologies in-house.



## Is there really a need for smart cities?

Groenewald is passionate about the development of smart cities. “With the global population expanding and more people moving to the urban areas, transportation volumes and energy consumption increases, while water availability diminishes and so a safe, smart and manageable city must be created to provide citizens with instant and affordable services within a safe environment. Imagine the enhancement of energy efficiency (clean green energy), water and waste management and the conservation of resources and instant statistics on a cities services,” he says.

### Opitex Display Solutions

A video wall, as well as the associated hardware and software, allows for real-time response times to traffic congestion, accident response and power outages to be monitored 24 hours

a day, seven days a week. This means that the correct emergency services can be dispatched to an accident scene or a technician can be deployed to fix a traffic light in the shortest time possible. In fact, the Basix Group, through this subsidiary, has completed most, if not all, of South Africa’s traffic management centres, some of which are linked to smart city devices.

### Basix Scanning Solutions

Ports and harbours are hotspots for drugs, guns, and human trafficking. Basix Scanning Solutions allows for high-level X-ray scanning solutions, enabling law enforcement to immediately detect any potential crime.

### Bona Electronic Solutions

The range of clients and industries is quite staggering for this subsidiary: banks, public areas, city surveillance, transport, mining, retail,



warehousing and logistics facilities, hospitals, as well as military and law enforcement, to name a few.

This is the surveillance arm, where crime prevention is indeed more important than the reaction to it. Bona integrates video surveillance solutions, traffic detection, traffic light controllers, parking management systems and public transportation solutions to provide an accurate picture of traffic situations in the monitored area.

**Where has the success arisen from?**

The high level of skills available within the business complemented by a trusted network of service providers, as well as the years of experience in large projects gives the Basix Group a distinct competitive advantage.

The company is not scared to push the boundaries in terms of technology and are constantly re-inventing and developing existing solutions. The trusted reputation held by the Basix Group is a result of the company’s philosophies.

“Always innovate, get the job done and plan effectively,” he says. Any project runs the risk

of delays but it all comes down to planning and having a contingency plan.

Trusting employees to complete their tasks to the levels of excellence required is another element of leadership that Groenewald is passionate about. “Having tight relationships with the staff built on trust is crucial to success,” he explains.

Projects as large as the ones undertaken by the Basix Group can often fail, but Groenewald firmly believes that through planning as well as honesty and communication, you will develop a reputation for trustworthiness.

“Our clients know we deliver on our promises. Our industry, where the security of the citizens is paramount, requires an intense level of trust between us and our clients,” says Groenewald.

**The Internet of things and the Fourth Industrial Revolution**

The power of interconnected, smart devices allows for smart cities to become a reality. A bus system, currently in operation, with a tracking device that can pick up where the bus is and can update the public information display at the bus stop, as well as change the traffic lights to green where necessary will lead to more effective public transport.

Sitting in traffic must be one of the biggest wastes of time in the modern world, yet, with the solutions offered by the Basix Group, traffic jams could become a thing of the past.

“If a major road is congested and the traffic light changes to red for you, but there are no cars coming from an arterial road, this can be incredibly frustrating. We have the solution, which counts the cars and manages the changing of the traffic lights accordingly. At these smart traffic lights, we have UPSs where during a power failure, the traffic light will work for several hours, thereby reducing congestion,” Groenewald explains.

Ultimately, the smart city is about making the lives of the citizens easier and with the technology available from the Basix Group, municipalities, the police force and emergency services can react to a crisis in real time, saving money in the process.

**Meet the CEO**

Groenewald’s pedigree is nothing to be sneezed at: “I attended King Edward the VII School, then studied at the University of Port Elizabeth, which was changed to the Nelson Mandela University, where I obtained my Bachelor of Commerce degree. After university, I worked briefly at a construction and property rental company and, thereafter, I joined the Basix Group in 2006. Being a family-run business, I started off as a Junior Accountant and worked my way through the various departments within the company—creditors, debtors, stores, the legal department—and, finally, I worked my way up to Financial Manager of the Group in 2010. In January 2015, I was successfully promoted to the Managing Director of the Group,” Groenewald says.

According to Groenewald, his father, Jeff, is a natural people’s person, yet this is a skill that he has had to learn over the years. Dealing with those around him to build a better and sustainable business is very important to him.

“Ensuring that our employees are excited and committed to coming to work every day is crucial to our success. Growing the people around me as best I can and seeing the results of our labour is extremely satisfying,” he elaborates.

Groenewald sees the immense value in recognition. “Giving employees recognition on a job well done is crucial. It provides a platform, which motivates and encourages others to do their best too,” he adds.

Surprisingly, Groenewald dreamt of becoming a farmer when he was younger. “My father said that is fine but I needed a degree first, so I went to university. Life took me on a different path but I do fulfil my dream over weekends, attending to my flock of sheep and herd of cows,” he says.

As to why he dreamt of becoming a farmer, the reasons are inspiring: he loves the old-school manners and work ethic. ▲

# A diversified agricultural company

ANB Investments (Pty) Ltd is the South African registered holding company of a diverse group of agricultural companies that developed individually until 2008, when it amalgamated as one operating group, known as the ANB Group

“ANB Investments and its subsidiaries comprehensively serve the citrus value chain, including products and services related to establishing intellectual property (citrus and other fruit types), laboratory facilities, nurseries, farming and packing, fruit marketing and branding activities. Most of our businesses hold leading market positions,” explains Abraham van Rooyen, the Group’s CEO.

## The various businesses

### *Cultivar and intellectual property management*

- *Citrogold* has licensed over 10 000 hectares of plantings of new cultivars in South Africa, thereby contributing significantly to the competitiveness of the South African citrus industry.
- *Biogold* International is a group of intellectual property management companies specialising in horticultural products and the horticulture sector across the globe. Biogold offers a one-stop platform for innovators in horticultural research and its development sectors, especially regarding the commercialisation of new products.

