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Nelson Mandela

Remembering
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Zunaid Moti

The man behind the vision

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Who we are?

Greenpeace Africa is an independent environmental campaigning organisation with a vision of **'an Africa where people live in harmony with nature in a peaceful state of environmental and social justice'**. Our mission is to work with others to foster environmental consciousness where Africa's people can seek social and economic prosperity in ways that protect the environment for the benefit of humans, the planet and the future.

In South Africa, we campaign for a just transition away from coal and nuclear power, towards renewable energy and energy efficiency. We do not accept any money from the government or corporations in order to maintain our independence, which means that we work in the public interest; with environmental and social justice at the core of our work.

As a civil society organisation, and citizens, we work towards the achievement of environmental and social rights and environmental and energy justice in our communities across South Africa. We strive for the realisation of the constitutional environmental right. We believe that climate change is an existential crisis, which acts as a threat multiplier and that urgent action is required to avoid catastrophic climate change.

South Africa is the biggest emitter on the African continent, and one of the biggest emitters in the world because of the country's almost complete reliance on coal. Nonetheless, we are in a position to lead the way to a clean energy future, but only if the South African government acts swiftly to remove the barriers to renewable energy. With new leadership in place comes a new opportunity for South Africa to create a powerful combination of strong international leadership, progressive thinking and forward-looking policies to become a credible climate leader.

Social justice means putting people's right to water first

South Africa is a dangerously water-scarce country, which is currently facing up to the reality of a mega water crisis over three provinces, which has been declared a national disaster. When a drought takes on the status of a national disaster it is well past time to sit up and take notice. South Africa's mean annual precipitation is 50% lower than the global average, and water scarcity is an ongoing significant challenge that climate change is likely to worsen. This isn't a problem that is going away.

Climate change is a threat multiplier because it takes existing vulnerabilities and makes them worse. People living in Africa are particularly vulnerable

to the impacts of climate change. Most scientists have predicted that Africa is likely to experience significantly higher temperatures, rising sea levels, changing rainfall patterns and extreme weather, which is likely to impact on food security and drive diseases, while also potentially displacing millions of people on the continent.

Water is life

The water crisis has exposed a layer of stark inequality in South Africa: the unequal access to water that mega water users have in comparison to the people.

While the people in South Africa struggle with complex water access issues, these mega water guzzlers have clear, undisputed access to high-quality water. An estimated two-thirds of South Africa's water goes towards irrigation for agriculture, which creates an important land-water nexus that cannot be ignored. However, single water users can also use mind-boggling amounts of water. **Media reports indicate that Coca-Cola uses over a million litres of water per day, and Eskom is the single biggest water user in South Africa: using up to 10 000 litres of water per second for its coal-fired power stations.**

Greenpeace believes that the 2002 UNESCO General Comment that "the human right to water is indispensable for leading a life in human dignity. It is a prerequisite for the realisation of other human rights" goes to the heart of the matter. Indeed, the Water Research Commission points out that "the Constitution of South Africa has placed a legal obligation on the government to realise people's right to sufficient water". If water is fundamental to human life, then the injustice in terms of how water is distributed in the country, along with the quality of water supply becomes clear. **Millions of South Africans live with Day Zero every day, and this cannot be allowed to continue.**

The truth is that we have recognised water as a human right, but we haven't delivered it because 14% of South Africans don't have access at all, while mega water guzzlers can use as much water as they like. While there have been an almost unending list of government plans and strategies around water, there has been a complete failure to put water at the centre of decision-making in every single government department.

There is no time to waste. In order to avoid Day Zero becoming the new normal in South Africa across all segments of society, it is imperative that every decision to spend money, by every government department, needs to account for water and prioritise the realisation of water as a fundamental human right. No government department should be taking decisions that puts this human right at risk. The battle that is currently waging between mega water guzzlers and the people of South Africa must come to an end.

The bottom line is that water is life. We cannot live without it and we must make sure that people's right to water is put first and protected.

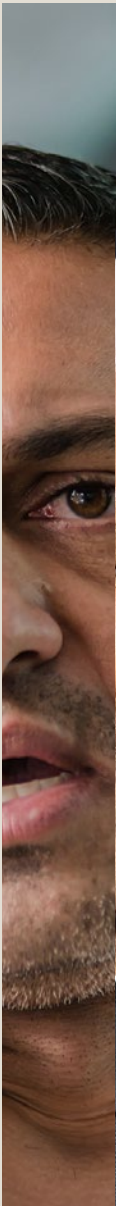


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COVER & COVER ARTICLE SPONSORED BY THE MOTIO GROUP

Recent African Leadership Hall of Fame nominee, Zunaid Moti, Group Chairman of the Moti Group, sat down with *Leadership* Magazine to discuss his views on Zimbabwe and how to effectively manage a large group of businesses.

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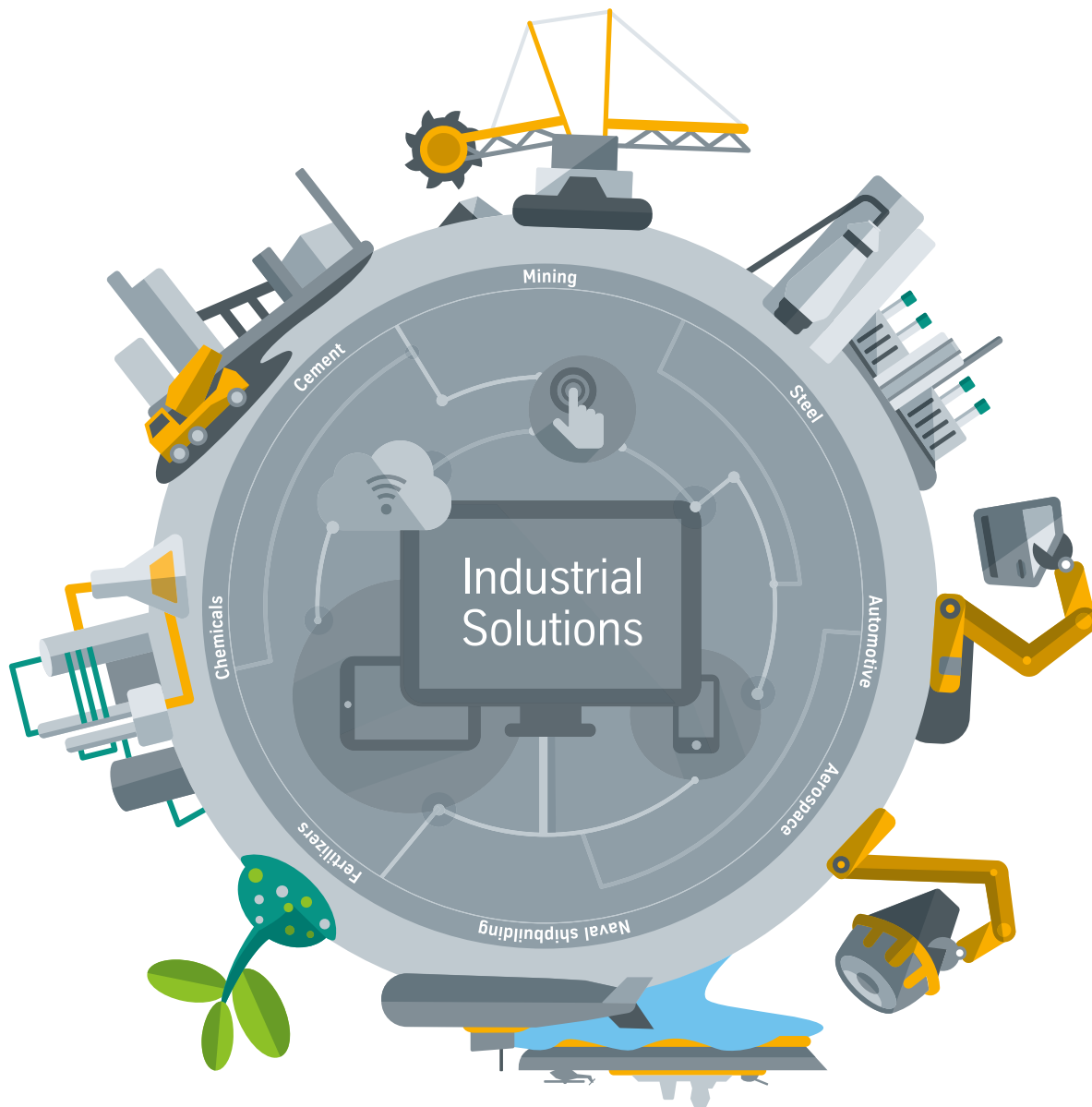
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Professor Pieter Steyn

Cranefield Principal, Prof. Steyn comes from a long line of Industrial Engineers, most notably, Steyn's great-great-grandfather, Douwe Gerbrandt 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 exist."

René Carayol

René is a business and leadership speaker, broadcaster, broadsheet columnist and author. His focus is on inspirational leadership, culture and business transformation. René is the CEO of The Inspired Leaders Network (www.inspiredleaders.com)

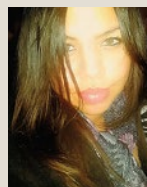


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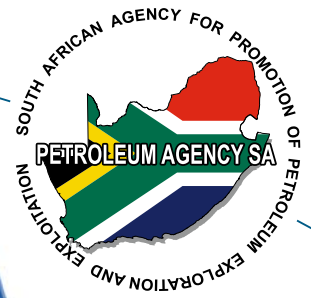
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Petroleum Agency SA is a South African state-owned company established through a Ministerial Directive issued in 1999. The Mineral and Petroleum Resources Development Act which came into effect on the 1st May 2004 and in terms of this Act, Petroleum Agency South Africa (PASA) received its mandate to increase exploration & production activities, and to further develop South Africa's oil & gas resources.

The Agency is thus expected to act as the custodian of the national archive of all petroleum exploration and production data, to evaluate and promote oil and gas potential of South Africa, to regulate all exploration and production activities of oil and gas resources in South Africa, and to raise awareness of petroleum resources at a national level.

Reporting to the Department of Mineral Resources, the Agency acts as an advisor to government. In other words, the Agency is expected to develop, facilitate and regulate the growth of the upstream industry in South Africa. Its vision is to create a viable, sustainable and responsible upstream industry in South Africa; and mission – to promote, facilitate and regulate exploration and sustainable development of oil and gas in South Africa.

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Is Africa digitally rattled?

According to the World Economic Forum, the rise of the Fourth Industrial Revolution is adding intricacy to future economies and their employment outcomes. It's understood that the Fourth Industrial Revolution is equivalent to unexplored growth in digitalisation and Internet connectivity. Digitalisation and Internet connectivity have the ability to drive Africa forward and would enable innovation, propel new business models and improve the delivery of public services.

Africa has become more stressed by services and less dependent on commodities. The African continent must cultivate digital skills as part of transitioning its population from low-skill and low-pay jobs to high-skill and high-pay jobs.

A key part of the Fourth Industrial Revolution in terms of Africa would be that inclusive growth receives attention. Inclusive growth is a "concept that advances equitable opportunities for economic participants during economic growth with benefits inclined by every section of society", according to the *Future of Jobs and Skills in Africa* report. There are three areas, which African leaders need to delve into in order to deal with the new challenges while addressing inclusive growth. Mobile-related technology is bridging the continent in unprecedented ways. At least 70% of the African continent now has access to mobile technology. By having this digital infrastructure, it allows new opportunities for poor Africans situated in rural and informal economies.

Secondly, an area that needs to receive attention from African leaders is disruptions that affect manufacturing technology. Disruptions being that the Internet of things and 3D printing are liberalising the access to technology and decentralising production. Furthermore, emerging African investors are re-imagining solutions suited to the African context. For African innovators to develop, policymakers need to provide a conducive intellectual property regime, which would make it easier to do business competitively.

Looking at the technological readiness of Africa, a lot of progress has been made. Mobile phone penetration is one of those areas in which Africa has made a large improvement. Investments in the grid infrastructure have also made it possible for mobile penetration to be possible.

Due to Africans being able to gain access to mobile phone technology, it has equipped them with new tools for managing their businesses and households.

Graça Machel stated that it is crucial that the Fourth Industrial Revolution does not leave anyone behind. The three previous revolutions left Africans behind and women, in particular, were abandoned. Including women will make business and common sense because women make up half of the African population and bring different skills and perceptions to bear on challenges.

Foreword



MONDE MAWASHA
CDC Programme Director:
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The centenary of Nelson Mandela: a reservoir of goodness

The month of July is favoured with the birth of an icon and the year 2018 marks the centenary of his birth—that is none other than Nelson Mandela. Madiba’s centenary affords us an opportune moment to reflect on the legacy bequeathed unto us by this towering giant of humanity. This is a gesture of honour to the legacy of Mandela.

The significance of Mandela and his most poignant legacy can be considered in two related ways. Firstly, he lived and endured a life of sacrifice and suffering. Secondly, through his own experience and conviction, he changed the global political landscape and elevated humanity to a level never witnessed before.

As we turn the page on yet another milestone, the spectacular magic of Madiba reaches further and further to the horizon. Borrowing a leaf from Marilynne Robinson, the legacy of Madiba is a “reservoir of goodness”. It is a source of inspiration, hope and good examples of addressing societal challenges.

The contemporary challenges of our society and the world could still benefit from the wisdom and tenacity of Mandela’s character. South Africa is challenged by high levels of unemployment, poverty, inequality and the remnants of racism while, on the other hand, the world is not yet at peace with itself. Racial wars and the killings of innocent life persist, the abuse of women and children as well as poverty are escalating in many parts of the world. Inequality levels are rising, the rich are getting richer and the poor are getting poorer. This only demonstrates the world still need leaders of Madiba’s calibre.

On racial disharmony, Mandela’s remarks remain instructive to date: “No one is born hating another person because of the colour of his skin, or his background, or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite.”

As I have proclaimed before, “At the dawn of an era, we are called upon to give testimony, not to do so is an unforgivable deceit that deprives future generations of their past and disempowers them from navigating the future. We are witnesses to Madiba’s magic and history demands our testimony.”

Mandela paved a path for an enduring legacy of freedom and humanity. The mortal body of Nelson Mandela may have departed from our midst, but his spirit remains forever with us.

Publisher’s Note



THABO OWEN MOKWENA
Publisher



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Madiba is the icon of our times

Nelson Mandela is, without a doubt, South Africa's icon of hope and transformation from the last 100 years, owing to his courage under fire and his ability to see the bigger picture and to forgive.

He was instrumental in the peaceful transfer of power in the 1990s from the Apartheid regime to political freedom. A master negotiator, he was able to sit down with his fiercest enemies and still broker a deal. Perhaps it was his background in law that helped shape his polished style of negotiating.

In an African context, especially in the 90s, there were very few examples of peaceful transfers of power from outgoing presidents to newly-elected leaders. Many leaders decided to ignore election results and stay in power long past their sell-by date, with a negative effect on their economies and civil liberties.

Take Zimbabwe, for example. It took many years for Robert Mugabe to finally be relieved of his duties. Mandela never wanted to overstay his welcome in office and was happy to pave the way for his successor, Thabo Mbeki, to take over the reins.

His legacy lives on not only through his words and actions but also through his charities and outreach programmes, which have used his high-profile name to better the lives of others. And as we reach a crossroads in our political landscape, with pressure coming from all sides in the run-up to the elections, it is important that we remember the peaceful message of Madiba.

What might Madiba think of the South Africa of today? Only he could tell you, but with his original first choice to succeed him in office now, Cyril Ramaphosa, he'd certainly be happy with the new leadership and the astute way in which he is trying to reverse some of the damage done by the previous president.

In 2004, Mandela announced that he was bowing out of public life to lead a quieter life, issuing the now famous statement, "Don't call me, I'll call You", to those who would require his presence at their functions. Though retired from public life, Mandela carried the Olympic torch on Robben Island later that year, on its first journey on African soil since the inception of the Olympic Games.

Mandela was the recipient of numerous awards and honours, both within South Africa and abroad. In line with his desire to recede from the political limelight, the unending invitations to receive more awards and honours prompted him to publicly urge that other leaders in the struggle to liberate and democratise South Africa should be recognised and honoured as he had been.

So as we celebrate 100 years of South Africa's favourite father, let's continue to build on what Madiba has taught us about living in harmony.

Editor's Note



GREG SIMPSON
Editor

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The man behind the vision

Zunaid Moti, Group Chairman of the Moti Group, sat down with *Leadership* Magazine to discuss his views on Zimbabwe, how to effectively manage a large group of businesses, as well as his vision for the Moti Group



Meeting Moti in his lavish boardroom at the Head Quarters of the Moti Group, Sandton Johannesburg, the impression of him is one of style and openness. Moti is approachable and has a fantastic sense of humour, which comes through during the interview.