### *Nurseries and plant technology*

- *Du Roi Nursery* (Limpopo) produces quality certified citrus trees.
- *The Cederberg Tree Nursery* (Citrusdal) is the latest acquisition (obtained in 2014) and is experiencing extreme growth due to the high demand for black spot free, greening free trees.
- *Du Roi Laboratory* (Limpopo) specialises in the production and distribution of disease-free,



Photo: Stellebosch VISO magazine

Abraham van Rooyen, Group’s CEO

virus-indexed tissue culture banana plants. It produces over six million banana plants annually for sale to more than 25 countries.

- *Du Roi Multiplant* specialises in micropropagation of guava, pomegranate and granadilla and is equipped with specialised facilities, such as climate-controlled growth rooms.

### *Fruit farming and packing*

- *Indigo Fruit Farming* (Limpopo, Mpumalanga, Western and Southern Cape) specialises in the production of soft citrus fruit. Geographical diversification allows for the extension of the fruit-packing season and further provides for reduced risk exposure of the orchards to area-specific climatic events.

- Fruit is packed in ANB-owned pack houses and joint-venture and accredited packing facilities, including Naranja Packers—one of the most modern specialised citrus pack houses in South Africa.

### *Brand management*

- *ANB Produce & Marketing* manages the commercials and marketing of a variety of brands of citrus and subtropical produce—the house of brands for an extensive golden family of fruit of which ClemenGold is, to date, their frontrunner. Other brands following in its wake includes LemonGold, HoneyGold, NavelGold and more.
- *ClemenGold* is the SA registered and most successfully branded mandarin. ClemenGold is the market leader in the easy peel quality fruit category—not just with fruit from South Africa, but also from supply partners in Morocco, Spain, Chile, Australia, Peru and Argentina.

The majority of the Group’s businesses hold leading market positions, primarily owing to ANB’s ‘golden way’.

“The ANB ‘golden way’ revolves around a common corporate culture of sound client relations; service excellence; innovative products and services; and a highly ethical business culture. We also believe we have special people working with us and not for us. We are hard on standards and soft on people,” says Van Rooyen.

### *A world first*

ClemenGold pickers signed the world’s first Comic Contract®, an innovation that has made a significant difference to illiterate, vulnerable employees. Van Rooyen explains that Robert De

Rooy, a lawyer closely related to ANB, designed the world's first legally binding contract where elaborate words cannot trip up contract-illiterate people. This fruit pickers' contract was designed for Indigo Fruit Farming, which produces ClemenGold.

"Many vulnerable employees don't understand what they are given to sign. Not only is it not fair that they are bound by terms they don't understand, but how can we expect them to honour those terms?"

"I believe our workers can commit more fully to the content of a contract if they really understand what they are signing," he says. "We are really excited about the transparency this contract brings to our employee relations—it is indeed much more equitable and, in some ways, 'honest'. The contract has been received without any resistance from worker groups and was, in fact, welcomed by all who signed it."

"Robert came up with the idea of a comic contract where the parties to the agreement are represented by the characters in the comic; where their visualised interaction represents the content of the agreement between them; and where the parties to the contract sign the comic to confirm their agreement to that agreement," Van Rooyen elaborates.

### Corporate Social Investment (CSI)

For ANB Investments, CSI is so much more than a must-do. Van Rooyen says their involvement in development means that they are actively involved corporate citizens in a country that needs hope and direct interventions.

"Naturally, we also focus on the improvement of the lives of our employees, their families and the communities in which they live to show that we really care. We give financial and management capacity support to local crèches, artists, students, sportsmen and personnel (e.g. wellness and cultural programmes). By our continued involvement, we aim to make meaningful contributions to socio-economic sustainability in our communities," he says.

With regard to specific CSI projects, Van Rooyen mentions the training and deployment of Change Agents, which has paid dividends to the company.

"In collaboration with the Choice Trust, these selected staff members interact with other employees on health issues, sharing information on the management of chronic illnesses and HIV. Through their efforts, the infection rate within the company has fallen below the average infection rate in the surrounding areas," he explains.

Additionally, he speaks about the Bathlabine community outside Tzaneen, which benefited from a land claim process, and the Bathlabine Communal Property Association (CPA), which was elected to act as custodian of the land.

"Indigo Fruit Farming rents the land from the community for a period of 17 years. After 15 years of active farming and consequent development of the land, the association will determine whether to continue with the rental agreement or to transfer the management of the farm to the community. The agreement encompasses various immediate benefits for the community, including job creation and the formal transferral of plant production skills through learnerships."

"The community also receives a harvest incentive bonus for exceptional yields on the orchards. The strength of this partnership lies in its long-term nature and the high level of commitment from contributing staff members," Van Rooyen says.

### The leader at the Group's helm

Abraham van Rooyen grew up on a cattle, vegetable and citrus farm in Tzaneen and understood the challenges and risks of farming. Following a B.Sc. Horticulture degree, which he obtained at the University of Pretoria in 1984, he worked as an Extension Field Manager at Outspan in Swaziland, Marble Hall and Nelspruit, and then as a Pest Manager at the Croc Valley Estates in Nelspruit.

In 1988, he approached a nursery between Letsitele and Tzaneen that had been under pest and disease quarantine for three years and offered to turn this around in exchange for a 50% share. After only five months, Van Rooyen transformed the nursery and after two years, he took over the ownership of it—the birth of the successful Du Roi Nursery.

"The nursery's success made me realise the value of partnerships," Van Rooyen says.

Du Roi Nursery was followed by tissue culture and entomology enterprises.

Between 1993 and 2000, a number of Nadorcott farms (soft citrus cultivar) across the country were added to the business through joint ventures.

ANB Investments was created and most partners became shareholders who benefit from the complete value chain served by the business. Every individual company has a strong management team that focuses on that company's specific vision and manages with a great measure of autonomy.

### A question of leadership

Van Rooyen has a firm concept of what constitutes good leadership:

- *Driving innovation*—innovation is in their DNA and they're continuously focusing on finding new and improved cultivars, genetic material and practices. They encourage innovation on every level of every business. They've made immense inroads when it comes to changing the perceptions of traditional ways of tree spacing, rootstocks and micromanagement.
- *Hard on standards, soft on people*—Van Rooyen is always looking for ways to share the success of the company with the employees by means of sustainable initiatives, but he believes everyone should know enough about the business to understand the difficult times as well.