Moti started his first business, just out of High School. Future Seal provided waterproofing solutions to commercial properties. Once he had sold this business, he moved into filling station operations. It was here that he learnt the most valuable business lesson which is now a basic principle held throughout the Moti Group. Seeing money flowing into the business, it became easy to forget about the cost of sales, and from there he realised it is always all about the cashflow of a business. It is, in Moti's view, the only way in which success can be measured. "If you can't turn your business into cash, you aren't making it", says Moti.

Moti's passion for fast, luxury cars led to another venture, Future Exotics Lifestyle Emporium. Future Exotics, the showroom based at the Victoria and Alfred Waterfront in Cape Town, was the go-to place for the higher echelons of society looking for luxury cars, motor yachts, and jets. He has since moved into the vintage car industry, placing these cars on consignment to some of the top dealerships.

Moti is without a doubt a dedicated family man. He beams when talking about his family. About his father, Moti says, "My father is my best friend, he is solid in every way. He is so oblivious to money, and that keeps him grounded when making decisions." According to Moti, his father has taught him that the basic premise for business is to retain the relationship, elaborating the personal relationships are the cornerstone for any business transaction.

There is no doubt that Moti is a financial success story, but what matter most to him at this point in his life is the freedom that financial security allows. He is able to fetch his children from school, he loves seeing their faces light up when they see him. This is not to be confused and create the impression that the business takes a backseat, that couldn't be further from the truth.

Moti attributes his success largely to the hands-on approach of management. He has a hand in every hire for the Moti Group, which

totals close to 1 500 people. Spending every moment he can on-site talking to the staff and developing solutions with them is part of the ethos for the entire group.

Zimbabwe: A risky decision or a fertile business landscape?

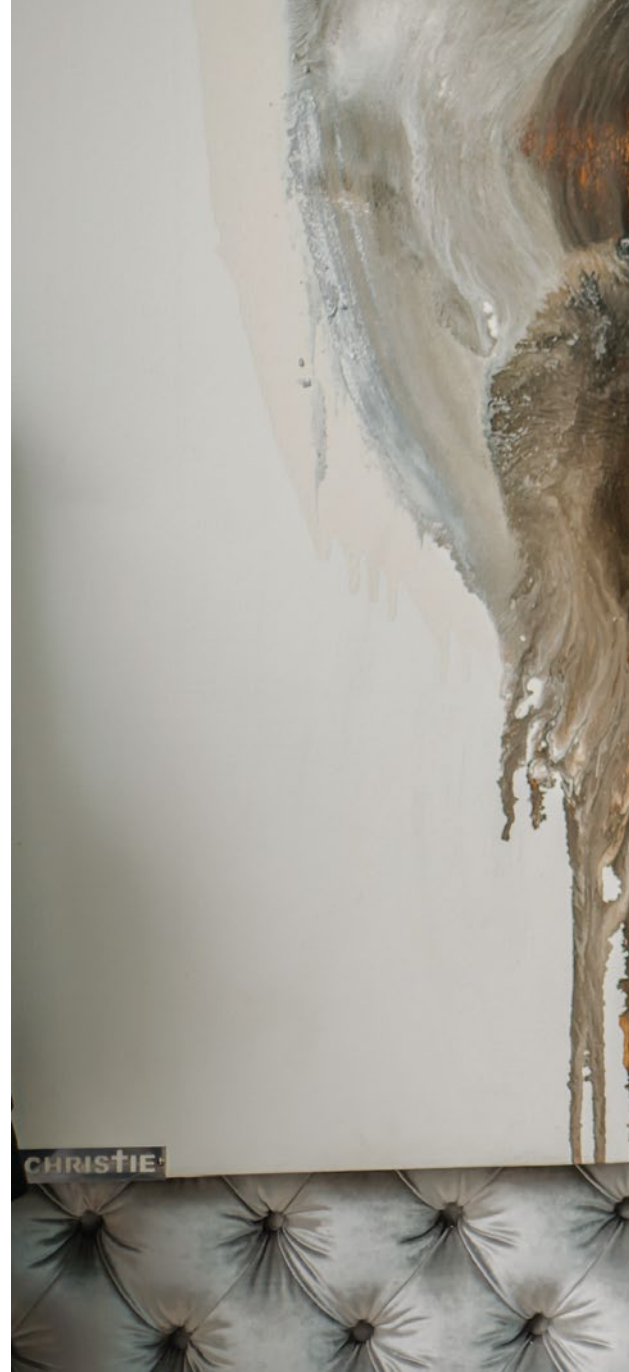
The Moti Group owns a group of companies across a broad spectrum of industries, from the retreatment of platinum group metals all the way through to, as mentioned above, vintage cars. The majority of the businesses operate from Zimbabwe, which at first glance appears to be a risky environment in which to conduct business, especially of this magnitude.

The Moti Group has been operating from Zimbabwe for the last three years, and Moti admits in the beginning, it may have been a risky decision, but one that has paid off in the long run. In a mere three years, the threat of expropriation of assets and the previous inconsistencies in the investment policy have all but disappeared.

Under the leadership of President Mnangagwa, the country, according to Moti, is safe, has little to no pollution, there is an innate respect for the law, and under the new regime, the onerous ownership issues which plagued ex-President Mugabe's rule have been eradicated. In fact, President Mnangagwa was quoted earlier in 2018 as saying: "Zimbabwe is open for business." This quote, as well as his own experience, seemingly emphasises Moti's optimism for future growth in Direct Foreign Investment in the country.

An example of how the business platform has evolved in Zimbabwe is an anecdotal story Moti related to *Leadership Magazine*. In previous years, whilst attending an unnamed mining conference at the Meikles Hotel in Harare, was so empty he could hear his own footsteps. The last conference, held in the past few months, was the polar opposite. Moti explained that all he could hear was chattering and laughing. In fact, the hotel manager even told Moti that, for the first time in years, they were booked to capacity and the "glory days" of old were back.

Moti is the kind of businessman who doesn't step away from a challenge, in fact it seems he relishes the challenge. The recent appointment of Lord Peter Gerald Hain to the board of the Moti Group caused some stir in the media. Moti explains the decision to make the appointment, he says that Lord Hain is a stalwart of activism



as well as business. The value Lord Hain brings to the Moti Group is immeasurable, he has an old-school dedication and focus to the task at hand, he has years of experience, and is able to tell directors in an eloquent matter when they are incorrect in a decision or behaviour. Moti smiles when he says this, and backs that smile up by saying: "In our position, you don't want to be told that you are wrong." It appears Lord Hain's appointment will provide a balance to the board.

Chrome, Diamonds and Employment

African Chrome Fields (Pty) Ltd, the alluvial chromite ore processing and mining company within the Moti Group, is located in the Great



“If you can't turn your business into cash, you aren't making it”

Dyke region, which according to Moti is possibly one of the poorest areas of Zimbabwe. The company has contributed to the employment of over 1 200 people. This initiative is ahead of all targets, and by the end of 2019, the expected production output will be between 600 000 tonnes and 1 million tonnes.

A diamond polishing facility is next on the list of transactions, creating value for Zimbabwe by further employment opportunities for the people. This is a sector in which, under ex-President Mugabe's regime, the Zimbabwean government hasn't paid too much attention, but it has the potential to bring in a great deal for the country. Another avenue the Moti Group uplifting the people through is by providing

education and equipment to small-scale mining groups. These could be families who have, for years, been mining in their area without the correct safety gear and the right advice. Support for these groups will be both financial and academic, and the Moti Group will help these miners get to market sooner and ensure they receive the best price for their goods.

Affordable Medicine

The Moti Group's pharmaceutical manufacturing plant in Zimbabwe will be up and running in 2019/2020. The vision for the plant is to manufacture generic medications for the continent. Moti explains the strategy by saying that most of the existing pharmaceutical majors

spend copious amounts of money on pharmaceutical trials, and that cost is then passed down to the patient. By establishing a generic medicine manufacturing plant, the company improves its bottom line, but more importantly to Moti, the people of Zimbabwe have access to lower cost, correct medication whilst boosting the job market.

Farming and Fertiliser Partners

Illustrating further support of the Zimbabwean nation's well-being, the Moti Group is assisting President Mnangagwa is forging ahead with the Command Agriculture programme. This programme is based on private sector-backed subsidy of fertiliser, seed, fuel, and required

chemicals to farmers in an effort to re-establish Zimbabwe as a farming nation. Zimbabwe has, in recent year, experienced food shortages because of the damaging land reformation acts under ex-President Mugabe's reign. Moti is optimistic that, with this programme and the consistent rainfall experienced over the last few years, the days of food shortages are over. Another upside to this programme is that, if all estimations are correct, by the end of 2018, Zimbabwe will be a net exporter of grain, which will again, boost employment as well as the economy, making Zimbabwe an even greater location for foreign investment.

Fuelling the Fires of Development

In a country with an extremely weakened currency, any tradeable commodity, such as fuel, becomes a viable substitute. At the moment, the Moti Group is on the wholesale side of fuel trading but are looking to expand into the retail market.

And on home soil

Ferrochrome Furnaces (Pty) Ltd, located in Rustenburg, holds a proprietary technology in the beneficiation process and utilising this technology, the Moti Group aims at restarting the smelter on the site within the next year. Moti says that the volatility of the chrome market was, as a junior miner, quite a daunting lesson, but with the right partner and some time, the lesson has been learnt and stopgaps put in place.

Pro Roof, a steel merchant business in operation for over two decades, is held through Andulela, a listed entity on the Johannesburg Stock Exchange, could be perceived as a dull business in which to be. Moti though sees it as an opportunity to constantly manage risks in an environment fraught with them.

The other business in the Andulela stable is Kilken Platinum, which was founded in the early 2000's. This enterprise is a tailings retreatment plant in Rustenburg, which is known as the platinum belt.

The Sky and beyond

The fleet of aircraft and choppers owned by the Moti Group recently came under fire in the media, when news hit that South African President Cyril Rampahosa had used one of the aeroplanes on an official trip. Moti is genuinely surprised at the backlash as their planes have

been used to fly presidents from many African countries. The fleet is managed by a local company specialising in chartered flights.

Not one to be kept back because of a bad experience, Moti explains his sortie into the property development market wasn't all smooth sailing, but he adds: "There is always good that comes out of every bad". His relationship with Investec Bank is evidence of this, as he describes Investec as a truly entrepreneurial financial institution, open to new and creative ideas.

Beneficiation and the Moti Group

In a continued effort to assist with creating employment and an improved life for the Zimbabweans, the Moti Group's beneficiation in its mining division is a focal point. In Zimbabwe, the aim is to utilise the existing high levels of raw material in order to further boost employment. Moti says that although there are certain elements required in the process, such as electricity, which are in short demand, the more Foreign Direct Investment is gained, the greater the beneficiation process.

The long term vision is to create sustainable jobs, improve the economy, the global perception of the country, as well as boost the export market.

Giving Back

Corporate Social Investment is not a topic Moti is comfortable discussing, he believes that what you do for the good of society, you do because you want to and not for publicity. Yet, business is about more than the bottom line, Moti therefore conceded and walked us through some of the projects in which the Moti Group are involved.

In the KweKwe region of Zimbabwe, the area surrounding the African Chrome Fields plant, the Moti Group is building a school for up to 250 pupils, and will be made using defunct freight containers. This has the added benefit of being environmentally friendly, about which is a topic the Zimbabwean government has stringent views. These classrooms will be fully equipped with computers, and this project is being completed in conjunction with the Department of Education.

Two women's clinics have been established, with more planned in the future. These clinics provide much needed medical and educational support to the women in the areas in which they operate. A staggeringly large number of girls


and women are absent from work and school due to a lack of sanitary products, these are available at the clinics. In addition, the women are able to get proper gynaecological and sexual health help.

In part response to Zimbabwe's strict views on environmental issues, and Moti's believe in teaching a man to fish, fish farms will be set up in defunct mining pits. Instead of raping and pillaging the world's natural resources, and merely moving on, the aim of this programme is to re-vegetate the area and use the pits as dams. The dams will be filled with fish, and this will then create a new industry of fish farming. Once again, job creation and improved lives are the end goal. Moti says that although they would like to hire everyone at once, this isn't possible, and as such smaller industries should be developed, the correct training provided, and the people will then become self-sufficient.

Small-scale mining groups abound in Zimbabwe, and in an effort to train and support them, the Moti Group, through Zimbabwe Motivation Mining, provides mentoring as well as the equipment required for these small groups to increase not only the level of production, but the quality of the materials too. Zimbabwe Motivation Mining will aid these groups in going to market, and with training and mentorship, ensure they are given fair value for their metals.

Human Capital, says Moti, is the most important asset within any business. This is true for countries too, developing the education system and providing the infrastructure in which skills transfer becomes easier is the only way for development to be successful. Among the Moti Group employees, furthering education is encouraged by providing financial support. There are two conditions, they need to sign a contract which in effect guarantees their jobs for a set amount of time, and they are expected, on the return to work, to present what they have learnt to the rest of their team. Another example of the dedication to skills transfer held by the Moti Group, is that in three years whilst in Zimbabwe, there has been a staggering drop in the number of ex-pats holding positions which are now held by Zimbabweans. This, believes Moti, is the only way for true and pure empowerment to occur.

Surrounding yourself with amazing people and developing long-term relationships with all of them is a key to success, according to



He attributes his success largely to the hands-on approach of management

Moti. He, unlike a number of Chairmen and Chairwomen, is directly involved in the hiring of each member of staff. When visiting the various sites of his numerous businesses, Moti says he takes the time to greet the employees by name and involving them in solution development creates a sense of team which couldn't be achieved with a rigid corporate hierarchy.

Moti is by no means fooled into thinking that if people feel special they will stay at a company. A non-negotiable for Moti is to pay his employees properly, and further incentivise them with project-based bonuses, education for their children, and providing the chance for

them to climb the proverbial corporate ladder. Moti attributes this kind of leadership to a very low staff turnover, as well as inviting the best candidates to apply for positions.

Leadership positions can be trying, both emotionally and spiritually, in the past Moti quite candidly explains that he would make purely business decisions. But that has changed with maturity, he says he now feels guilt when, as sometimes is required in business, there need to be casualties for a multitude of reasons. For this reason, one of the toughest elements of being 'the man in charge' is knowing that many people, and their

families, are reliant of him making the correct decisions, at the correct times.

Yet, over and above this, Moti believes in translating the principle of giving as opposed to receiving in his business dealings. One for anecdotes, Moti relates the story of him talking at a wedding and telling the Bride and Groom that if they were poised to give, their marriage would work. If there is an undercurrent of taking only, failure would be inevitable.

So, What's in the Future for the Moti Group?

Ultimately, the Moti Group is a family business, as the name would imply. For this reason, Moti wants to see the younger generation of the current leadership taking the reins. Although, he is quick to justify this statement, they will need to work hard to fill the shoes of the current team. He sees the inherent value of young blood, and through the mentorship programme within the business, any staff member has the opportunity to fill the positions at any given time. Whether these roles are filled by staff or family, the next generation of Moti's will play a pivotal role in the business, alongside the staff being groomed for higher positions. The most important thing for Moti is to see the continuation of the ethos ingrained in the organisation of giving and hands-on management.

Agility and turnaround times are important for him and as such, in the near future at least, there is no plan to list the entity on the JSE. Retaining at least a 75% control in the business is important to Moti and the rest of the team. Allowing for quick and efficient decisions, which would otherwise be a long and tedious process with a number of shareholders is, according to Moti, a competitive advantage.

Being the leader of the Moti Group can be no easy feat, yet Moti takes a philosophical look at leadership. He says enjoying the day, whilst preparing for the future is a lesson that needs to be learnt, and thankfully he has learnt it. Making today count, realising you can't take your wealth with you when you die, and not to lose sight of your family and friends is some of the parting advice Moti offers.

African Leadership Awards

Meanwhile, Moti's commitment to job creation on the African continent has landed him a spot in the African Leadership Hall of Fame, The African Leadership Hall of Fame will take



“Zimbabwe is open for business”



Moti's commitment to job creation on the African continent has landed him a spot in the African Leadership Hall of Fame

place at the forthcoming East African Business Summit & Awards, to be held in Kigali, Rwanda in late July 2018.

In nine years, African Leadership Awards has been presented to past and sitting presidents; major business leaders; diplomatic leaders; and others seeking to recognise and promote the entrepreneurial spirit and development of Africa. Moti will be joining a long list of leaders at the African Leadership

Hall of Fame, some of which include: Her Excellency President Ellen Johnson Sirleaf, former President of the Republic of Liberia; His Excellency John Kufour, former President of Ghana; Dr. Mo Ibrahim, Founder Mo Ibrahim Prize for Leadership in Africa; Dr. Donald Kebaruka, former President of the African Development Bank Group; Honourable Xavier LucDuval, former Vice Prime Minister, Republic of Mauritius and sports icon, Serena Williams.