As CEO, he tends to focus his attention on business units that experience conflict or distress, otherwise, he readily stands back and allows people to excel on their own. He believes in actively promoting a participative management style and does not include only his peer group for feedback and input—even in strategic matters—but also younger colleagues from staff from different cultures and with a different skill set and background.

They believe training is vital and offer training to everyone involved in the business.

- *Mentorship* is a core business approach and they encourage all senior managers to actively share their experience and expertise in long-term relationships with junior personnel. ▲

# Succeeding in the face of adversity

Jacques Marais, the founder of Integrated Performance Management Systems (IPMS) Global and the creator of eCALA Life, is a beacon of inspiration and a true embodiment of what one's choices, hard work and unwavering determination can achieve

**W**ithout a trace of self-pity, Marais has described himself as being lucky enough to begin his career with absolutely nothing. Growing up in a broken home, he says the instability taught him the valuable lesson of being ready for everything.

At the tender age of five, his mother absconded to Swaziland with her Catholic priest, and with him and his sister in tow, leaving his older brother behind to be raised by his grandmother.

“At age 13, they decided we were all moving to England forever. This lasted four years before they moved back to Swaziland with their two new sons, leaving my sister and me behind. People make choices,” he says emphatically.

“I had just turned 18. I felt confident because as a kid in the UK, I had to switch school three times in three years due to their inability to settle, yet I managed to get 10 good O levels in one year (everyone else takes two years) and four UK universities offered placement based on my first-year A-level results,” Marais adds.

When his family decided to return to Swaziland, he was partway through his second year of A levels but decided to quit and find a job immediately.

“I had no ambitions to be a poor, foreign student; studying a subject I had zero interest in just to please someone else. I made choices,” he says.

He was fortunate enough to receive a very good job at a UK bank, this gave him a wonderful sense of being in control of his life.

“I lived with a local family in their spare room and within six months, I had my first apartment and I paid the local family back every penny



they had spent plus much more over the following years. They supported me and, thus, I was able to take care of myself, my sister and to plan for the future,” Marais explains.

He adds that he continued his studies once he felt mature and ready enough. Courtesy of the bank he worked for, he mastered systems thinking, process engineering and macro-change. At a later stage, he was trained as a Management Trainer, Course Writer and Assessor.

“Finally, courtesy of me, working for myself, I trained as a Goldratt Jonah in New Haven,

Connecticut, in study and domain expertise, I believe,” he recalls.

“Starting with a zero base taught me to take control, think, plan, take action and move fast. Waiting grows weeds and self-pity is worthless. Despite your personal circumstances, never lose your compassion and ability to love, and remember, ‘you are the architect of your life’,” Marais says.

## The keys to success

Marais enjoyed a prosperous career in both banking and insurance for 18 years. He



attributes his success to his thirst for knowledge and his desire to become adept at all he does—a philosophy which underpins the management of his teams.

“I succeeded because I studied everything more than anyone I knew; I mastered all the means and aimed to become the domain expert. I was highly disciplined, focused and I found that success comes from looking over the horizon, defining direction and knowing ‘why’, setting clear goals, ‘what’, and training teams to find the solutions to ‘how’,” he explains, adding, “My teams knew to come to me once to learn how to become a domain expert and all the time to be coached and mentored. I trained and aimed our teams at our business purpose and they determined their own life purpose. Note: you need both.”

“My teams did the same with their teams and each individual got individual attention because no two people have exactly the same life purpose and values. If you want to succeed, you need to learn how the ‘system works’, then ‘work the system’. This is very difficult work, so you better know ‘why’ you are doing it,” Marais says.

#### **The challenges encountered**

Marais, who holds the importance of knowledge in the highest regard, believes that ignorant, untrained leaders who use their authority and not data are dangerous, and they pose a big challenge.

“Trust is earned from others through your ability to and attitude in serving their needs, not your authority. Always ask for help, whether you wish to learn something or you cannot carry the load alone, and show respect to those who cut the path you are on, for they can teach you much if you will listen,” he says, adding that if you find yourself on the wrong path, there is no shame in admitting to it, stopping and forging a new one.

“Making assumptions guarantees you learn nothing because you think you already know. Worse still, if you are wrong, you don’t know it!” he exclaims.

### The formation of IPMS Global

It's while Marais was working at the bank that a turning point in his career occurred and the inspiration for IPMS Global was born.

"I was frustrated by how managers were being trained to lead and manage. It was all theory and it had little relevance to the work they did or the way the business operated. I was given the opportunity to run management development for two years and I trained over 400 managers.

"I found my passion for teaching tools and methods and testing the application. I developed a deep love for learning and teaching," he says. Once more, he reminded himself that he was the architect of his life, and he established IPMS Global, an organisation that provides integrated tools and programmes for leaders at all levels around the world. Within three short months, they were busy.

"All IPMS trainers are trained in systems thinking, process engineering and behavioural change. This means we can teach leaders and managers anything across their 'value chain' from vision, through strategy to operations and into organisational design.

"We use and train with toolkits—we have 72 different toolkits and can train any 'level of leader' or fix a particular need, with a new supervisor or the CEO," Marais says.

### IPMS Global's learning programmes

Marais says that, essentially, every leader or manager at their particular level must 'look ahead', know their purpose, 'why', develop the domain expertise to set ambitious goals, 'what', and train their teams to deliver the 'how' on these.

IPMS Global delivers this either through:

1. A full programme of deep learning (if they need it). This can take three to nine months, depending on their level. They offer these to all six levels of leader, from the manager of the group to the supervisor or
2. They deliver a specific programme to address a specific need, which could take just three days. Again, this is pitched at the level of leader.

Since its formation, IPMS Global has attained a first-class reputation and, in the 20 years, they have trained thousands of leaders and managers. "Undoubtedly, the greatest success has been the rate of adoption of the IPMS toolkits we give them and teach them," Marais adds.