“It’s humbling to be recognised for your efforts, especially when it is something you are so passionate about, and when it acknowledges our individual efforts in fighting poverty and creating employment on the African continent. When we change our focus from that of receiving or being net takers, to becoming net givers, we not only positively affect the lives of others, but change and improve our own as well,” he concludes. ▲

Upholding Nelson Mandela's legacy

This year marks a century since the liberation struggle hero and global statesman, Nelson Mandela, was born. Throughout 2018, celebrations and events are being held in his honour.

The centenary is a good chance for South Africans to reflect on Mandela's selfless leadership, which embodies the country's odyssey towards a better society. He is one of those, to paraphrase the Tanzanian Author, Issa Shivji, whom history continues to remember because his "ideals and actions remained aligned with the people".

A better society is about harmonious coexistence, where equality is the organising principle and all have a fair chance at opportunities to enhance their well-being. Mandela knew that this doesn't occur by chance but through a historical process that's in "perpetual evolution". His leadership laid the foundation for a better society.

However, over two decades later, poverty and inequality continue to stratify South Africa along racial lines. The country still has a long way to go in achieving the ideals he stood for, as enshrined in the Constitution.

Mandela's imaginative foresight in leading the country to democracy is distinctly indelible in history. That's why it's worth repeating as part of the centennial celebrations of his life and legacy, lest trifles trump history and spawn national amnesia.

The meaning of Mandela

Mandela's essence lay in service to humanity. In the parlance of the theory of the state, he represented the "whole", "not (his) own personal will". This was an exception to many post-colonial African leaders' rule. His struggle for justice was always altruistic, pursued for the

good of humanity. After many years of colonialism and Apartheid, democracy finally became the principle of organising South African society in 1994.

Mandela's incarceration for 27 years after being convicted of terrorism was not in vain. History has vindicated him: the United Nations later declared Apartheid a crime against humanity.

The policy of racial segregation and oppression could not be sustained and was dismantled to give way to inclusive democracy.

The hallmark of this was his inauguration as the first black democratically elected President of South Africa. This earth-shattering moment marked the intersection of fate and choice, where, in the words of the former Prime Minister of India, Jawaharlal Nehru, "The soul of a nation, long suppressed, finally found utterance". It enhanced the profundity of a nation's history, following its tryst with destiny.

A tale of two speeches

Mandela's inaugural speech powerfully instilled optimism in the new South African nation about its future. Its major thread was reconciliation and unity.

The speech secured the commitment to cross the Rubicon to democracy. It was a corollary of one he made in 1964, which galvanised national consciousness about the insidiousness of the Apartheid system and the significance of the struggle for a democratic society.

The two speeches were made in different historical epochs in the fight against racial oppression. Both show the same imagination of humanity's future, where social equity as a

function of equality is the organising principle for common existence.

Mandela's approach to shepherding a fledgling democracy was that, for it to take root, the highest office in the land should represent, more and more closely, the inner soul of the people. He brought the ideals that shaped his political beliefs to the Office of the President. He did not exact retribution against those who had jailed him. Instead, he invited them to work with him in building a non-racial, prosperous society.

This showed the magnanimity of his personality as a leader. He led the task of reconciling South Africans and allayed the fears of many, especially of the white populace. He created the opportunity for the post-Apartheid state to evolve.

Amnesia and distortions

However, are the centennial celebrations of Mandela's legacy being used as the opportunity to adequately tell South Africa's history—especially for younger generations to understand the painful path traversed by the progenitors of the liberation struggle?

I would argue not, since the falsehood that Mandela "sold out" persists.

The extreme view among mainly young South Africans, inspired by the radicalism of demagoguery, is that Mandela went beyond reaching out to whites during the multiparty negotiations that ended Apartheid. This view suggests the concessions he and the ANC achieved amounted to political freedom without economic power—"selling out".

But this argument is simply wrong. It ignores the context of that time and is also oblivious



Mandela's inaugural speech powerfully instilled optimism in the new South African nation about its future

of the complexities of what it takes to build a united nation out of a pariah state. The very delicate transition required ingenuity—not populism—to avert the possibility of plunging the country into war, according to an article in *The Conversation*.

The concessions made were necessary to secure political stability. The military solution that Mandela's detractors would have preferred

wouldn't have been an option. Besides the lethal implications of war, the country's liberation armies wouldn't have stood up to the Apartheid state's military.

The only option was to dismantle Apartheid through negotiations. This had to be done in a way that appealed to many across the political spectrum and colour line. These are facts of history that shaped post-Apartheid South

Africa thus far. But they do not seem to be fully appreciated.

The centenary of Mandela's life offers an excellent chance to bring these facts to the fore, once and for all. ▲

Mashupye Herbert Maserumule, Professor of Public Affairs, Tshwane University of Technology



What Madiba's legacy means to the youth

There is no doubt that Nelson Mandela is one of the greatest people who ever lived, and what he stood for during his lifetime still stands today. Most of us have never met him but his values inspire and unite us.

Ask any sound young person what Nelson Mandela stands for. I am strongly convinced that the first top five words to be mentioned will include freedom. It is a word many died fighting to experience, more so during Apartheid, which was a system of institutionalised racial segregation and discrimination that existed in South Africa from 1948 until the early-1990s.

This Youth Month, I challenged myself by asking a set of questions that would help me understand if what Tata Nelson Mandela fought for is, indeed, alive. I asked what his legacy means to me and what it means to the youth.

A few minutes after, descriptions, phrases and words came rushing to my mind but only one word kept echoing: freedom. This might be because of something profound Madiba said at an event with various leaders in the Free State on the 17 September 1994. He said, "Freedom should not be understood to mean leadership positions or even appointments to top positions. It must be understood as the transformation of the lives of ordinary people in the hostels and

the ghettos; in the squatter camps; on the farms and in the mine compounds.

“It means the constant consultation between leaders and members of their organisations; it demands of us to be in constant touch with the people, to understand their needs, hopes and fears; and to work together with them to improve their conditions.”

Although Tata spoke these words before I was born, in fact, before 29,6% of the South African youth under the age of 15 years was born, the accuracy of his words today really amazes me. This is because many of us still relate freedom

social media platforms, with a 27% penetration rate of our total population. Thirteen million users do so purely from mobile phones, with a 24% penetration rate.

This increased from January 2016, with an additional two million (15%) new active social media users, and three million (30%) new active social users on mobile and, yes, you guessed it, the majority are young people. Freedom means the state of not being imprisoned or enslaved, so if I am failing to live without my phone, am I not in prison? This question really scared me, so I challenged myself to wake up without checking

reasons why I am chained to this hobby (or is it a sickness?)—popularity. Not the 500 000 likes on my Instagram account or the 1 000 Facebook post likes per minute but the condition of being liked, admired or supported for what I do, what I stand for and for the brand I grow. Isn't this what we all want, is this not the reason we are triggered by the notification that pops up on our phones more than 50 times per day on average?

Perhaps this little experiment confirmed that, indeed, I am not as free as I thought. I am enslaved by my devices, I am in a digital prison with no window to view the outside world and no hope of ever being free—the one thing Tata Nelson Mandela fought for. It's important to note that having a device doesn't automatically enslave us young people, what chains us is the amount of time we spend on these devices. In the United States, a 2015 report titled “Trends in Consumer Mobility”, which was conducted by the Bank of America, showed that approximately three-quarters (71%) of the research respondents are sleeping with—or next to—their mobile phones.

Today, younger Millennials (aged 18-24) are most likely to sleep with their smartphones on the bed (34%), they barely go to the library, with short attention spans, they read less than ever

As we celebrate Mandela's 100-year birthday anniversary, let us remember that his legacy means a lot of things to a lot of people

with top-level management positions, we are convinced that true freedom is only witnessed when one has a leadership role and that those in the lower-level positions are not free. We associate freedom with riches and positions.

One is tempted to ask why would a man who is the first black President of South Africa, the first black person to hold the highest leadership role at that time, say freedom is not associated with positions? My belief is that a man who has been enslaved, chained and locked up in a small room with nothing but his bed and toilet for more than 27 years has more to share about freedom than any person who has nothing but a perception of what freedom is. When his movie “Long Walk to Freedom” came out, I was very eager to watch it. Part of the reason was to validate some of the freedom hypotheses I had about him. During the movie, one such hypothesis is confirmed when Idris Elba, acting as Mandela, says, “For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others.” This confirmed that, indeed, freedom is not only about one's self, it's about others.

But perhaps our generation's freedom doesn't have to do with others, positions or leadership roles. Our freedom has everything to do with technology, more specifically, social media. According to a 2017 report titled, “The Digital Landscape in South Africa” by Qwerty Digital, 15 million users in South Africa make use of

nor looking at my phone. The plan was to do so for an entire month while questioning why I feel the need to wake up with an electronic reproduction of life in my hand.

Although I failed to last even a week, I did, at least to some extent, find one of the main





Redefining sustainable urban development

Some of South Africa's biggest mixed-use developments are evolving into smart cities by embracing the latest technology, as the Cape Town CBD continues to enjoy cutting-edge new developments that have facelifted the once-grim inner city

Beyond the new urbanism trend—where all daily requirements are within easy reach in walkable precincts—new developments are targeting Millennial investors with “smart” features that make a smart city.

Think electric car charging stations, precinct-wide Wi-Fi and Fibre-to-the-Home, significantly enhanced 24-hour security and assistance in your home for a range of emergencies—at the push of a button. This is the future of development.

What are millennial buyers looking for? Social commentator, Mal Fletcher says, “Millennials expect to create a better future, using the collaborative power of digital technology.”

“Technology is an integral accompaniment to new urbanism as it holds the desirable characteristics of walkable precincts, where residential and office space are combined with gyms, hotels and a wide variety of upmarket, cocktail bars and restaurants,” shares Nicholas Stopforth, the Managing Director of Amdec Property Development.

Increasingly, people want to live, work and play in the same place—a space where they can easily and safely walk to an office, home, restaurant or another amenity. This concept is a mixed-use precinct. When combined with the latest in technology, it becomes a smart city.

And while a smart city has all the latest technological security and lifestyle benefits, these are designed into the development, so are largely unseen. You won't find high-rise tower blocks with unsightly satellite dishes adorning the façade. Instead, imagine buildings that offer green design, green spaces and pedestrianised roads, yet harken back to a feel of traditional, communal village life where all your daily needs are within walking distance.

It might sound contradictory but it's not.

State of the art

However, more than just focussing on technology, smart cities are focused on sustainability. And in South Africa, these mixed-use, new urbanist precincts are certainly driving the sustainability trend. The world over, developers are under pressure to drastically minimise water usage and incorporate eco-friendly technologies that will benefit the planet in the long term. “Residents and investors want to know what is being done to reduce the impact on the environment,” says Stopforth.

Sustainability is a key focus area, with green building initiatives including refuse recycling, water-saving devices, low-energy LED lighting and rainwater harvesting. With water scarcity being the new normal for the city, developers are required to implement water-wise strategies from the ground up.



The Yacht Club Exterior Night View

This has resulted in a shift towards water-conscious design and planning—like rainwater and greywater harvesting, dual-flush plumbing systems and water storage facilities. The company will also be investigating the viability of installing an on-site desalination plant to take advantage of the abundant groundwater available in the foreshore area.

“There is a huge benefit to executing water-saving measures at the construction stage, rather than retrofitting. Not only is it better to have systems in place at the start, but it saves money in the long run. Ultimately, we need to reduce our impact. A smart development needs to be smart about sustaining our future,” Stopforth explains.

Cape Town is booming

“Cape Town is booming, especially the foreshore area and the Roggebaai Canal precinct where the Yacht Club is located,” says Stopforth. Amdec’s other Cape Town development, Harbour Arch, has achieved over R1.2-billion in sales, with 80% of its 432 units sold within five months of launching. It will be the first and largest mixed-use development of its kind in Cape Town’s CBD—with six individual towers over 5.8 hectares.

“The development includes two Marriott hotels, with construction due to commence before the end of the year. It is clear that our

new urban developments have a hugely positive impact on the economy too, driving job creation in the construction, hospitality and retail sectors,” Stopforth says.

To find out more about the state of the property development industry, Greg Simpson caught up with Stopforth’s learned colleague, James Wilson, the CEO of Amdec in Cape Town. Some of his prestigious past projects include Melrose Arch in Johannesburg, Val de Vie and Pearl Valley in the Cape Winelands to name a few.

Where did the inspiration for the Harbour Arch development come from?

The inspiration comes from Melrose Arch in Johannesburg, which we’ve owned for 15 years. I’m a Capetonian, I’m obviously delighted to be involved in Melrose Arch but there was a bit of a disconnect that I live in Cape Town and I have this magnificent development in Johannesburg, so I wanted to bring Melrose Arch to Cape Town, hence the name Harbour Arch.

The location on the Foreshore is very central and it will be prominent in city’s skyline.

Yes, we’ve owned that site where Harbour Arch is going to be based for five years now. As you point out, it’s a great site, with multiple entry points into the city and it’s got magnificent

views to the one side of Table Mountain and to the other side of Table Bay, so it’s quite a unique site and it will really become a bookend to the southern side of the Cape Town CBD.

Green buildings are the talk of the town, what new technologies will you employ?

We are founding members of the Green Building Council of South Africa. At Melrose Arch, we’ve put sustainability into everything we’ve done, way before it was in vogue to consider sustainable initiatives. At Harbour Arch, we will continue that drive to make sure that everything we do is sustainable. There are many energy-saving initiatives, LED lighting, double-glazed windows, and we are looking at every form that we possibly can to recycle water to make use of greywater systems.

We’re looking at underground water that flows down from Table Mountain and that will pass through our basement. We’re ascertaining how we can capture that water and put it into some form of reservoir system on our premises and then recycle it back into the building. We’re looking at every single thing we possibly can to create a highly sustainable precinct and given the experience we’ve had at Melrose Arch and the fact that Harbour Arch is a precinct itself, we’re very confident that we can do many things that would not be financially viable in a standalone building.

What do you expect the economic footprint of the development to be?

It's a mixed-use new urban development we're putting in place, there will be a substantial amount of lifestyle retail and convenience retail, which will not only be available to the residents of Harbour Arch but to the broader Cape Town CBD. We want to welcome every resident and every office worker who is based in the city to come to Harbour Arch and use the gym, visit the cocktail bars and the restaurants and use the convenient shopping and hotel facilities. It's going to be a great initiative for the city.

As a leader in property development in South Africa, what have been some of the keys to your success?

We've tried to deliver a good, quality product and great services to a large number of very loyal consumers and clients over a protracted period of time.

We've been in business for 28 years now and try to keep things simple. We try to look at what's taking place in rest of the world to make sure we bring those great initiatives back to South Africa, and do it the South African way. We only ever employ local professionals, local architects, local structural engineers, we think they're the best in South Africa and can deliver international products to Cape Town.

When jobs are still thin on the ground, large new developments must be excellent for the local construction industry?

Yes, absolutely. With the first tower alone we're creating 2 500 jobs. Of course, they will be cyclical for the three-year construction period and then beyond that, the retail lifestyle offering and the two hotels that we're building will create permanent jobs. We're very confident that during construction, we will create cyclical jobs and then post-construction, we will create a vast number of permanent jobs on the precinct.

A starting price of just under R2 million for an apartment at Harbour Arch is quite reasonable, considering the vibrant Cape Town property market.

We've really tried very hard to understand the target market; and we think the target market is a combination of young professional people who want to live and work in the CBD as well as young families who also want to live in the CBD. We've tried to make sure that our product range is priced in such a way that we have property starting at the R1.7-million all the way through to the maximum price of R7 million. The mean price is around R2.5-million—we've got a vast number of units priced at about R2.5million—and we think it's very affordable, particularly when you want to compare it to international prices.

Your company will have invested billions of rand when these new developments are completed, where does the money come from and how long would it take for you to recoup that investment?

It is a large amount of money and it speaks volumes about our confidence in the city. The equity comes from our own group, the Amdec Group. It's a large and relatively successful group, we've been around for 28 years. We're a private company, we have a fairly strong balance sheet, so all that equity will come from our own resources.

We are very fortunate that we have great partnerships with all the major banks in South Africa, we're very well-supported by the likes of Standard Bank, Rand Merchant Bank and ABSA Bank. We're confident that we will be able to raise the small amount of debt-funding that we need to combine with our own equity injection to build the building from our own resources and as we have done with Melrose Arch, we will develop it over a protracted period of time, and expect it to take eight to 10 years to complete the building. We don't require a cash injection from any third parties.

Is one of the keys to your success having deep pockets, without having to dip into too much debt?

It certainly helps to have your own equity but it wasn't always that way. We've been in business for 28 years. We can clearly remember less prosperous times where we had to work a little bit harder to make things work. It makes one a little bit more humble and a little bit more grateful for where the business is today. ▲

Nicole Chamberlin and Greg Simpson



AMDEC Harbour Arch Aerial View



Melrose Arch

Not out of the economic woods yet

June brought the news that the local economy had contracted by much more than expected in the first quarter. This certainly dents the “new dawn” narrative that has prevailed since President Ramaphosa took office.

However, before we get carried away, let's put the disappointing growth numbers in context and examine what they mean for expected returns.

≠ (GDP)—the broadest measure of economic activity—declined by 2.2% in the first quarter compared to the fourth quarter of last year (this number is adjusted for inflation and seasonality, and is an annualised rate). Such quarterly numbers can be volatile. It was considered more than likely that the first quarter number would be lower, as the fourth quarter was very strong, but it ended even lower than the worst estimates.

The agriculture sector unexpectedly slumped by 24%, following a strong performance with record crops last year. Mining and manufacturing also experienced sharp declines. These three sectors are traditionally more volatile and were responsible for the sharp decline in exports during the quarter.

The steadier services sectors, which also account for a larger share of the overall economic activity, fared somewhat better, but clearly not well enough to push the GDP growth number into positive territory.

The comparison period is also important. While the economy shrank compared to the fourth quarter, it is 0.8% larger than a year ago. It is still supported largely by household spending, which grew 3.1% in real terms over the past year. Households have benefited from the lower inflation while income growth has remained in the 7% to 8% range.

Therefore, real disposable incomes increased, supporting real growth in spending. Looking ahead, this is likely to slow somewhat as inflation is ticking up cyclically (due to the petrol price hikes, VAT increase and base effects), while wage growth seems to be slowing. The ability of workers to negotiate wage increases well above inflation seems to be waning, as indicated, most recently, by the public sector agreement.

The need for new speed

The economy, therefore, needs other growth drivers. Specifically, private sector fixed investment needs to pick up from depressed levels. Over the past few years, South African corporates have not invested much locally, as slow growth, a weak currency and political uncertainty weighed on business confidence. The sentiment has improved under President Ramaphosa but it will take some time to translate into expansion plans being signed off and implemented.

Private sector fixed investment was positive in the first quarter but only grew 0.6%. At any rate, key confidence-boosting measures such as the new mining charter are still to be finalised, but the government has promised that it will happen soon. Uncertainty around other issues, such as land reform and the solvency of key state-owned enterprises (SOEs) should be cleared up sooner rather than later. At least the government is taking the lead with the restart of the massive Independent Power Producer Procurement Programme (IPPPP).

Limitations of the GDP

China manages to release GDP numbers within a week of quarter-end, a reason to treat them with some suspicion. South Africa is at the other end of the spectrum. Our GDP numbers are released towards the end of the following quarter.

This means that we are really dealing with old news, even if there is a lot of useful information in the GDP report. GDP numbers also tend to be revised upwards over time as new information becomes available to Stats SA. Last year's recession was revised away as was the one in the early 2000s. The more recent economic indicators are more relevant and show more reason for optimism. The unit number of new vehicles sold grew by 2.4% year-on-year in May, according to NAAMSA. Exports posted strong growth of 13% year-on-year.

The Bureau for Economic Research/Absa Manufacturing Purchasing Managers' Index (PMI) remains stuck in a low gear. It dipped below 50 index points in May to 49.8 index points. However, the average level for the first two months of the second quarter is above the first quarter average and the neutral 50-point level. Like the outlook for the economy as a whole, the outlook for manufacturing is favourable, but it is struggling to get going.

The Markit/Standard Bank PMI, covering the entire private sector (not just manufacturing), was at 50 index points. This means that while there was no improvement in business conditions in the second quarter, there was also no further deterioration.

Importantly, the global economy is still doing well and this has, in the past, supported our small open economy. The J.P. Morgan Global PMI edged higher in May and at 54 index points, it's consistent with solid growth in the world economy, across both services and manufacturing.

A sharp slowdown in global economic growth would be very damaging to our own prospects but this does not appear to be on the horizon. It is a risk though, that by the time the local economy finally gets going, the US economy, which is entering its ninth year of expansion this month, could slow down and trip us up. Again, this is not something we expect. The other risk is more immediate, that the current negative patch for emerging markets escalates, with further large capital outflows and weakening exchange rates. The rand was sharply weaker last week, with the GDP numbers compounding the general emerging market selling pressure.

The local economy is much better hedged against a weaker rand, with businesses and individuals having built up substantial offshore asset positions. This will also increase the revenues of exporters and make the country a more attractive tourist destination. But if the adjustment from one level to another is sudden and large, it can be very disruptive to both sentiment and activity. This is where positive political developments help. Since December, our position relative to other emerging markets such as Brazil and Turkey has improved because of a more favourable political climate.

The JSE is not the SA economy

The other question is what all this means for return prospects, especially given how disappointing returns have been? Morningstar reported that the average retail balanced fund delivered just 3.2% over 12 months to end-May and 3.6% annualised over three years (longer-term returns of 6.8% per annum over five years and 8.2% per annum over 10 years are better and ahead of inflation).

Normally, declining economic growth would be bad for the stock market, since it limits companies' ability to generate profits for shareholders. But the JSE at benchmark level no longer reflects the SA economy. Some key companies do most of their business locally, but the biggest ones are all global in nature. What happens to the local economy is, therefore, less

relevant to the JSE from a revenue and profit point of view, or in terms of sentiment. The latter will largely be dictated by what happens in global markets, and global equity markets have trended higher in recent weeks. In fact, the FTSE/JSE All Share Index was up last week. At any rate, markets are forward-looking and most companies have already reported results on the period including the first three months of 2018.

The other thing to remember is that even those companies on the JSE that focus on the domestic economy do not correspond with the GDP breakdown. There are a few manufacturing companies on the JSE—mainly food and steel producers—but they are a small part of the bourse. The biggest domestically-orientated companies provide services—like banks, insurers, cell phone companies and retailers—and the service sector is still growing.

The fact that the rand is now closer to its 2017 average exchange rate of R13.30 per dollar means that local investors can finally benefit from the decent returns on offer from global markets. The rand gained 13% in 2016 and another 13% in 2017 against the US dollar, and this subtracted from the 20% to 30% exposure most balanced funds have to global assets.

Finally, the South African Reserve Bank is highly unlikely to cut rates in response to the disappointing economic data, as its current

focus will squarely be on the evolving emerging markets sell-off and the fact that some other emerging market central banks have started hiking rates (India, Indonesia and Turkey). But for local fixed income, a weak economy can, in fact, be good news since it places downward pressure on inflation and long-term yields over time.

Don't overreact to the headlines

The weak first-quarter GDP number is extremely disappointing, and growth forecasts for 2018 will have to be revised downwards. But the outlook for the remainder of the year is still that the local economy will pick up speed, especially against the backdrop of decent global growth. It is easy to grow despondent about the prospects for the local economy and investment returns as a result.

However, by now, we should know not to make emotional, knee-jerk investment decisions based on big bold news headlines. After all, the average balanced fund delivered 9.8% in 2017, a year that saw a technical recession (since revised away), downgrades to junk status and Cabinet reshuffles left, right and centre. When we look back at some point in the future, 2018 might still end up being a good year. ▲

Dave Mohr and Izak Odendaal, Investment Strategists at Old Mutual



Private sector fixed investment was positive in the first quarter but only grew 0.6%



In 1997, Mlamli Boozi was appointed to the IBA Council by the late President Nelson Mandela

Satellite communications

Taking them to the next level

Parastatals get a bad rap at times, but satellite communications giant, Sentech, has been a stable performer of late, under the astute leadership of the insightful Engineer, Mlamli Booï, who was appointed as the Chief Executive Officer in 2015, and who brought his spirit of innovation with him. Booï is the founder of Z-Coms and a professional Electrical Engineer with decades of experience in engineering, policy/regulatory and management. He holds an MSc degree in Electrical Engineering from UCT. He has held several advisory roles including advising the South African Government on telecommunications policy, the Department of Trade and Industry (DTI) on business process outsourcing (BPO) and call centre market, JPMorgan, on the telecommunications landscape and business model, and developing a licensing policy and universal access policy for the SADC region. In 1997, he was appointed to the IBA Council by the late President Nelson Mandela.

He was part of the team involved in licensing commercial and community radio stations. A soft-spoken and effective leader, he worked for Orbicom as a Systems Engineer and Technology Manager and M-Net as a Transmission Engineer.

He has certainly seen a number of changes in the industry, as Sentech continues the process of digitalising their various platforms from radio to television. The digital world is alive with new opportunities.

“We see the opportunity that is offered by digital terrestrial television (DTT) on the media side, which is an area for providing a lot more over-the-top services (OTT). And we see a lot

of opportunities on the audio video streaming side, which is part of the OTT services. And then, secondly, we see more growth areas on the broadband side, particularly for providing services and connectivity to the public sector. Those are the areas that we’re focusing on. However, in terms of our innovation strategy, we’re looking at cloud services, we’re looking at IoT, which can be deployed using our extensive infrastructure that is nationally available,” says Booï.

“We are, together with some of our partners, looking very closely at the 5G area, which is about an evolution in mobile telephony and which will actually be much broader than your mobile services. It is about communication between machines, artificial intelligence. As a state-owned company where the government is focused a lot on the Fourth Industrial Revolution—which is really about providing 5G services—we are gearing ourselves up to find an opportunity within the services, which are regarded as the Fourth Industrial Revolution,” he reflects.

As the Fourth Industrial Revolution unfolds, we are going to see a lot more communication between machinery, be it cars, robots, generators or heating, for example. Booï expects a variety of areas where IoT could change business and efficiency for the better.

The IoT scope

“It is a lot more on machines, communications, autonomous vehicles and drones. In terms of where the industry is broadly going with regard to the Fourth Industrial Revolution, as an industry now speaking to Sentech specifically, we need to be focusing on what we are going to do be doing within the space of blockchain, which is about information security. For every organisation that is exposed to issues

regarding the security of information, security is going to be a key area of focus. The Fourth Industrial Revolution will also mean that we, as an industry, are assisting; we should answer the question, ‘What is going to happen with automation when most of the services, which are currently un-automated, need to be automated for the sake of efficiency?’”

New skills are needed

Booï sees an opportunity within this explosion of technology, skills development and the accessibility of apps to customers, which must be high on the agenda to meet the demands.

“We need to engage our organisation’s training for new skills, which are going to help us if we’re moving to an area of autonomous vehicles and artificial intelligence. The area of applications, for instance, is now apps-driven, so even if I have my network here that is operating with a physical infrastructure, this should be able to have an app that you can download and you will be able to look at whatever service we’re going to provide. Every company has to migrate to the stage where we will be able to provide services in a very convenient way to our customers,” he insists.

For Booï, innovation is key to pushing the envelope and he is focussing a lot on research and development to keep the company sustainable, because there are so many changes taking place as the world moves to a purely digital arena, which is affecting radio and television, with pressure from the Internet.

“What I have introduced now, is to build a team that focuses on innovation and the key focus this financial year for the next three years is on research and innovation capacity-building in our space and allowing our people to gain more knowledge and innovation. Also, to have

more knowledge about what we need to do as an organisation to provide cloud services, because most of the services we're providing now are on the cloud and you can download them from wherever you are in the world," Booi explains.

Local beneficiation

With regard to local beneficiation, it is important that South Africa tries to increase the production of the back-end technology of the Internet of things—the sensors, for example. But with pressure from the east on prices, how can we promote more locally made tech products?

"One of the things the industry can do is to ensure that most of these sensors that are being used in the Internet of things are manufactured locally if we can achieve the efficiency that is achieved elsewhere. So, we can improve the sensor manufacturing as well as the other network components by sourcing them locally. But, of course, the challenge is that we are not competitive from a cost point of view if you compare us with other markets like China, and that's why most companies in the world, even all the Apple and Samsung components are manufactured elsewhere, not necessarily in the company's home county. So, for us to compete, we need to look at our cost structure as a country. If we don't focus on the manufacturing of the ICT space, it's going to struggle to compete," he adds.

The future of community radio

In terms of community radio stations, we've seen a number of them falling off the map in recent times due to funding issues. Booi goes on to outline what the future of community radio might be down the line and the role it plays in 2018, with pressure from other forms of online media/entertainment.

"Community broadcasting plays a very important role for communities because it is speaking on issues, which are valid to them. We should embrace the community broadcasting media and try to support it. But because of the cost structure that currently is being implemented, some of them can't afford the transition.

"What the Department of Communications needs to look at is the funding model because these are supposed to be not-for-profit organisations. Thus, we need to find out how we can then finance them because I know there is an MDDA fund, which has been established. This was established to fund the community media,

we just need to come out with a better strategy to make it easier for community radio to afford that. But, certainly, there is room for them in the market and I don't think we should rule them out. From a regulatory point of view, we should be careful how we license them. It is not sustainable to have multiple community radio stations in the same area," Booi explains.

Balancing the books

Sentech has been one of the more profitable parastatals in recent times, while other high-profile concerns struggle to make ends meet, often costing the taxpayers billions in bailouts to stay afloat. Sustainable profitability is something Booi hopes to expand on in the coming years at Sentech.

"First of all, we're fortunate to have the infrastructure, which we have invested in for a number of years, so we try to service our customer as best we can. We're focusing on customer services and providing good, quality service to our customers, and we are also trying, by all means necessary, to manage our costs because there are no guarantees. We have a high-risk industry and, therefore, for us, it's that we try to manage our costs as much as possible. We have the advantage of the footprint of our broadcasting network. We are carrying more than 90% of the broadcasting radios in our network and from a television point of view, we carry all the free-to-air broadcasts—we've got a good base and a good relationship with our customers," he says.

Re-investment is essential

In the tech space, it is vital to always re-invest in the business by maintaining and upgrading infrastructure where necessary. This is something Booi takes seriously so as not to fall behind.

"On the broadcasting side, we have spent a substantial amount to keep our network current with new technology and more efficient, power-efficient transmitters on the television and radio side. We keep refreshing our infrastructure so that we can increase our viability of service to our customers.

"It's something that we continue to do most of the time and if you compare broadcasting and power, for instance, which is energy, if you have a load shedding on broadcasting, you will have a huge outcry because we are depriving people of information," he explains.

Mentors

A scholar and gentleman, Booi, has read all the great leadership authors of our time and rattles off an all-star list of mentors, who have shaped his outlook on business, technology and life itself.

"Good leadership—it's about influence, in general, influencing people, influencing your stakeholders, managing their expectations and I've had a few role models. I read a lot of leadership books from various leaders who are viewed as mentors, starting from the late Stephen Covey to Tom Peters, who have been the authorities on leadership. One of the books I read quite often is John Maxwell's book about leadership. I am fortunate to have been mentored by a retired professional engineer, Ashley Blakemore; he mentored me on what it means to be a professional engineer," he says.

Access to capital for start-ups

He continues, "But where we're lacking here in South Africa is in the area of spending money on start-ups. I found a lot of start-ups in the United States. The venture capital industry in Silicon Valley is so huge that one learns from those kinds of experiences that we, as a country, need to invest a lot more in start-up businesses because through those smaller businesses, you can create a lot more employment. President Ramaphosa is saying, 'Let's create more employment for the youth', and the only way you're going to create more employment for the youth is by growing the industry, investing a lot more in the industry and a lot more in start-ups, and by not being afraid to spend because if we are afraid to spend, we will never start anything new in our country."

Booi finishes off by outlining his plans for Sentech for the next few years, as he rounds-off his current five-year contract with the company—on a high note, one would expect.