They have a 99.99% adoption of the toolkits, measured by the audited application and their operational, organisational and personal performance results. They focus on the competencies leaders need in order to use the toolkits.

"A great example is coordination—this is a core competency and without it, God help your operations. IPMS has an extensive competency library. Our constant teaching goal is: 'Glue our students to the Tools NOT to the Teacher'," he says.

As with any new endeavour, difficulties arose and Marais admits they experienced issues initially.

"We had issues with: 'You aren't a business school', 'We don't score NQF or SETA points', 'I want my rebate'.

"So, we offer pilots to show how a 'return on investment' on performance scorecards," he explains.

In 100% of the cases, they went from a pilot programme to a full programme, and many times across the whole organisation, he adds.

Despite the challenges, Marais remained focused and motivated to succeed, saying, "You need resilience because change comes all the time, so you better know why you do what you do. In my case, I passionately believe the world needs leaders who are capable, confident, compassionate and will do something useful with it all."

### The creation of eCALA Life

While training senior leaders and all other levels of managers globally, a problem was identified: a lack of concentration. This inspired the concept for eCALA Life, a wellness and leadership retreat, situated on the Greek island of Patmos, and the first of its kind.

Marais says the ability to concentrate exclusively and for long enough to breathe, think, listen, challenge, assimilate and learn is crucial.

"You do not become a concert pianist by practising in a pub while people ask you to play their favourite tune, nor do you run a business like this," he muses. eCALA Life learning village provides this 'place of concentration'.

"The name eCALA is; Europe, Central Asia and Africa Learning Academy (eCALA). We are, by conscious choice, at the bridge between Asia, Africa and Europe and we will draw students from all three continents," he says.

This private village, located in a bay by the sea is exclusive to its students—there are no

outside interruptions, only utter serenity in a place dedicated to your wellbeing.

"Our ethos is 'breathe, laugh, learn' because, without learning, we will not resolve, solve or evolve. We are equally as passionate about the whole person—mind, body and spirit. Our learning philosophy is 'planet, people, profit', which infers a direct and conscious awareness of the consequences and implications of everything we decide, do and repeat. We just gently raise awareness of choice and consequences," Marais enthuses.

He is immensely proud of eCALA Life and likens it to the heart and home of all their learning. "We welcome you into our heart and home," he says.

### Future aspirations

Up until 2020, Marais says they will concentrate wholly on the quality and delivery of their current programmes to students, both at eCALA Life, and in the client's respective country.

In 2020, they will introduce a range of global leadership programmes called Planet. These will focus on delivering trained leaders, project managers, engineers in water, waste, energy, habitation, forestation and food management, and in 2021, they will decide when to open a further six eCALA Life learning villages across the three continents.

### What it means to be a leader

Marais believes a good, effective leader will look over the horizon at what is essential and needed, and develop a strategy to realise it.

Leaders should work on the 'why' and 'what', and should train their team to work on the 'how'.

Additionally, he says it's important to know whom you serve and to do it with passion and humility. In terms of role models who have inspired him throughout the course of his career, he mentions many noteworthy individuals, including Marie Curie, Maya Angelou, Angela Merkel, Socrates, Nelson Mandela, Stephen Hawking and Elon Musk, to name a few. ▲

*eCALA Life offers all IPMS Global's leadership programmes as well as other esoteric and skills-based learning programmes—26 in total. Please visit [www.ecalalife.com](http://www.ecalalife.com) for details.*



# Learn to lead, lead to learn

**By now, you may have encountered some of these difficult-to-answer leadership questions: Where are great leaders made, can leadership be taught or the most famous one, are leaders born or made? I believe the most significant capability mankind possesses is the ability to learn.**

**This is because learning has the full potential to change ordinary individuals into some of the highest leaders who have ever lived. Almost every single thing we know today, we learned, including leadership. Hence, I am firmly convinced that by learning to lead and eventually leading to learn, young people increase their chances of truly impacting the world.**

As a young person who is passionate about youth leadership, I always wondered where on earth I could learn to be a great leader. Is there even such a place? The obvious answer that came to mind was an ideal university filled with some of the brightest minds the African continent has to offer, a university that aims to create the next generation of young African leaders.

Later on, the university will then introduce the Student Representative Council, which does not only represent the student's interest but allows the students to enhance their leadership skills, design resolutions for real-life predicaments and create an enabling environment for upcoming leaders.

This is a great answer but the reality is that today, the out-of-school rate in sub-Saharan Africa is 21%, 34% and 58% for primary, lower secondary and upper secondary school age groups respectively. This means that more than half of 15- to 17-year-olds in sub-Saharan Africa

are not in school—the highest rate for any region in the world, according to UIS data.

If attending university had a strong correlation to youth leadership, then there should be less young leaders because very few of them are enrolled, but this is not the case, in fact, many challenges in the educational system serve as a platform for ambitious young leaders to flourish. So, if great leaders aren't exactly a result of an educational institution, where does one learn how to lead, is it even possible to learn how to be a leader?

If we look at modern leaders who have significantly impacted the world we live in, we see almost all of them demonstrating the essential soft skills that make them great leaders; these skills aren't learned in a single place nor through a single experience, it's a collection of different teachings and lessons that can be learnt or taught over time. I believe any young person who masters these skills will be a great leader.

We will only focus on one foundational skill: emotional intelligence (EI). According to Wikipedia, EI is the capacity to be aware of, control and express one's emotions, and to handle interpersonal relationships judiciously and empathetically.

In simple terms, EI is self-awareness, self-management, relationship management and social awareness. One might ask, "How does this help me learn how to lead?". Well, let's start with the first one:

GIFT LUBELE



**Self-awareness:** have you ever done something in front of the mirror? Looked at yourself until you became aware? Well, self-awareness is like having that mirror with you everywhere you go, being mindful of your emotions, actions and being empathetic. Nelson Mandela is an excellent example of a leader who mastered self-awareness.

**Self-regulation:** being aware of yourself is the first step towards being a great leader, the next step, self-regulation. Remember those New Year's resolutions? Well, this is the step that helps you to keep them. Self-regulation is committing yourself, holding yourself accountable and responsible for your actions and words as a leader.