"We really want to make sure that it successfully moves out of analogue to digital. Secondly, at Sentech, we are focusing on an innovation within the media, and we will be looking at providing broadband services to the public sector. What this means is that, for instance, we are pursuing areas such as e-learning, providing platforms for e-learning and supporting the public sector to provide connectivity. You're going to see a lot of us in that space in the next year or so," he concludes. ▲

Gregory Simpson

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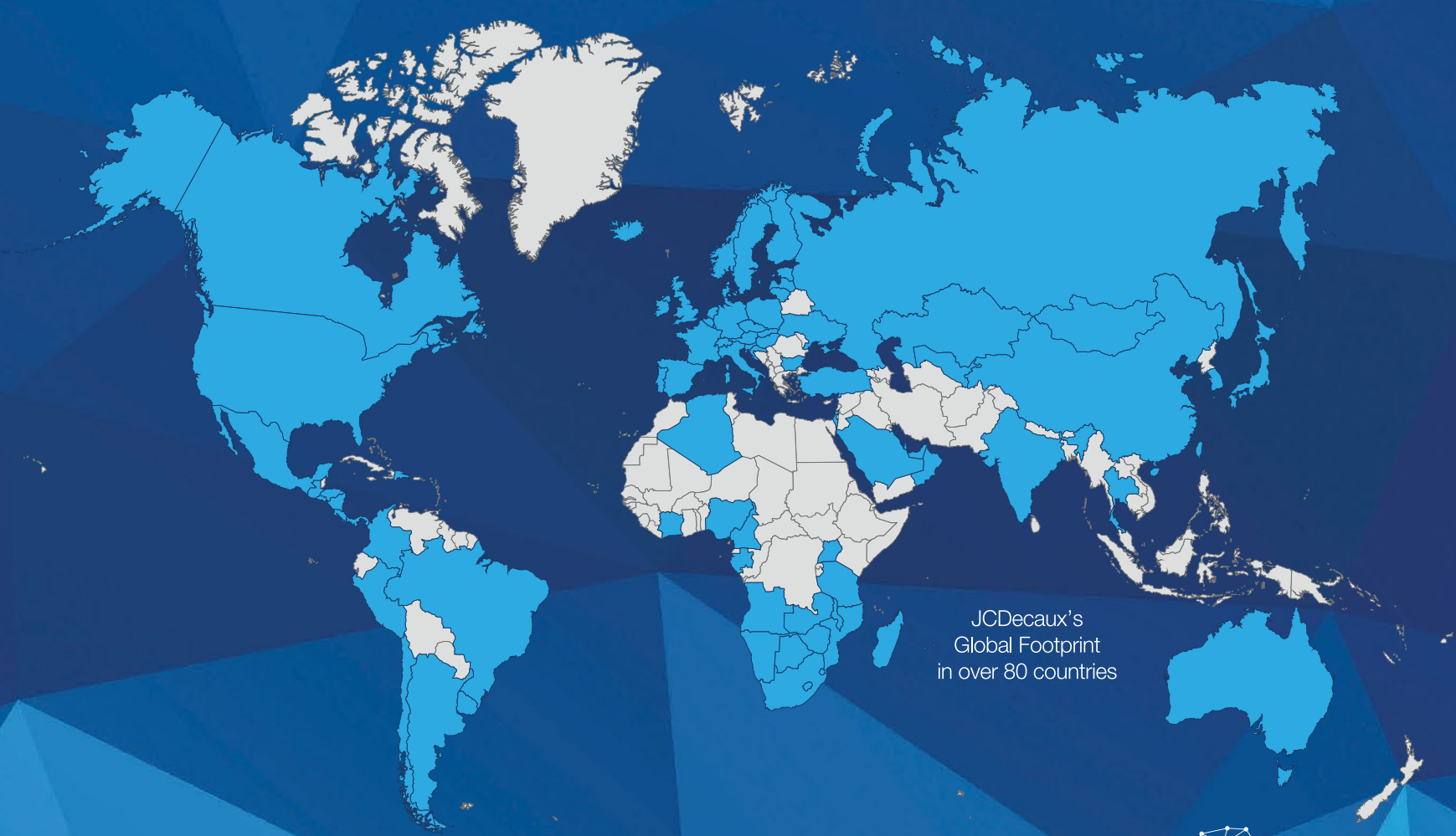
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The tech revolution's impact on organisational leadership

In the Fourth Industrial Revolution economy, an organisation's competitiveness no longer depends solely on the optimisation of its own resources but the total inter-organisational value chain innovativeness and supportive partner knowledge, technologies, products, services and systems

Industry 4.0 is characterised by increasing digitisation and interconnection of value chains, products and business models. With the aid of partners, organisations are co-creating innovative inter-organisational value and supply chains that operate in a local, regional and international collaborative business ecosystem.

Competitiveness is gained by collaboratively performing strategic activities more effectively and efficiently. To achieve success, organisations are compelled to transform and change by abolishing bureaucratic practices and structures while adopting knowledge-based learning paradigms and designs.

This demands exceptional governance, supported by transformational leadership excellence and knowledge of systemic programme management. Effective and efficient cross-functional and inter-organisational management of projects and programmes in virtual networks of partners emerged as a critical enabling competency for entities operating in the Industry 4.0 economy. This is centred around people, collaboration and building relationships in order to create successful virtual networks of partners.

The complexity of modern technologies, i.e. robotics, artificial intelligence, mass data, the Internet of things, integrating information technology and operations technology, etc., calls for specialisation and sustainable collaboration among partner organisations and demands

exceptional talents and well-educated human resources.

Consequently, organisational design, development and governance have entered a challenging new phase. In view of these emerging realities, the strategic transformation and change of Industry 4.0 organisations become inevitable and demand the introduction of virtual horizontally shaped supply and value chain business models. Virtual value chains shape organisations into strategic, collaborative, value-driven entities where non-core activities

realisation. Transformational leaders create a shift away from old motivations of bureaucratic powers towards inspiring people to believe in a vision of economic and social progress. They balance their attention between actions that create progress and the motivation of virtual team members.

Moreover, they possess unique qualities suited to the Industry 4.0 economic dispensation and act as mentors and coaches while providing direction to virtual networks of partner teams. This creates trust and support, keeping

The complexity of modern technologies calls for specialisation and sustainable collaboration among partner organisations

are performed by carefully selected partners.

The organisational value system guiding the preferred leadership behaviour is a crucial element. When choosing partners, it is of paramount importance to select those that have the same or similar value systems as your own organisation to ensure the synergy in culture and transformational leadership acumen.

In the emerging Industry 4.0 economy, organisations experiencing a dearth of transformational leadership will have difficulty in maintaining and improving their levels of operational productivity and strategic benefit

members motivated despite the complexity and high risk associated with Industry 4.0.

Design has always been a core responsibility of organisations. Leaders and managers have a duty to ensure that the design for customer needs delivers a competitive advantage. In the Industry 4.0 economy, an effective and efficient design capability has emerged as an important competitive key success factor due to the advent of modern process technologies and virtual partner networks. Product, service and process design and development have become complex and highly important competitive factors.



Leaders and managers have a duty to ensure that the design for customer needs delivers a competitive advantage

When the creation of the product or service is completed and a commercialisation strategy for its production and marketing has been established, attention is turned to designing and developing the operational process for order fulfilment. Product, service and process design and development are best achieved by utilising a supply chain-based cross-functional project and programme management approach.

Partnering has become profoundly important in the Industry 4.0 economy. Partner organisations come from small-, medium- and large-sized organisations. Great opportunities are emerging for the creation of new small- and medium-sized entrepreneurial enterprises. This boosts much-needed job creation opportunities and grows the

economy in the right direction. Importantly, it dispels the notion that modern technology will lead to job losses (after all, the steam engine led to massive job creation in the Industry 1.0 economy). Consequently, entrepreneurship has a pivotal and highly important role in the emerging Fourth Industrial Revolution. Entrepreneurs use creative faculties to generate new products or services and exploit a new generation of opportunities in the developing collaborative market.

In summary, it is profoundly clear that modern technologies and its effect on product, service and process design have a significant influence on how the Industry 4.0 organisation is shaped, led, managed and governed.

Organisations are compelled to abandon bureaucracy in favour of knowledge-based learning paradigms. Human talent must be better educated and skilled to cope with the new situation. Processes are structured cross-functionally and programme-managed.

Cross-functional processes incorporate collaborative virtual networks of partners to improve organisational effectiveness and efficiency, leading to much-improved competitiveness. Moreover, partnering boosts small- and medium-sized enterprise creation and concomitant job creation. The resulting transformation and change hold profound benefits for society. ▲

Professor Pieter Steyn

A budding revolution

There is a budding revolution among South Africa's cannabis growers and, ironically, it's led by a man who would have voted himself "most unlikely to lead", if South African schools had things like alumni yearbooks

As things stand, South Africa desperately needs revolutionary income opportunities for the 65,3% of youth who do not finish school or the 50% of students who drop out of tertiary programmes.

Their unlikely leader, Krithi Thaver, is one of these drop-outs and—like many other drop-outs before him—now employs several people in a group called Canna Culture. They sell cannabis-infused Ayurvedic oils at Africa's first cannabis dispensary in Durban North and also train people how to clone and grow better cannabis. Thaver also chairs the KwaZulu-Natal

branch of the Cannabis Development Council of South Africa (CDCSA) and has helped to shape the council's simple but vast vision—to grant licences in 29 sectors to develop a cannabis industry that can employ people in South Africa's most impoverished rural communities.

"The aim is to grow hemp to make bio-diesel and biodegradable plastics and even sanitary pads, not just to grow plants for smokers or even the medicinal market, although these sectors present huge income opportunities too," says Thaver.

Asked what the size of South Africa's black market for cannabis is, he said no one knows for sure, but it's big, as in 'billions' big.

GG Alcock, the Author of *Kasinomics: African Informal Economies and the People who Inhabit Them* estimates the growers of recreational cannabis in KwaZulu-Natal alone generate over a billion rand annually.

Not legal, yet

Lucky Mhlongo, a sangoma with a respectable following on Facebook and a sizeable patch of "majat" (local strains of medium-strength cannabis) in his backyard—"now that it is sort of legal"—says he would be happy to get a tiny slice of the billions spent on weed in Mzansi every year.


But Mhlongo is not too hopeful that Parliament will meet the March 2019 deadline the Western Cape High Court has given MPs to amend laws that allow police to kick down doors on suspicion of there being cannabis in the house. For, since the late Parliamentarian, Mario Ambrosini's impassioned plea in 2014 to fellow MPs to legalise medicinal cannabis in South Africa, legalisation efforts have become mired in red tape.

At the time of print, South Africa's best-known cannabis activists, Myrtle Clark and Julian Stobbs—the "Dagga Couple"—have been waiting over seven months for a Constitutional Court judgement that will impact their 2010 case, which essentially took the government to court for enforcing dagga laws that are unconstitutional, irrational and racist.

"It is impossible to second-guess our learned judges in green and all we can hope for is that there is some clarity soon," Stobbs said in a statement on the Fields of Green for ALL website.

One outcome is for the ConCourt to uphold the Western Cape High Court's judgement and allow South Africa to use cannabis at home.





“The aim is to grow hemp to make bio-diesel and biodegradable plastics and even sanitary pads, not just to grow plants for smokers or even the medicinal market”

The worst-case scenario for the Dagga Couple and all users will be if the ConCourt upholds the State's ban on possessing any part of the indigenous Sativa plant.

Stobbs warn that while people like Mhlongo think the Western Cape High Court's ruling made cannabis at home legal, it is not and the police still arrest over 600 people a day for possession or dealing.

Room for growth

When it comes to dealing in dagga, Stobbs would like to see no law other than supply and demand governing prices and sales, and he argues cannabis growers should only need to get a tax number.

All the growers currently involved in illegally growing weed agree that the economic and industrial impacts of allowing cannabis to grow freely in South Africa is so big as to be almost incalculable.

These growers range from the House of Hemp's Dr Thandeka Kunene to Jason Law, founder of the Zubenathi Trust in the Eastern Cape and co-founder of the CDCSA. To date, Kunene is the only person in South Africa to

have received a permit to cultivate cannabis for research purposes from South Africa's Department of Health.

She also received subsidies from various provincial governments to research the plant and last year, drew the ire of prosecuted growers by being allowed to cultivate hectares of cannabis in the Dube TradePort next to King Shaka International Airport.

While she learnt that Dutch designed glass houses may be too hot to grow weed in tropical climes, she still harvested many kilogrammes of cannabis "for research".

Law's vision, which is supported by Thaver, is for rural growers to be free to sell their cannabis on regulated markets, like tobacco, wool and meat farmers do.

"Just think if we grow all our own fuel, or export oils to supply the growing industry of bioplastics, or even just export our organic, southern latitude medicinal weed," says Thaver, who currently imports such oils from the United States.

Cloud Shadowshot, a cannabis expert from the United States, who has been involved in setting up exports to North American markets

from Lesotho, said there is no limit to how high the cannabis market can go. While cannabis is still illegal in Lesotho, the government there reportedly permitted seven farms to grow medicinal grade cannabis for export.

At the time of print, a publicly traded German company was ready to buy 15 tonnes of cannabis a year at US\$4 a gram; and a Danish investor was willing to contract growers at US\$2 to US\$4 a gram.

This demand received two important boosts during June. The first was from retired basketball star, Dennis Rodman, who arrived in Singapore for the historic Trump-Kim summit wearing a T-shirt promoting a PotCoin, which shows investors that cannabis is now big enough to attract its own cryptocurrencies. The second boost came from the World Health Organisation (WHO), which met in Switzerland in June to review the agency's policies on cannabis.

While most WHO committee meetings are closed to the public, individuals were allowed to present public testimony during an open session on 4 June. As part of the report, the agency surveyed 953 cannabis patients from 31 countries. The ensuing WHO report found

cannabis is a “relatively safe drug” that millions of people are already using to help manage a wide range of medical conditions.

This is in direct opposition to the United Nations International Narcotics Control Board, which in March 2018 “strongly cautioned” Uruguay and Jamaica for “acting in clear violation” of 1961 drug treaties by making cannabis legal based on health and religious reasons.

The smart money is now all set to capitalise on the WHO’s announcement but the laws are

slow to change—some say because the even smarter money working for Big Pharma is lobbying hard to get regulators to set Byzantine standards that will effectively keep small growers out of the market.

In Zimbabwe and South Africa, this amounts to relatively high, non-refundable deposits just to apply for a permit, which will only be granted if the grower meets onerous fencing, security and ISO requirements. Mhlongo says quality control for medical marijuana is a very good

thing. “You can’t grow this plant in dirty places like mine dumps or sewage farms. If there are poisons in the ground, it will mop it up, which is why the Russians are even using cannabis to clean the ground around Chernobyl. But I have many testimonies that show if you grow this plant under the sun, on nice, clean chicken dung, with rainwater, it makes good DIY medicine,” Mhlongo says.

No selling online

With the world ready to order over the Internet, it should be easy for Mhlongo to sell his organic “shade for the chickens”, as the Zulu’s refer to their backyard cannabis crops.

But Google’s advertising policy bans the “promotion of substances that alter a person’s mental state for the purpose of recreation or otherwise induce highs” or “products or services marketed as facilitating recreational drug use”. In other words, no cannabis sales.

Getting paid over the web is also a problem, as the biggest payment system, PayPal, strictly prohibits transactions dealing with “certain controlled substances or other products that present a risk to consumer safety, drug paraphernalia, cigarettes, items that encourage, promote, facilitate or instruct others to engage in illegal activity”.

South Africans are, however, nothing if not resourceful. The country’s most infamous and reportedly most successful medicinal cannabis seller, Sheldon Cramer from Richards Bay, aka Bobby Greenhash, simply uses Facebook pages and electronic fund transfers (EFTs) to sell the harvests he gets from Swaziland. Like Lesotho, Swaziland’s authorities have long turned a blind eye to the tonnes of cannabis exported over their borders since the 1990s.

The cannabis dispensary that Thaver opened amid mini-factories in Durban North is another example of local innovation in the pot trade. Thaver stresses they do not sell any raw bud, but only infused oils.

“We are not trying to fight the government but showing them what can be done. We are tired of talking, cannabis is where the real radical economic transformation for South Africa is happening, and with WHO finally admitting this plant heals, laws will eventually catch up and we can open more dispensaries, perhaps under a franchise system,” Thaver concludes. ▲

Alwyn Viljoen

Proposed licenses to develop cannabis farming in South Africa

- Agriculture/grower
- Informal farmers
- Commercial farmers
- Cultural/religious groups, sangomas and traditional healers
- Educational institutions and research facilities
- Cannabis cooperatives
- Manufacturing and processing
- Semi-processing industries, hemp biomass suppliers, raw oil producers, biomass producers— industrial and commercial
- Pharmaceutical industries and medicine manufacturers
- Consumables manufacturers (non-medicinal/recreational, cosmetics)
- Transporters and storage
- Industry related training and skills development providers (SETA Accreditation)
- Biofuel refineries
- Other—as defined by the minister and apex regulatory bodies—includes retail outlets
- Retail and consumer suppliers
- Pharmacy outlets, clinics, treatment centres, medical institutions, medical practitioners (not including traditional healers) and veterinary outlets
- Dispensaries—non-medicinal products, edibles, recreational extracts
- On-consumption outlets (“coffee shops”) and recreational user taverns
- Industrial and commercial product suppliers—hemp textiles, biofuel suppliers, hemp-based and processed non-consumable product suppliers
- Seed suppliers
- Hospitality- and tourism-related industries, tour operators, medical tourist providers and treatment centres
- Edible food products
- End-user/consumer markets
- Industrial and commercial applications
- Medical applications
- Recreational users
- Traditional healers
- Religious and cultural groups
- Foreign trade customers
- Textile and Hempcrete industries
- Biofuels and plastics
- Clinics and healthcare centres
- Cannabis tours and hospitality



BRICS Report: maximising emerging economies

The BRICS investment report was released late last year, which highlighted the BRICS group accounted for 22% of the global gross domestic product (GDP) but received only 11% of the global inward foreign direct investment (FDI) stock

The increase in inflows to the Russian Federation, India and South Africa more than compensated for the decline of FDI to Brazil and China. This is clear evidence that there is a positive role some of the investment promotion policies and frameworks have played within the South African context. Further, South Africa's average range of FDI inflow is between US\$2-US\$2.9-billion.

South Africa, the economic powerhouse on the continent, continues to underperform, with FDI at US\$2.3-billion in 2016; that was up 31% from a record low in 2015 but still well off its past average. Nonetheless, the state-owned Beijing Automotive International Corporation (China) agreed to build a US\$759 million (R11 billion) automotive plant—the biggest investment in a vehicle-production facility in the country in four decades at the Coega SEZ.

It is evident that the African continent along with its economic powerhouse (South Africa) still have a long way to go as the business-as-usual scenario is producing a GDP average of 2.87% over the 1997-2017 period.

The World Bank has raised its economic growth projections to 1.8% for 2018 up from 1.1% last year September 2017. This has also been responded to by the new President of the Republic, Mr Cyril Ramaphosa, who has assembled an investment envoy with a target of inward fixed FDI amounting to US\$100 billion in five years. With the abovementioned, there are a number of investment promotion perspectives that need to be considered. The first one being

the consideration of being able to have sustainable fixed foreign direct investment. Namely, the quality of fixed FDI, the quantity of fixed FDI and the type of fixed FDI.

These considerations are crucial for ailing economies such as South Africa and, particularly, other developing economies on the continent. An incorrect blend of fixed FDI can result in a regression of an economy, which sparks environmental damage, human resource violations and market distortions. Market distortions in the form of “bribery and collusion” being the one that has a direct impact on an economy.

It is clear that when a country attempts to attract and retain foreign direct investment, the approach should vary depending on the life cycle of a particular economy of the host country.

According to Freund and Moran in a 2017 work paper titled *Multinational Investors as Export Superstars: How Emerging-Market Governments Can Reshape Comparative Advantage*:

The stance that should be taken by emerging economies is a clear position of attracting efficiency-seeking fixed FDI to stimulate exports this is in favour of the South African economy, since the country has an efficient port system, particularly the Eastern Cape that boasts three ports within its region.

As an example, in the Coega SEZ, there a number of efficiency-seeking fixed FDI examples that have overachieved in terms of employment figures such as Dynamic Commodities, Discovery and WNS to mention but a few. For other emerging economies that are landlocked with natural endowments, the obvious solution will be the attraction of resource-seeking fixed FDI.

In these situations, policy- and decision-makers in landlocked SEZs need to be cautioned to have strict arrangements in place for the beneficiation of locals and have comprehensive industry charters, which resonate the “socio-economic development element” from the Broad-Based Black Economic Empowerment Act (BBBEE) (BBBEE Commission, 2016).

The desired end state, then, for the pursuit of efficiency- and resource-seeking FDI should be evident by the changes of the export profile of South Africa or region over a period of years, five years in the case of South Africa.

The monitoring and evaluation of the investment process can be measured using the Balassa index, which reveals the comparative advantage (RCA) in a particular host country.

The emerging economies, particularly those that are on the African continent, need to seriously consider the two strategies of attracting efficiency- and resource-seeking FDI to stimulate economic growth.

Host countries need to set targets on the quantities of FDI and most importantly, be mindful of the quality and type of FDI to be attracted.

Furthermore, the revealed comparative advantage indicated by the Balassa index can be very useful as it can be used by the host country as a leading indicator to monitor and possibly predict the present and future export profile of the host country, leading to more sustainable investment promotion initiatives informed by world's best practices. ▲

Thembinkosi Maduna

Engineering Africa's economic renaissance

Mining has the potential to help uplift the underperforming economies of Africa by unlocking the full potential of its rich resources from a mineral, skills development, efficiency and technology perspective

One of the key players to take the industry forward on the African continent has been thyssenkrupp, which is one of the world's leading companies in the field of international heavy plant engineering, and it plans on making an impact on the African economic renaissance.

Operating from South Africa with a workforce of over 400 specialists, their solutions encompass the entire range of services for fertiliser, petrochemical, oil and gas, electrolysis, mining, minerals and cement and lime projects. Their vast experience spans over five decades, with an impressive reference list that extends throughout sub-Saharan Africa and with many cutting-edge innovations being released in the marketplace.

A company with a history that spans over 100 years, thyssenkrupp is the result of a merger between two German steel companies, Thyssen AG, founded in 1891 under the name Gewerkschaft Deutscher Kaiser, and Krupp, founded in 1811. In 1997, the companies combined their flat steel activities, with the full merger completed in March 1999

To find out more about this advanced company, their industrial solutions and their new leader for sub-Saharan Africa, Gregory Simpson had an audience with the influential new, CEO Philipp Nellessen, at the Mining Indaba earlier this year.

Innovation has always been a foundation of your company's rich history globally, has there always been that edge that sets you apart from the competition?

Yes. That is our DNA. We have 21 000 engineers worldwide and to me, it's always amazing if you put that number of engineers together—you automatically get innovations. It seems to me it's coded in engineers' minds and that's also part of the role we play here in South Africa. For example, we have the Redox flow battery, which is part of our latest and greatest technology invention.

We showed 'carbon to chem' where we take exhaust gasses, like CO₂, and transfer them back to chemicals. It's state of the art, we are setting up pilot plants this year.

Can you tell us a little bit more about the Redox battery? It sounds like groundbreaking technology.





It is a groundbreaking technology. Energy is definitely one of our key problems for the future, how do we get our energy? We can't go on burning fossil fuels forever and nuclear energy has its limitations as well. It's clear we have to get more renewable energy. With renewable energies, you always have the problem, it's produced when you don't need it and it's not produced when you need it. All current battery concepts that are out on the market have limitations, first, in terms of capacity and secondly, in terms of usage, so we all know the battery just goes down and down.

What we put together now with the Redox flow battery is a battery that has three main advantages—first, it's not limited to any capacity, you can start one megawatt, 10 megawatts, 100 megawatts or whatever you need it for. The second advantage is it is a battery that has a reactor that is the same with the energy that is produced and the storage is completely separate. So this year, you install a one-megawatt battery and next year, say you actually need five megawatts, you just add. It's a completely new battery concept. It's essentially a chemical reaction taking place, which produces a loaded chemical liquid and then that reaction can also be reversed to release the energy again.

Is it kinder on the environment than the traditional batteries?

Yes, it definitely is because these batteries can run for thirty, forty, fifty years, just once in a while, you clean the liquid. It's not like a usual battery that you throw away, this one can go forever.

Germany is a leader in renewable energy. What's the biggest lesson South Africa can learn from your experience?

It is about that energy storage because if you opt for renewable energy, it's the right move, however, you need to have a plan for that. In Germany, we build a tremendous number of windmills. Right now, when there's a storm, most of them are switched off because the grid cannot take the energy. You need to take that into account when designing your grid—seeing how much additional capacity you need to recover from the times when the wind is not blowing. In Germany, we are sometimes in a mode where we get money if we take energy over the holidays (when industry stops), because the grid is so clean. That was not calculated in

the investment cases when they put up these windmills. You need to be a little bit careful of that but it is the right way to go, there's no doubt about it.

Where are your growth areas in Africa as you expand the business?

We do have a couple of growth areas. For me, part of why we are here is really to develop the African continent by bringing state-of-the-art technology and innovations but also by bringing standard technology. For example, in a country in the North of Africa, we will now build a chlorine plant, and chlorine is one of the basic products in any industry. First of all, you need to clean the water—access to clean, drinkable

It's always amazing if you put that number of engineers together—you automatically get innovations”

water is one of the basic human rights that all of us have. But you also need the chloride, it's a by-product, it's one of the basic chemicals you need to build new products, to build new plants.

For me, that is actually a fantastic display of how we want to help industrialise and develop the African continent. That's the chemical side. Besides that, we are always strongly engaged with our mining partners. Africa holds 70% of all mineral resources worldwide and only 5% has been explored so far. We still think there is lots of business to be done, many mines to be built and lots of mining to be done.

If you look at the mining sector, when will we see a 100% autonomous mine in Africa?

A 100% autonomous mine is difficult but you see a lot of that in Australia, for example, with the autonomous trucks and all these inventions. However, at the end of the day, for artificial intelligence to replace workers, it's always the labour costs that are the main driver. If you look at Australia, for example, they have tremendously

high labour costs, they have self-driving trucks and a lot of self-driving devices.

If you look at the opposite end of the spectrum, India, for example, has very, very low labour costs. You see manual loading crews, they don't have an excavator to load the truck, they have a loading crew with 80 people with a little bucket and they run with the truck to load it—the labour is cheap there. Compared to this, South Africa is sitting somewhere in the middle, which is good because it's reasonable, we have excavators, we have trucks and we have the big machinery but we don't have much artificial intelligence, that will take a while.

You're still new in your role but what are your plans for the rest of the year?

Part of the reason why we are here, why I am here, is to develop the African continent by bringing technology over and by bringing our global expertise over, and also to train and develop people. That's one of our big missions. We already have a training centre at the service centre where 50 apprentices are being trained right now. We are busy doing an upgrade, and we apply what we have in Germany, which is a dual system.

It is a very well-noted system. Last year, thyssenkrupp was actually visited by the G20 ministers and they looked at thyssenkrupp in Germany—we are quite proud that we can bring that here to Africa as well. What we are quite busy with right now, for example, is the biomass power plant market, we have seen quite a lot of failed biomass plants here in South Africa and here on the African continent where we say, 'You just used old technology'. We built more than 200 biomass power plants in India, so we liaised with our Indian colleagues and know exactly how it works.

That must be a satisfying part of your job, being able to give back to communities?

Yes, for me, that is actually one of the reasons why I came. I moved to South Africa and relocated my family to Johannesburg. At the end of the day, you don't do that just for a job, I could have stayed in Germany. I discussed it with the family and what's inspiring to me is that we're a little now a part of the development of Africa going forward and becoming an industrialised nation, and making lives better here.▲

Greg Simpson



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DC-AUTOMATION ASSET-TRACKING MANUFACTURING PACKAGING HANDLING QUALITY CONTROL

Taking the conversation beyond compliance

Despite over 80 financial institutions worldwide adopting the Equator Principles in an effort to minimise borrowers' governance risks, many mines still seem to regard their environmental and social (E&S) impacts as marginal to their core business

This attitude is reflected in the underfunding and understaffing of this aspect at many mining companies, exposing them to considerable risk in terms of their social licence to operate.

“Sustainability risks are increasing as legislation becomes more stringent and socio-political environments become more complex, and where stakeholders are more vocal about their human rights not being upheld,” says Kilian. “There is now also greater media attention on mining operations, with shareholders being eager to avoid reputational damage and liabilities,” says SRK Consulting Partner and Principal Environmental Consultant, Darryll Kilian.

Legislation and standards

Environmental impact assessments (EIAs) in South Africa date back to the 1970s, with the first legal requirement for an EIA coming in with the Environment Conservation Act in 1989. Today, a range of laws, from the National Environmental Management Act to the Mineral and Petroleum Resources Development Act—with a respective focus on biophysical and social issues—now weigh on mining decisions. Indeed, a strong environmental focus extends through the countries of the Southern African Development Community.

Internationally, benchmarks and compacts have guided thinking since at least 1991, when the Rio Declaration firmly established environmental and social impact assessments (ESIAs) as a global priority—although still with

a strong biophysical focus. This developed further between 2000 and 2005 with the Global Compact, the Millennium Development Goals and the United National Declaration on Indigenous Rights placing greater emphasis on socio-economic issues.

In 2006, the International Finance Corporation's (IFC's) Performance Standards on Environmental and Social Sustainability became the benchmark for good practice in the global mining sector, bolstered by the closely aligned Equator Principles. A key focus of the Equator

would expect. Companies still have much to accomplish in terms of integrating E&S management into their core management systems,” says Kilian.

There remains a widespread tendency to focus purely on meeting in-country environmental legislative requirements, rather than a risk management approach to E&S issues over the life-of-mine, he explains.

“This generally results in a compliance-focused mentality, with the sole objective of being awarded a positive record of decision and

“Companies still have much to accomplish in terms of integrating E&S management into their core management systems”

Principles is to ensure that E&S management is addressed by borrowers through their integration into business decision-making and management systems.

After 2012, the bar was raised further when the International Council on Mining and Metals' sustainable development framework and the third version of the Equator Principles—which align with the UN Sustainable Development Goals—firmly embedded E&S issues in the business relationships and management systems of mining companies.

Sustainability journey

“Despite these imperatives and incentives, there still appears to be less progress than one

other environmental licences,” he says. “This makes legislative compliance just a means to an end—to retain the legal right to operate—but does not address the underlying risk posed by weak stakeholder relationships and the uncertainty this carries.”

He said emerging and junior miners—as well as many mid-tier companies—tended to be more reactive, perhaps due to their limited management systems, human capacity and financial resources.

The major mining companies were usually more proactive, given their experience, their organisational maturity and the gravity of these issues at a corporate level. However, despite increased awareness of international standards,



Some of the mining majors were showing evidence of integrative decision-making by addressing E&S risks and issues early in the project process

most companies were still stuck within the ‘compliance stage’.

Ad hoc, not strategic

“Many mines are consistently defensive about stakeholder relationships, insisting that relationships are good because there are no formal complaints lodged with the company.

In this mind-set, stakeholder engagement is frequently treated in an ad hoc manner rather than as a strategic function—leaving the business without sufficient line-of-sight to potential high-level risks,” Kilian explains.

Among the outcomes of this was that environmental management responsibilities were often implemented in silos by health, safety and environment (HSE) staff, and it took mining clients longer to achieve compliance with the IFC Performance standards. Another challenge was that commitments made by management were often not communicated effectively through the organisation.

“Notwithstanding this, many organisations have very passionate individuals working within their E&S teams, often resulting in efficient implementation in spite of the lack of integrated management systems,” says Killian.

Beyond compliance to integration

At the same time, Kilian highlights instances where companies had adopted international standards, showing a growing commitment to

making the transition from compliance-only to integrated practice.

“These companies are generally motivated by building their brand and carefully managing their reputation,” he says. “They have a desire to lead by example and set themselves apart from competitors, while maintaining their social licence and pursuing increased efficiency and profitability.”

A good example that showcased the benefits of this approach in recent years was a project in which SRK was involved in West Africa; whereas labour unrest that had disrupted other mining operations throughout the country, the mine in question was spared this upheaval.

“This was attributed to the company’s good relations with government stakeholders and host communities,” says Kilian. “Even now, the company is in the process of strengthening its E&S management and integrating these aspects into overall management systems.”

Creating shared value

He also emphasises that some of the mining majors were showing evidence of integrative decision-making by addressing E&S risks and issues early in the project process and developing integrated and well-communicated strategies.

“If companies are to move their operations along the sustainability continuum—from reactive to proactive towards creating shared

value—they need to implement a comprehensive stakeholder engagement plan for all stages of the life of mine.

“This means recognising that E&S issues are not limited to one business unit but are a business imperative for the entire organisation, as they can damage its reputation; greater alignment between corporate and operational levels is therefore vital,” Kilian explains.

For a mining company to understand and manage its risks, it needs to truly understand the context in which it operates so it can actively engage stakeholders, identify its impacts through ongoing monitoring and proactively manage its E&S issues. As mines are squeezed by pressure from the government, communities and shareholders, it will be increasingly difficult for them to pursue ‘business as usual’ by simply complying with legal requirements, he says.

“The growing risk of losing their social licence to operate—which the consultancy EY has identified as a top ten business risk for mining—will push mining companies not only to comply legally, but to fully integrate environmental and social management into their core business practice.

“This change needs to be supported by stronger alignment between corporate purpose and mission on the one hand, and operational structures on the other,” Kilian concludes. ▲

Sally Braham

Riding the wave of travel trends

The world is on the move and people are travelling more than ever. It is estimated that by 2030, a global population of 8.5-billion people will take approximately 2 billion international trips, according to a report by the World Tourism Organization.

Technology tops the list for the way in which it has forever changed the way we travel. The Internet, smartphones, electronic payments and the power of social media have given consumers a direct voice to venues and with each other.

“While travel has progressed in leaps and bounds, so have travellers, which means we need to be constantly transforming and enhancing ourselves. This is key to delivering the right mix of services and amenities to cater to guests from existing and new emerging market segments,” says First Group’s Managing Director, Shaun Lamont, who is a leading mind in the South Africa hospitality industry boasts a R5.5-billion property portfolio, operating across three continents and servicing over 200 000 members worldwide.

“Over the years, the traditional hospitality model has developed into a more multi-faceted approach, from the basic amenities such as swimming pools, gyms, tennis courts and possibly a golf course to state-of-the-art event, business and conference centres and health spas that encompass so much more than just a vacation destination. These developments have had a substantial influence on the economic growth of the hospitality industry,” explains Lamont.