**Relationship management:** this includes the identification, analysis and management of relationships with people inside and outside of your community as well as their development through feedback and coaching.

**Social awareness:** this gives you the ability to understand and respond to the needs of others, improve your social skills and gain respect for others as you apply these ideas.

It is also important to realise that leaders are always learning. Not too long ago, I watched an interview with Bill Gates and when asked what he does every day, Gates said he makes sure he learns something new for a minimum duration of three hours each and every day. Leadership is continuous learning and sharing what you learn with your followers. ▲





## The indelible image

CHONGQING, CHINA - APRIL 01: Aerial view of plowed field at Youyang Tujia and Miao Autonomous County on April 1, 2018 in Chongqing, China.

*Photo: VCG/VCG via Getty Images*



# The Alfa Romeo Stelvio

Can Alfa Romeo's first-born SUV deliver a thrilling driving experience, outstanding performance and sporty style?



**F**or the first time in more than a century, these features of the genuine "Alfa spirit" have now come together in an SUV. The first thing you notice when setting your eyes on the Stelvio is the styling. It looks different to the usual suspects in this category, the German and Japanese establishments so to speak. The front end is distinctive Alfa and follows their Italian spirit of creative styling.

The bonnet is large and imposing, and one would expect to find a fierce V6 engine underneath. But what I did find is the smallest two-litre turbo I've seen in a while; coupled with the largest turbo that I've seen in years. The turbo is literally bigger than the engine—it's amazing what they are doing with small engines.

At first, I thought it was a diesel as the rev counter's redline started at 5500 revs, which is low for a high-performance petrol. But it certainly has plenty of go for your dough. It pushes out over the magic 200kw, 0-100 in 5.7 seconds for a top speed of 230 km/h, making it one of the fastest mid-sized SUVs in the world. And that's what you'd expect from a company like Alfa, who have been making beautiful drivers' cars since day one, be it with the usual Italian maintenance quirks.

It was pleasing to see Michelin tyres on the vehicle, showing the company's commitment to the quality. The handling is the best in class, and you can really throw it into corners like a racing car without much wheel spin or drama. In sports mode, the engine is lively and the AWD system works excellently well through corners.

Put on some all-terrain tyres and it would easily make it through the Cederberg on rough gravel roads—ground clearance is decent at 207mm. The interior is tastefully laid out, with a pleasantly designed dashboard. Some of the controls feel a touch plastic though, and the gear level resembles a PC joystick. The satellite navigation is first-class and gives you an aerial view as if you were in a drone flying down the street, and in the typical Italian attention-to-the-right-detail style, it warns you when speed cameras are near. Not that speeding is a good idea, save that for the race track.

The car does rely on a lot of electronics, with everything that opens and closes controlled by the flick of a button, which is standard in this class. The seats are comfortable, though not entirely bucket in nature, so you may slide around a bit in high-speed corners. It's nothing serious, but they are set up for comfort driving primarily, I'd imagine.

What is great about the Stelvio is that it can change from near super-car performance, down to a sedate family wagon at the touch of a button. You have the option to turn the big turbo right down for a quiet, efficient ride. Often in modern-performance cars, the engine note is amplified for effect, which is nice when you are in a feisty mood, but sometimes you just want a quiet ride down to the shops.

The sunroof is easy to operate, but it is noisier than some of the competition over 80km/h. The start button is on the steering wheel and I did find it to, on occasion, take more than one attempt to fire-up. I'm still a fan of keys and manual handbrakes.

Stelvio features a number of sophisticated safety systems, available as standard or optional, depending on the version. Key amongst them is the Integrated Brake System (IBS), Forward Collision Warning and Autonomous Emergency Brake with pedestrian detection, Lane Departure Warning, Blind Spot Monitoring (BSM) with Rear Cross-Path Detection and Active Cruise Control.

Meanwhile, the Stelvio won yet another top award recently, chosen by Quattroruote readers; the Alfa Romeo brand's first SUV won the monthly magazine's most coveted prize.

With 34.2% of the votes cast by Quattroruote readers on the magazine's website, Alfa Romeo's first SUV finished ahead of no fewer than 12 models from different segments and brands. The victory is even more impressive in view of the large gap separating Stelvio from the second and third place cars (with 10% and 9.2% of the votes respectively).

Pushing R1 million after extras, you are certainly paying for the name, quality and heritage. But if you want to turn heads in a seductive AWD wagon, this is car for you. ▲

*Gregory Simpson*

# The art of GRIT

**One of my favourite quotes of all time—because I have had many opportunities to take his advice—is from the old Bulldog himself, Winston Churchill: “If you’re going through hell, keep going.” You have got to love that kind of attitude and, of course, he is absolutely right.**

**I** have just recently had another great opportunity to put these words into action and I was once again reminded of the importance of being able to show grit in both our professional and personal lives.

As part of a tough training programme, our adventure racing team, Team GRIT Nyamezela, took part in a non-stop 280km multi-disciplined race called the LED Lenser Wartrail Challenge. The race would begin at the exquisite hamlet of Lady Grey on the western side of the Drakensberg. First up would be a 58km sky run over a high range of mountains to Balloch, followed by a 150km mountain bike ride back to Lady Grey and then a 70km paddle down the Orange River to Aliwal North. When we started the race at midnight on 19 March, we had no idea what Mother Nature was about to unleash on us and how much we would live out our team’s name, “GRIT Nyamezela”.

The weather prediction for that leg was for “some” rain. We got that and a whole lot more. Climbing out of Lady Grey in the dark of night with the tiny settlement’s lights twinkling below made us feel quite jubilated (well more or less) about the next 275kms.

By 4 am, the weather turned dramatically and quickly. Our team was now up at an altitude of 2700m. The visibility in the blackness of night with 40-50km/h winds, hail and rain was extremely poor, our headlamps only just making

out where we could place our feet, but no further. Then there is the lightning. If you have ever been close to lightning, you will understand the ferocity of it and the all-powerful, overwhelming boom of the strikes. It’s terrifying. We had absolutely no cover and nowhere to hide to get out of the freezing rain and hail. We were at the mercy of Mother Nature’s full raging fury. Stopping to eat or urinate was not an option because of hyperthermia. We simply urinated in our kit as we went. It was the right thing to do.

About 22km into the run, when things seemed to become extremely life-threatening, we had a very brief discussion about making our way off the mountain, however, we agreed that that would be far more dangerous. There were only two other teams on the mountain with no chance of any rescue, should things go wrong. The decision was to “keep going”, even though it was a bit like being in hell, to show grit and Nyamezela (the isiXhosa word for perseverance). It was a decision that kept us alive. Ten hours later, as we descended into Balloch and out of the clouds, we could see the destruction the storm had caused. We were all relieved that we had made it.

The Race Organiser, Adrian Saffy, had dramatically shortened and changed the mountain bike ride and cancelled the rest of the race. Many roads had been washed away and the Orange River was in flood.

The main lesson I gleaned from this experience is that, once again, the ability to persevere

when things are going pear-shaped is the most significant predictor of success.

I am all too aware that both my generation and those who have followed are, on the whole, lacking in a certain toughness that characterised my parent’s generation. When we are tired, we stop; when we are bored, we immediately change plans; when we feel the first twinge of pain, we medicate. The endurance of any discomfort is not something to aspire to. Of course I’d say that, being the endurance adventurer, but it seems undeniable that when modern people are faced with adversity, they typically take the path of least resistance or simply give up. The idea of pushing through difficult times seems to have lost any of the appeal (or necessity) it may once have had.

I have learnt one very valuable lesson from my adventure, sailing and rowing experiences: the storm will end. It may rage on unabated for days but every storm I have ever been in has come to an end eventually. To get me through the dark days of my solo row across the Atlantic, I had a mantra written on my cabin: ‘THIS WILL END!’ And indeed it did.

Ironically, though avoiding confrontation and quitting when the going gets tough have become more and more acceptable these days, people still judge us by how we respond to a crisis. How we

perform when things are going well doesn't matter nearly as much; it is our actions during the tougher moments—or days or weeks—that reveal our true character.

Will we emerge from the storm strong and intact and ahead of the pack? The attitude we take into the storm, and what we choose to do once in it, will be the deciding factor.

The point is, for all my isolated, storm-ridden, freezing challenges, I have much to be grateful for. We are all going to experience turbulent times in our personal and professional lives. How we deal with these storms determines the kind of people we are or will become.

Remember that the storm will pass. See it as a test, and even an opportunity. If possible, try to focus on the positives, even in the middle of the storm. Then, use the situation to your advantage if you can, so that when the storm clears, you are immediately up and running, rather than left floundering in the wreckage. When it's all over and the clouds lift, you won't have just survived; you will come out raring for more. ▲

*Peter van Kets*



# The leadership void

Women are the best leaders for today's turbulent times

**A**s we walked into the reception, the buzz was overwhelming. These were the top seventy leaders of a successful multi-national business. Everybody was in comfortable casual gear, not just having taken their ties off, but authentically and comfortably casual.

They were tucking into pastries and fruit along with coffee and tea, and everybody appeared to naturally enjoy everybody else's company.

This was more than networking, this was camaraderie in action. It soon struck us that it was impossible to identify who the 'boss' was.

I had met Louise before, but that was just the two of us in her office. She had made a huge, positive impression on me at the time, however, I was looking forward to seeing her in action with her team in a 'live' environment.

There was the beautiful sound of laughter combined with an atmosphere of excitement. Before long, the auditorium doors swung open

and everybody marched in without being told or marshalled. It was a stunning room with floor-to-ceiling windows and the sun came out right on time to greet us.

## Warm and authentic greetings matter

We immediately went to the rear of the auditorium and sat where we would have a first-class view of the proceedings. Louise instantly spotted us and rushed over to greet us and she couldn't help but share her natural enthusiasm and passion. She was wearing jeans and a swish pair of white trainers—authentically casual, we now knew where they got this from.

As everyone settled down at the 8/9 tables, Louise strode to the front, teasing and talking to all she passed and was soon welcoming everyone and setting the scene for the day. She was informal and friendly but by now, she was certainly in charge.

Louise laid out an inspiring vision for the future and did not hold back when describing

what challenges lay ahead. She trusted everyone in the room and they responded with their undivided attention and full engagement.

The more we trust our people with important information, the more empowered and committed they feel.

We felt part of the team and were as focused and excited as all in the room were.

Louise pulled no punches in terms of the urgency of the mission and at the same time, was obviously and genuinely confident that the seventy or so of them were the right people at the right time to sort the problems and deliver the vibrant future.

## It's tough at the top

We have seen a number of high profile female political leaders come under exacting scrutiny, from Hillary Clinton to Theresa May and Angela Merkel. Some of the criticism has been unnecessarily harsh and, at times, brutal. Whilst it has to be said that they have made some missteps,

in the main, the reporting has been hugely intolerant and unforgiving.

There is much research confirming that women leaders in business also receive a far harsher critique than men in similar positions. This plays a big part in the paucity of women at the top of businesses—who wants to be treated unfairly?

There are also many male political leaders who are currently being called out for their less than sparkling performances; Donald Trump, Jeremy Corbyn and Vladimir Putin, to name but a few.

The truth is, once you accept a big leadership position, you must be prepared for both the praise and the blunt criticism. It should never be a popularity contest. You just cannot and should not try to please all of the people all of the time, but it would be nice to be treated fairly as well.