The company has, over the past three years, rolled out an extensive R179 million refurbishment programme across the properties it manages. Looking at the industry over the next five years, there are a growing number of new hotels planned for the South African



Shaun Lamont, First Group Managing Director

market, according to the PWC Hotels outlook: 2017-2021. The report also indicates that the overall number of available rooms is expected to increase at a 0.9% compound annual rate, thereby adding 2 700 rooms over this period.

“Continuous investment to unlock the substantial potential that this industry has to bring is fundamental to staying at the forefront and delivering on customer expectations. It’s about looking to the future with innovation in our minds and our guests’ best interests in our hearts. And at the end of the day, the true test will always be the positive feedback you receive from your guests,” Lamont says.

“Let’s face it, what kept customers happy 10 years ago no longer works today and unless you embrace the ever-changing travel trends of consumers, you will find yourself left in the dust,” he points out.

Lamont highlights that while this can be challenging in some instances, there is now an opportunity to embrace low-cost, wide-reaching platforms that allow instant communication with our market and provide a potent means of quality control. “We need to bear in mind that as consumers use technology, they become more knowledgeable about hospitality on a global scale and with that, their expectations become greater,” he adds.

Going green

Another topical travel trend is eco-friendly tourism, especially with the impact of Cape Town’s water crisis. ‘Going green’ is no longer just a buzz phrase and Lamont believes that it’s only a matter of time before green practices in the hospitality industry become a baseline requirement.

“Our industry is perfectly positioned to influence change and there needs to be a progressive step in that direction. Establishments that aren’t taking issues of sustainability seriously will be negatively impacted in the future.

“Introducing sustainable tourism practices in our staff training has led to an eco-responsible approach to our daily operations and to our staff being vigilant in encouraging guests to do the same. We want guests to be part of the sustainable tourism experience when visiting our properties and hope that this will lead to

them adopting some of these measures when they return home,” he says.

Out the box

A number of First Group’s properties have received awards for their ‘thinking outside the box’ approach to full-scale sustainable operational systems that include some fascinating environmental innovations.

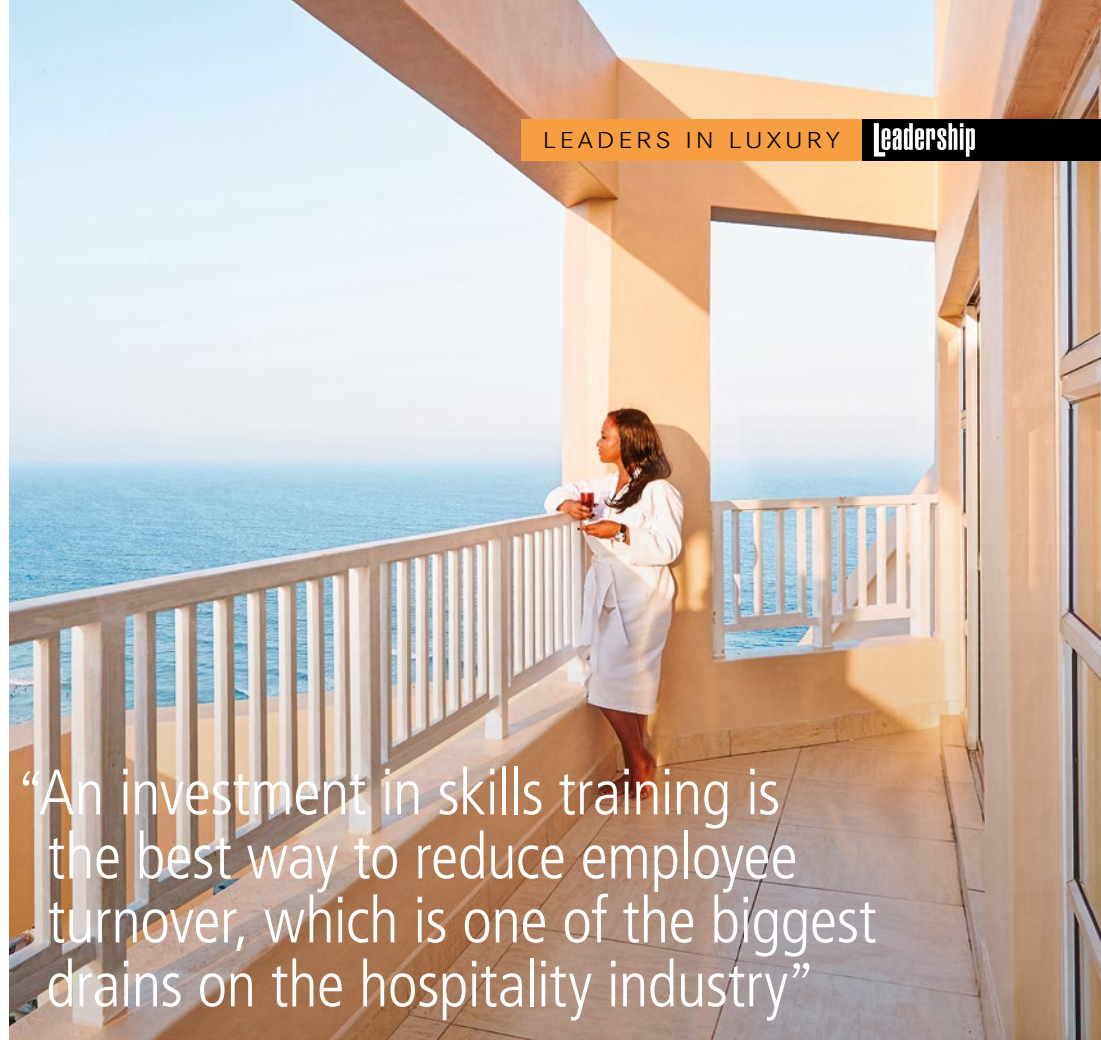
These include water treatment plants to purify river water for the supply of fresh drinking water to the resort and nearby local community, worm farms, fish programmes to maintain healthy and sustainable dams, bat hotels, owl houses, beehives, calcamite sewer water management systems, energy-saving heat pumps, LED lighting, irrigation timers and planting grass that needs less water to grow.

Health and wellness is a global awareness drive that has become a travel trend influencer as well. “Healthier lifestyles now dictate the type of hotels or resorts where these travellers want to stay, and their decisions are based on the amenities and even the menu offered. For many, it could be the ‘deal breaker’ when planning a vacation or business trip, and it’s not limited to health spas or a golf course. An array of activities such as mountain biking, hiking trails and horse-riding that cater for an outdoor, healthier entertainment programme are being sought after,” observes Lamont.

Thanks to a ‘mobile-job’ era, business travellers now have the opportunity to take a few extra days of relaxation while attending to business, making the Bleisure trend an emerging global phenomenon. “Considering our tight economy, this offers an affordable way of rejuvenation, which will grow this category of travel in 2018 and beyond,” predicts Lamont.

He goes on: “Aligning our refurbishment strategy with the Bleisure approach has meant upgrading our in-room workstations and Wi-Fi connections so that business travellers can work in the comfort and privacy of luxury accommodation. Concierge services have also been up-skilled to assist with the planning of pre- and post-business leisure activities to nearby attractions.

“Resort bookings for business conferences have also grown in popularity because of the convenient onsite relaxation amenities such as golf, health spa treatments, direct access to beaches, etc. We have noted that conference bookings now include an increasing number of



“An investment in skills training is the best way to reduce employee turnover, which is one of the biggest drains on the hospitality industry”

family and loved ones because there is such a seamless transition from business to pleasure once work is concluded,” he explains.

Promoting local tourism

“There’s so much available in our own backyard. South Africa is widely known as one of the most sought-after destinations in the world, thanks to our abundance of natural beauty, pristine coastlines, exciting wildlife and berg experiences, great weather and our unique rainbow nation of diverse cultures, which are steeped in history,” remarks Lamont.

Whether it’s for brand-new discoveries or returning to old favourites, he believes that hospitality players are perfectly positioned to encourage holidaymakers to learn more about our country’s beauty and heritage, which includes the promotion and support of local economies and communities as well.

“Ensure that your staff are kept up to date with the local tourist hub so that they can encourage guests to explore nearby attractions, taste the local cuisine and support the local artists and entrepreneurs. This approach will play a pivotal role in making a far-reaching impact in the local tourism value chain,” he adds.

Service must be at the heart of the industry

“Here’s the thing: as managing agents, First Group is constantly working on multiple channels to improve our operations and service levels. And why? Because we know there is nothing more important in the hospitality industry.

Lamont points out that the direct spin-off to great service is skills training and development, and that hospitality businesses that are not investing in staff training are bound to face challenges in their service delivery and, ultimately, struggle to stay afloat in this tough economy.

“Training needs to encompass all aspects of your business, as each person impacts customer service in one way or another.

“Furthermore, an investment in skills training is the best way to reduce employee turnover, which is one of the biggest drains on the hospitality industry.

“Bear in mind that while all customers are not the same, there is one thing that makes them all happy—superior service. Because when you think about it, the agenda of our industry is to make people happy,” concludes Lamont. ▲

Staff reporter

DONALD TRUMP, the 45th President of the United States of America, has heaped praises on the North Korean President, Kim Jong-un, in light of the landmark meeting between the two heads of state and says:

“Anyone can make war, but only the most courageous can make peace.”

NHLANHLA NENE, the South African Finance Minister, told attendees at a recent MORAR Inc. business breakfast regarding the economy that:

“The new dawn is on the horizon and the road ahead is not easy. We cannot walk it alone. We must continue to walk it together.”

TAMARYN GREEN, Miss South Africa 2018, said, following her recent crowning:

“South Africa, I dedicate the next 365 days in service of you. For my people, with my people, together.”

PROFESSOR PIERRE DE VOS, a South African constitutional law expert, regards Public Protector Busisiwe Mkhwebane’s latest report about Helen Zille’s tweets on colonialism as ‘legal nonsense’ saying:

“It is so legally misguided that is difficult to believe that a qualified lawyer wrote it in good faith.”

MARC POZNIAK, the chairperson of the Jewish Board of Deputies Gauteng, says, following the recent dismissal of DA Councilor, Mpho Phalatse, for her pro-Israel comments, that:

“This is an attack on free speech and freedom of association and it should be something in our opinion that concerns far more than the SA Jewish Board of Deputies.”



JULIUS MALEMA, the leader of the Economic Freedom Fighters, believes that the South Africa we live in today is not the same country it was under Apartheid:

“What type of freedom is this that, 24 years after freedom, we are worse off than where we were during Apartheid?”

JACOB ZUMA, the former South African President, has shocked and confused millions of South Africans when he addressed crowds outside the Durban High Court where he appeared on graft

“I’m tired of being the good guy.”

EMMERSON MNANGAGWA, the Zimbabwean President, feels confident and ready for the upcoming elections following the ousting of the former President, Robert Mugabe, and places a strong emphasis on the role of business in rebuilding the economy:

“What builds clinics, roads, schools, clean water? What makes jobs? It is business... Zimbabwe is open for business.”

VLADIMIR PUTIN, the Russian President, opens the 2018 Soccer World Cup with an emphasis on the sport’s unifying and humanistic qualities, saying:

“Our duty is to preserve this power of humanity for generations to come for the sake of developing sports and strengthening peace and mutual understanding between people.”

MIKE MLENGANA, the Director General of the Department of Agriculture, Forestry and Fisheries, responds to AfriForum’s concerns about anybody still chanting ‘dubul’ibhunu’ and says:

“That is not the stance of our government... by the way, if it is ‘kill the Boer, kill the farmer’, it’s killing me because I am the Boer.”

CYRIL RAMAPHOSA, the President of the Republic of South Africa, recently addressed the centenary celebration of the Afrikanerbond in Paarl where he inclusively stated:

“The future of the Afrikaner is intrinsically linked to the prosperity of the country as a whole. Afrikaners are by name and definition Africans.”

KIM JONG-UN, the President of North Korea, comments on his historic meeting with the United States President, Donald Trump, saying:

“It was not easy to get here. The past worked as fetters on our limbs, and the old prejudices and practices worked as obstacles on our way forward. But we overcame all of them, and we are here today.”

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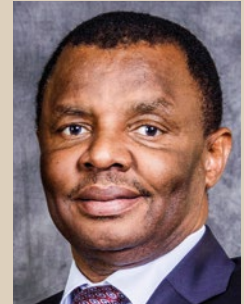


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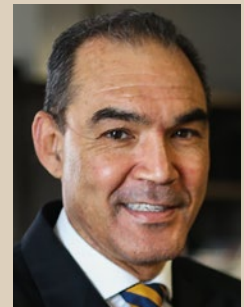
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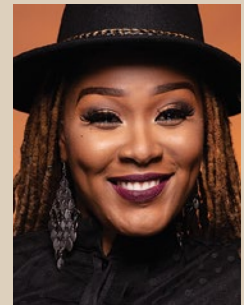
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A successful year for Bestmed thus far

In Bestmed Management's view, the first half of 2018 can best be described as a Renaissance experience



Several directional changes, engagement improvements and personalised enhancements have been implemented, resulting in huge success and accolades throughout.

From the start, the new Acting CEO since April 2017, Pieter van Zyl, demonstrated a commitment to a new vision and approach with his distributed leadership, which is inspiring. Engagement, direction, wide participation

and interdependent decision-making are all distinct characteristics of his personal leadership approach, with a clear message that power lies in knowledge and relationships, not authority.

A renewed emphasis was placed on an emergent company strategy developed and adopted according to external and internal requirements and influences as they appear. Transparency with face-to-face open leadership communication and the willingness for public disclosure has become a must.

This was demonstrated by the newly-established member engagement sessions, where members were invited to engage personally with Bestmed's executive and staff members. These sessions were well accepted and attendees saying, "Thank you for the opportunity to communicate with the Bestmed Management and find more clarity on many aspects. It was a wonderful experience. We will, with sincerity, be able to promulgate the friendliness and helpful service, which Bestmed offers to its members," comes as a well-deserved reward to all the staff members for their teamwork, team leadership and team performance.

A new endeavour was also recently launched internally to—with feeling, empathy and a smile on their faces—communicate with their members. This has led to staff empowerment and a sense of personal involvement. Bestmed values their staff, as is evidenced by their acceptance and valuing of diversity and individuality.

With the stabilisation of the new IT platform, complexity seems to be embraced amongst the staff members. Paradoxes are seen as valuable sources of creative thinking and a new way of systems thinking is emerging.

Corporate governance has been widened and happens not only at the top but throughout the organisation. Buy-in from staff members to new views and decisions is acquired through engagement to get opinions as part of making decisions to increase commitment.

Bestmed has started to embrace risk with risk mitigation and innovation—seamlessly integrated and underpinned by ethical governance processes and practices.

Bestmed is very fortunate to have a dynamic Board of Trustees with diverse leadership competencies entrenched in stakeholder groups and networks. The collaborative leadership of the board chairman, Fred Camphor, with his organisational knowledge, insight and influences, is very successful and valued by the Scheme. Under his leadership, rapid organisational change responses to turbulence were seen.

Value-based flexibility, with policy guidelines, focused on essential 'non-negotiables' as opposed to many prescribed rules with rapid first-contact responses and decisions needs to become the norm. Role clarity with interdependent functioning, power-sharing and joint accountability across functions are all signs of this endeavour finding substance in their lives.

It is their hope that the second half of 2018 will be as promising and rewarding as the first and that their Renaissance experience continues in the pursuit of excellence. ▲

bestMed
personally yours

Improving your financial future

Nedbank Financial Planning (NFP) recognises that balance is about maintaining the lifestyle you work hard for while ensuring your future is financially secure, which is why they offer you comprehensive financial planning strategies for every stage of your life and/or business



Sonto Lemeko, the Head of Nedbank Financial Planning Alternative Distribution

With services that include general financial planning, estate planning, as well as wills and trusts, NFP's clients are at the centre of everything they do. They work with each individual client to develop their personal roadmap to financial prosperity suited to both their current needs and future goals and provide practical solutions to help them live their lives now and in the future. And they deliver a world-class, customer-centric experience that creates an enriched, lifelong relationship, with a plan for life.

"My role is to lead our well-established national footprint that comprises internal and external financial planning teams, and partnerships with leading investment, insurance and wealth management service providers, enabling a collaboration that will help our clients today and realise their vision for the future through our experience and expertise," explains Sonto Lemeko, the Head of Nedbank Financial Planning Alternative Distribution.

"We believe that money, if used wisely, really can change lives. And part of this insight of seeing money differently is acknowledging both its inherent potential and meeting a growing expectation that society—particularly the millennial demographic—and companies should be proactive about doing good and creating a better future for us all. As a team of financial planners, we have a responsibility to play our part and I am excited and privileged to be able to leverage this potential," she enthuses.