### Connecting women

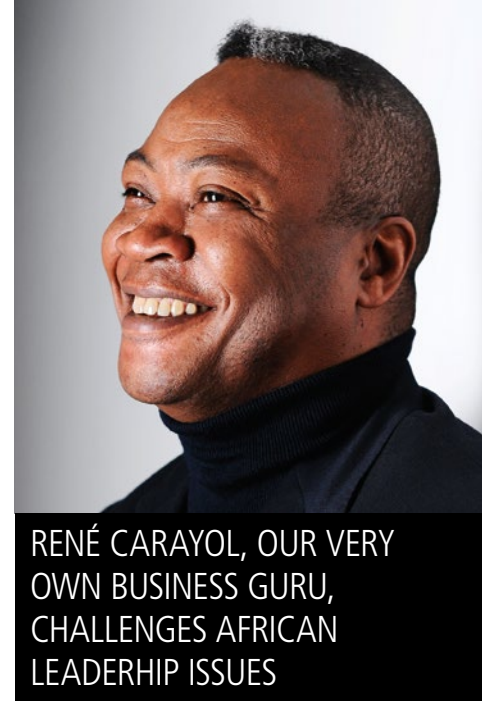
I had the privilege of being invited to comper a really important and well-thought-out initiative by Vodafone's technology team here in London.

The purpose of the event was to “Help drive engagement in a candidate-led market where demand outstrips supply for female talent in technology.

Statistics show that 70% of the global workforce is made up of passive talent, who are not actively looking for a role and it's an even higher percentage where we're looking to increase the number of female hires in the technology space. We are, therefore, creating additional platforms to connect with prospective candidates, which will eventually help us build high performing/diverse teams in Vodafone.”

It was a first-class evening, the event started at 5 pm and finished at 8 pm. As this was the kick-off event for a series of engagements throughout the year, it was as much about learning about what works best for the future as it was about establishing enduring relationships.

We had a packed house, mainly due to the tight targeting of the right potential attendees and inviting them to bring similar-minded colleagues and friends.



RENÉ CARAYOL, OUR VERY OWN BUSINESS GURU, CHALLENGES AFRICAN LEADERSHIP ISSUES



There is much research confirming that women leaders in business also receive a far harsher critique than men in similar positions

The panel consisted of two men and two women, they were from India, Germany, Sweden and the UK. It proved to be the right call to have both men and women on the panel, as it gave huge insights into how they actually interact on a day-to-day basis.

The questions were really sharp and to the point, and all questions were responded to in a frank and informal manner.

After an instructive and fun hour with the panel, we all moved to an even more relaxed environment in the cafeteria on the same floor for some ‘speed mentoring’. With roughly 10 attendees at each table, a team of Vodafone managers did the rounds spending 10 minutes at each table. They shared their stories and took questions from their now eager and fully engaged guests.

Whilst the speed mentoring was taking place, I soon realised that I had five of my mentees at the event. I was delighted to see them all active and engaged.

This was a heck of a coincidence, as they all work for different businesses in different sectors. I was curious as to what had attracted them to the event. I blushed when they all responded—“because you were compering the event”.

The feedback from our guests was authentic and positive:

“Wanted to drop you a note to say congratulations on a great event last night. I was really impressed by the authenticity of the discussions and came away with a great impression of the culture at Vodafone.”

“It was a really impressive event tonight—great thoughts, a strong panel and very

interesting conversation. I definitely think Vodafone should continue running these events and congrats on its inauguration—I hope it will continue for many years.”

This different approach to engaging and building a rapport and relationship with some incredibly able and experienced women, who may not be looking for a move at the moment, proved to be a really solid and positive initial step for Vodafone.

They were a joy to work with from the initial approach to the evening itself.

You cannot hide from your culture.

### What diversity initiatives work best?

The diversity industry has now matured in the UK but has been challenged by many as perhaps somewhat lacking in true recent innovation.

Boston Consulting Group (BCG) has recently surveyed roughly 17 500 employees and interviewed more than 200 senior executives at companies in various industries across 21 countries, seeking their perspective on 39 specific diversity initiatives.

They focused their research on how the company should best allocate its resources—in

“These misperceptions matter because they shape companies’ investments in diversity initiatives.”

### Hidden gems

- BCG’s research highlighted what they termed ‘hidden gems’. These were found to be the real game changers and are worth thinking about further:
- Targeting interventions to ‘moments of truth’ in women’s careers
- Addressing unconscious biases in decisions about recruitment, evaluation, and promotion
- Increasing the visibility of role models in the organisation
- Supporting internal and external networks for women
- Offering professional development, such as talent management programmes and executive coaching
- Engaging male employees

All of these initiatives were raised by the attendees and discussed in our conversations at Vodafone. Whilst all seem obvious perhaps, not enough are doing them or following through and checking on the tangible outcomes.

leadership. They should be given the ‘oxygen of publicity’, both internally and externally. It’s important to raise awareness of what you are doing and getting as many people involved and participating as possible. The vital changes necessary cannot be delivered without the enthusiasm of the workforce and a supportive culture. These initiatives help lay the foundation for transformation.

### Overrated measures

BCG found that these initiatives appear promising on paper, tend to be fairly easy to launch and often involve short-term bouts of focused effort.

Unfortunately, in many instances they don’t lead to real sustainable change:

- Holding one-time training sessions
- Establishing grievance systems
- Adding gender diversity to a long list of leadership compensation targets
- Recruiting senior women role models from outside the organisation

These findings are instructive, as so much has been invested in these by so many. They were found to be helpful but didn’t achieve too much on their own. They tend to be seen as largely symbolic but still make a difference.

### Baseline measures

The research found that there are basic measures that all companies should have. These initiatives do have merit but they are either baseline factors that do not make a meaningful difference in women’s day-to-day experiences or insufficient measures when launched in isolation. In addition, too frequently, companies do a poor job of implementing them:

- Mentoring women
- Addressing the gender pay gap
- Company engagement in public debates and membership in female advocacy organisations
- Disconnected cultural initiatives
- Employee surveys to generate feedback

This is like the starter pack and they are ‘no-brainers’, but require careful and focused implementation and need joining up and a sustained effort.

They usually generate a lively debate, get the organisation thinking and starting to challenge the prevailing culture.

## We have seen a number of high profile female political leaders come under exacting scrutiny, from Hillary Clinton to Theresa May and Angela Merkel

time, managerial focus and capital—to generate the biggest diversity gains.

They found that, unfortunately, many companies simply don’t know the answers to these questions, so they use a trial-and-error approach, trying a lot of things and hoping to see good results.

One of the most striking findings was that “men often have different ideas about where things go wrong. They tend to identify recruitment as the biggest challenge in gender diversity. Women, by contrast, think that advancement and retention are the biggest challenges.”

### Proven measures

On a more optimistic level, the research also looked at what was actually working well today:

- Offering flexible work models
- Committing publicly to gender diversity
- Tracking performance through meaningful Key Performance Indicators (KPIs)
- Sponsoring women through a scalable programme
- Crafting anti-discrimination policies

These are all tried and tested, and they deliver. They are relatively straightforward to implement but must have the full and visible backing of the



“You know, there's nothing damnable about being a strong woman. The world needs strong women.”

### The world has changed

There is not a business that we are working with that is not going through significant change, if not forced transformation. These turbulent times demand a different approach to leadership than in the more certain times. It is imperative to enlarge the available talent pool for the types of leaders who are at their best in transformational times.

What we experienced with Louise and at Vodafone gave us a positive glimpse of just how vital it is to get as many able women as possible into the leadership pool and fast. Nearly all the organisations we have encountered in recent years have an active ‘gender’ agenda, but they are achieving very mixed results.

We are now clear that ‘one size fits no one’ when it comes to the challenge of diversity. By better understanding what the actual gender issues are in your organisation, then investing in initiatives that are designed and crafted to deal with these specific diversity challenges, it is much more likely to make a telling difference to the outcomes.

### Moving from best practice to next practice:

- Setting clear, transparent targets work
- The CEO must be the ultimate sponsor
- All managers are held accountable for establishing inclusive environments

- Target those on their way up for leadership development
- Reverse mentoring enables the leaders to better experience the subtler challenges
- Move beyond HR having to drive diversity and inclusion
- Invest in analytics to bring data alive to identify revealing trends and attitudes
- Flexible working is integral to all solutions
- Like everything else, the shift in the understanding of diversity is moving fast
- There are no ‘one-off’ diversity initiatives that work well

### At the end of the day

Louise had been an active participant throughout the day. She had some big ideas and had some shot down, she was not afraid to challenge and support.

Some initiatives raised within her team went against decisions that she had made in the past. No one from the outside would have guessed or noticed.

In fact, it was plain that she was proud that they felt they could challenge without having to be sycophantic or shy about it.

As we drew to the end of a long but excellent day, Louise came to the front and concluded the day with no notes but a head full of exciting new ideas and initiatives. She clearly had her heart

full of gratitude and pride, which she shared openly and humorously with all the team. She was never the boss, and never needed to take control but she was always in charge, and certainly an inspired leader throughout. Nothing worthwhile is ever achieved without sincere passion and humility.

### Diversity is being invited to the dance— inclusion is being asked to dance

Fred Astaire had the most remarkable presence as the star of dance of his era, and when one mentions Fred Astaire, we immediately think of his timeless partner, Ginger Rogers, as well. They were the dream dance team of the 1930s. She not only matched him step for step but as many have pointed out, she matched him whilst having to move backwards all the time—and whilst wearing heels.

“You know, there’s nothing damnable about being a strong woman. The world needs strong women. There are a lot of strong women you do not see who are guiding, helping, mothering strong men. They want to remain unseen. It’s kind of nice to be able to play a strong woman who is seen.” Ginger Rogers Today, authority is the least successful way to transform cultures—influence and persuasion work so much better. ▲

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# It's okay to fire a client

**Recently, I had to make the tough decision to conclude a contract with a long-standing client. Am I crazy to let a steady retainer client go? Maybe. Is the sanity and well-being of my team more important? You bet!**

I had noticed that the harder the team tried to please this client's unrealistic demands by making sure they always met the incredibly tight deadlines for last-minute work, another curveball would be catapulted their way. It was almost like the challenges seen in the Japanese game show, *Takeshi's Castle*, where one is left wondering what it will take to derail the players. With the utmost grace and balancing act skills, they took on each challenge and delivered each task that was hurled their way, regardless of what was already in their diary. I feel bad for having allowed this to carry on for so long and not stepping in much sooner.

It was like a typical abusive relationship where one thinks that things will get better the harder you work at it. The problem comes in when only one of the parties is willing to work hard at it. One of the (many) straws that broke the camel's back was a recent incident where another report was required with an impractical deadline. Not so much as a 'thank you' was offered to the team member who had put in additional hours to make sure the client looked good at the boardroom table.

I recently read *The Best Place to Work*. The author, Dr Ron Friedman writes: "Being ignored is often more psychologically painful than being treated poorly ... Being recognised feels so good because it is the ultimate sign of belonging."

This made me realise that perhaps we didn't belong together anymore.

We all grow up being taught that the 'client is always right', and we need to make sure that the client is always happy. The truth is, they are not, and it is okay to put your foot down.

That is why living the values of your company is so important. Company values shouldn't be something found only on a website; forgotten

The truth is,  
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about and revisited once a year at a strategy session. I've mentioned before that I encourage each team member to share a story weekly of how our values of respect, authenticity and growth have reflected in their lives, be it through something that they have read, a meeting they had or just living life. We also use these values when making decisions regarding new recruits, new business and when taking stock of current projects.



REGINE LE ROUX



Standing at the crossroads, having to decide which direction to take with this client, I used our values to help me with my decision-making process.

**Respect:** I have a huge respect for their company, their legacy and what they do in the community; unfortunately, the client didn't reciprocate that respect towards my team and what we do.

**Growth:** I am incredibly thankful for the opportunity to have worked with them, and we have grown by leaps and bounds. Our direction has changed quite significantly from our early service offering to where we are today, focussed on reputation research and expanding into Africa. Unfortunately, the direction that they are taking does not fit well with what we offer.

**Authenticity:** this was the clincher for me, as I realised that my team were not sold on the client's core values, which began to compromise their values. It is not fair of me to expect my team to work on a project that they aren't fully committed to. Even though it did not impact the delivery of work, I do believe that everything we do needs to be authentic.

A 'break up' is never easy, but I have learnt that it leads one on to even better opportunities, ones that you could never have dreamt of. It is about being brave, saying no, and remembering that a 'thank you!' can make a massive difference to a person's day. ▲

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