A beneficial partnership

Last year, Nedbank Financial Planning became a strategic FPI Corporate Partner™ of the Financial Planning Institute of Southern Africa (FPI).

According to Lemeko, this partnership exists because Nedbank Financial Planning's vision is to be the most admired and trusted financial planning business, which aligns with the FPI's mission to advance and develop financial planner professionals while acting in the best interest of society.

"At NFP, our focus is on ensuring that we partner with a range of clients to meet their changing needs with value-adding advisory services that empower them to meet their goals

and aspirations. To ensure that clients receive professional, quality and holistic, financial advice, we continuously invest in a range of initiatives to support planners to fulfil this vital role.

"The institute is committed to widening the financial planning net in South Africa and this partnership fell well within our strategy of ensuring that we continue to improve access to highly-qualified financial planning professionals for all South Africans," she says.

The keys to sound financial planning in 2018

Lemeko stresses that basic financial planning principles begin with budgeting and it is important to live within your means and to have something in reserve for unexpected emergencies. And, of course, you need to stick to your planned budget.

"Maintain a healthy balance sheet. Avoid any unnecessary interest-bearing debt where possible. On a personal level, invest in self-development in order to increase your earning potential. From a business perspective, find other cost-effective, innovative ways of doing business in order to develop different income streams and increase your business revenue.

"Have a financial plan and review it regularly as your financial goals and circumstances change," she explains, adding that the biggest mistake one can make is not to have a plan.

"You end up investing with no objectives and no idea of time horizons. You are also more likely to make emotive decisions that tend to undermine wealth creation. One has to have a cool head when you make money decisions," she says.



Saving for your child's education

According to Lemeko, the cost of education continues to outpace inflation. She advises that parents need to very carefully consider the costs and benefits of private schooling versus public schooling as well as tertiary education.

“Start saving early, either before the child is born or as soon as the child is born. Don't fall into the trap of thinking you have plenty of time to save.

“Take advantage of the power of compound interest, as this can truly make a positive long-term impact on the growth of your savings. Look at the time required to save, calculate what the costs will be (taking into account inflation) and then put together a plan.

“Consider which type of investment vehicle would be best. There are great options out there, including tax-free investments, and a wide range of unit trusts,” she explains.

Additionally, she says to plan for unexpected events, such as death or disability.

“While nobody wants to think about this, imagine the peace of mind that accompanies knowing that your children and/or grandchildren will be taken care of, regardless of whether you are around or physically able to work,” she adds.

The impact of technology

These days, technological advances not only provide easy access to information, which Lemeko believes is a huge benefit, but they have also resulted in lower costs for consumers.

“The world is a much smaller place, thanks to technology, and it is easy to access the benefits of both local and international markets from an investment point of view. It also forces us to be globally competitive as a service provider,” she says.

From a customer perspective, she says there is an expectation that a financial services provider will offer a digital experience.

“At Nedbank Financial Planning, we believe in the power of offering our customers face to face and non-face to face advice and service.

“We also see the continued technological evolution in financial planning advice and service delivery,” Lemeko says.

Women's empowerment

In terms of whether or not women's empowerment is taking place at a good pace, Lemeko says, “Women are empowered when they can equitably participate in, contribute to and benefit from the economic opportunities, whether as consumers of goods and services, investors, entrepreneurs or workers.

“I do not believe that this is happening fast enough. Women play a vital role in financing family and community needs. They should be empowered by being given access to resources and digital financial services and should be given employment/entrepreneurial opportunities based on merit, skills, abilities and capabilities,” she says.

“There has been an improvement in the number of women studying commerce undergraduate degrees but even so, we still see very few continuing to a postgraduate level. Around one-tenth of the universities' Master's students in finance are women. A recurring theme from many female industry veterans is the need for courage in a largely male-dominated field, despite increasing evidence that diversity is not only beneficial but necessary,” she adds.

An inspirational leader

Sonto Lemeko holds a Master's degree (MBA) from Henley Business School (UK). She completed a leadership programme with Gordon Institute of Business Science (GIBS), an undergraduate BCom degree in Business Management and Economics at Vaal University of Technology and she has other industry-related qualifications.

She started her career at EDCON and has fulfilled various roles in the financial services sector.

“It was a big decision and a brave move for me to give up a salaried job for a commission-based career when I joined the financial planning industry,” she reflects.

Lemeko joined Nedbank in 2007 as a Financial Planner. She was then promoted to a Regional Manager role due to her leadership qualities.

“With the Fintech move in the financial services environment, there was a need to relook at our business strategy. In 2014, I became the

Head of Alternative Distribution to establish and innovate the Nedbank Financial Planning advice and service delivery through digitisation.

“I was also tasked with a massive responsibility of setting up a business unit that focuses primarily on the upper mass-market model to drive the strategic initiative to ensure the penetration of this untapped market,” she says.

During her tenure, she has built strong financial planner management teams and a business, which is well-positioned to grow into the future and be sustainable.

Lemeko believes having a strong foundation in finance and economics—combined with digital literacy—definitely gave her a competitive advantage.

“This basis provides the technical knowledge you need in our industry. But being open to the power of potential ideas has definitely come from learning about how systems and digital developments enable one to leapfrog traditional obstacles to future success. I try to combine business acumen with creativity,” she explains.

In terms of what she admires most in a leader, Lemeko says a leader must be vision-led.

“You need to offer thought leadership, be forward-thinking and act with integrity. Communication skills are important, which requires empathy,” she says.

Her role and the nature of her work environment requires intellectual agility. She often needs to think on her feet and make quick decisions.

“If things are not working according to the intended purpose, I must recognise the need to make changes to bring about efficiencies. Optimism is essential, especially when you're building a business. As with any other new innovation, the journey of building the Alternate Channel has not been an easy one. It was important for me to face challenges, remain optimistic and be positive, especially when projects hit the inevitable snags. And finally, emotional intelligence is as important as intellectual ability to achieve business success,” she concludes. ▲

To get the expert advice of a Nedbank financial planner today, call them on: 0861 238 8873 or email them at: financialplanning@nedbank.co.za

Black manufacturers are no longer a myth

Naledi Inhlanganiso (Pty) Ltd is an industrial group operating in the basic iron and steel manufacturing sector. Naledi Foundry is one of the largest black-owned foundries in South Africa and has roots going back to 1912



Throughout the years, the foundry was very involved in the automotive sector where it was a major casting supplier of components but has since diversified to service the locomotive, mining and energy industries.

Naledi acquired the foundry in 2013 through a consortium that included the Industrial Development Corporation (IDC), to gain a majority stake in the then listed Dorbyl Ltd.

“I used all of my resources to buy the shares but I still needed to approach the IDC and they were prepared to assist. Once we acquired the foundry, our first challenge was to address the fact that it had been close to 30 years since the plant had been upgraded in any way, so we knew we would need to invest heavily in order to make it what we needed it to be,” says Group Executive Chairman, Sibusiso Maphatiane.

Immediately after delisting Dorbyl in July 2014, the shareholders initiated an extensive capital investment plan as well as a corporate restructuring to separate the foundry from the rest of the Dorbyl group. The restructuring was completed in May 2016 and the capital investment plan in May 2017.

“What I also realised when I first acquired the plant was that the full executive team was made up of white, Afrikaner males, with similar representation in middle and senior management. The most senior black people there were working as foremen. My thought process was that if these guys in management were that good, the factory wouldn’t have been where it was at that stage. So we recruited new people and our top levels of management are now



NALEDI
INHLANGANISO

Unity Excellence Trust

70% black and 46% female. Our middle management is made up of only youth. I subscribe very strongly to youth development and female development,” he says.

More recently, Naledi has also acquired DCD Ringrollers, a division of the DCD Group, which is active in the manufacturing and fitment of solid metal tyres for trains.

“It has taken almost 25 months to complete this deal, highlighting that endurance is a critical skill for any entrepreneur. This plant is the largest in the world and the only one of its kind in Africa, while the foundry is third-largest in Southern Hemisphere,” explains Maphatiane.

For Maphatiane, the first big break came in 2013 when Naledi submitted a bid in a public tender process for the supply of cast and forged train wagon wheels to Transnet Engineering, a division of Transnet SOC. After various stages of negotiations, the bid for the manufacturing of forged wheels was awarded in September 2014 and the final supply agreement was signed at the end of March 2015.

“One of the key challenges I have faced as an entrepreneur and businessman is a lack of support in other sectors. When I was awarded the tender, it was the first time they gave a tender to a black man. It was the men at Transnet—Richard Vallihu and Thoba Majoka—who are the real heroes of the story. They were prepared to take the plunge and they took a risk with me. We now also supply Eskom with grinding media,” he says.

One of the basic operations in minerals processing is the grinding of the ore to the point where valuable minerals are liberated from the host rock. Subsequent operations then separate the desirable minerals from the gangue or waste.

The grinding balls form the major portion of the consumable costs and they can be as high as 40% to 45% of the total costs of extraction.

“For me, it’s important to play a more significant role when it comes to the issue of importing

products that can and are being manufactured here. Have a look at the private and public sectors and you will see that companies who get the big contracts still import components from overseas. While we have made a sizeable investment into the foundry to be able to manufacture grinding media, Eskom still seems to prefer imports from China. Ours are cheaper and of a good quality, so we have to stop and ask ‘why?’.

“I am here and I will prove that we can supply local components. In the next 24 months, we will be manufacturing undercarriages, bogies and wheels, so why import when there will be a local supplier, even more important, a black supplier? With more support from these entities, we could bring in a third shift and that means 50 more jobs,” he says.

Maphatiane hopes to create a company that enables the youth to be exposed to practical experiences, rather than employ people with engineering degrees to sit around the office.

“This is a factory where, if you want to be a wheel specialist, we can provide that opportunity. I believe that if these youngsters are properly introduced to all aspects, they can then go and create similar things and find new opportunities of their own. I want to have an impact on these young people, teaching them not to be dependent but independent. We don’t see that now and it’s because people are importing everything,” he says.

A man who started his career as a teacher, for him, job creation and skills development is his biggest driving force.

“I also don’t believe that everything has to be race-driven. We must work together and that is what I put across to them. I engage with both cultures and make sure they understand that it’s not black or white but discipline, respect and appreciation for each other, and I am extremely passionate about that,” he says.

Maphatiane’s father, who worked as a foreman in his youth, is also where he finds much of his inspiration. Remembering himself

as a young man, he can see his father sitting beside him, the two of them studying for their matric exams in the same year.

“The year I entered matric, my dad joined ABET to register for matric. He would sit next to me and study.

“He passed and we both registered for our degrees together. He had a sense of appreciation for the importance of education and I appreciate what he did because it gave me an advantage. When I took over the foundry, it was, therefore, important for me to break those racial structures because black people need to be given a chance to make a positive influence,” he says.

It is also critical for him to have females working in the factory, not just men, and the foundry CFO is now a black female. “I would get very emotional when I saw these young female metallurgists being treated as tea girls but now some of them have gone on to study for their MBA,” Maphatiane says proudly.

Through Naledi’s various divisions—the Foundry and Ringrollers—over 450 people enjoy permanent employment, with the possibility to create at least 40 more jobs in the near future.

“I started out as an accountant and a teacher but slowly I have moved more into the engineering space. I love the fire that comes from steel touching steel, it talks to me and it’s where I finally found my calling,” he says.

Maphatiane went from working at Vista University as a lecturer to joining the government as Head of Finance for the Department of Finance and SARS, as it was then called in 1996. The department was eventually split and he went to SARS where he quickly realised he didn’t enjoy the environment. The move did, however, trigger his business acumen and he moved into the IT space.

“Again, there was nothing unique. I knew I needed to do something that would excite me and it was only when the government started talking about development in the country that I finally found my rightful place,” he concludes. ▲

The voice for South African private practitioners

The South African Private Practitioners Forum (SAPPF) was established to protect and defend the role of the private sector in what has become an extremely hostile and volatile environment, and respond to the competing challenges facing the medical profession. Dr Chris Archer, CEO, discusses the challenges, their highlights and the importance of obstetrics

Please tell us about your background, experience and rise through the ranks.

I was born in Johannesburg but grew up and was schooled in what was then Rhodesia, now Zimbabwe. I attended the University of Cape Town (UCT) where I obtained a B.Sc. (Med) and an MBChB.

Following a stint in the Rhodesian Army and General Practice, I returned to UCT to train as an Obstetrician and Gynaecologist. I moved to Johannesburg in 1990 and have been in private practice in Johannesburg since then.

Who were some of your mentors growing up and for you, what does good leadership entail?

I studied medicine at UCT at the time when Chris Barnard performed his first heart transplant and his influence was profound on all impressionable medical students at the time. His courage to enter uncharted waters and his dedication and professionalism made a great impression. These characteristics together with a vision for the future and a desire to make a difference are, I believe, important characteristics of a leader. Reading, learning and being a lifelong student but, ultimately, understanding yourself and being your own man are also important attributes.

What are some of the challenges facing specialist private practitioners?

Being a doctor is enormously rewarding. It offers unique opportunities to any human who is attracted to it as a career, whether that career is



Dr Chris Archer, CEO

working in the public service or in private practice. Many doctors working in the private sector today are drawn to private medicine because of a desire to be their own boss. Others find themselves in the sector because of a growing dissatisfaction with the work conditions in the public service, or simply because of the government policy that prioritised primary healthcare.

Medicine, like most professions, is constantly changing and the need to continuously adjust

your sights and adapt is an ongoing challenge. Charles Handy in his book *The Second Curve—Thoughts on Reinventing Society* says that all things human follow a trajectory that resembles a Sigmoid Curve—a mathematical concept but one that is often metaphorically used in phrases such as ‘a learning curve’, or ‘being ahead of the curve’, a phrase used by many businesses when projecting the future.

Today, that future is uncertain. The state’s intention to introduce the National Health Insurance (NHI) suggests the private sector’s future role is unclear. Whether the private sector will be able to co-exist with the state in a single-payer system or be consumed in its entirety by the NHI is unknown. What is clear, however, is that if the private sector is to survive it will have to adapt—to enter a trajectory described by Handy as a Second Curve. For Second Curves to be successful, however, Handy believes they need to start before the first curve peaks. That is the challenge facing the private sector in South Africa today, we are seeking our Second Curve.

Why do some specialists need to pay enormous monthly insurance fees?

We are living in an increasingly litigious world, added to which there is an unrealistic expectation regarding the ability of modern medicine to solve all of mankind’s health challenges. Certain disciplines, such as my own of OBGYN, are amongst the most at risk. There are a number of reasons for this; chief of which is that obstetricians deal with a new life, and with all the joy and excitement and expectation

associated therewith, so when something goes wrong, not only are the parents and families understandably devastated, but there are enormous potential damages claims for loss of income and ongoing medical expenses.

How do we compare to other countries and what solutions do you propose?

Overall, we do not compare well. Our private sector is similar to that of other first world countries except for an unacceptably high caesarean section rate where we compete with Brazil in having the highest in the world, but our public sector performs very poorly in relation to our peers.

In the public sector, the training of nurses and improvements in managerial skills of public institutions need urgent attention. In the private sector, emphasis on quality rather than price through the reorganisation of solo practices into integrated care units and the introduction of performance matrices are needed urgently.

What is the biggest lesson you learnt as an obstetrician?

Man is living longer and more productively through the introduction, not of medical breakthroughs, but through the provision of cleaner air and water, together with better sanitation and nutrition. However, life's most perilous journey is the one we take through our mother's birth canal and here, the application of science and medicine has dramatically reduced the maternal and neonatal mortality and morbidity figures. When things go wrong during labour, women need urgent attention and those who insist on having their babies at home place their children's futures in jeopardy.

The modern obstetric practice conducted in a suitably equipped hospital with trained staff available to deal with all obstetric emergencies, despite its undoubted deficiencies, trumps home deliveries from a safety perspective.

What is the ethos of the SAPPF and social responsibility?

The ethos of SAPPF is simply to provide the best care possible for our patients. Our vision is the achievement of an integrated, appropriately funded, affordable quality healthcare service,

accessible to all who live in South Africa, and in which the private sector is able to co-exist in a symbiotic relationship with the state.

What is the extent of claims faced by private specialists when negligence is a factor, and are there any fraudulent claims?

Both true, negligence and fraud are, I believe, relatively small issues involving private specialists, although both exist and we are working hard to lessen the impact of both on society.

With respect to negligence, I believe that no health professional knowingly and deliberately starts his or her day with the intention of doing someone harm but as Atul Gawande points out in his book *The Checklist Manifesto: How to Get Things Right*, modern medicine is an extremely complex enterprise and has become the art of managing extreme complexity. The Ninth Edition of the World Health Organization's (WHO) International Classification of Diseases lists 13 000 different ways that the body can fail and today, clinicians have at their disposal more than 6 000 drugs and 4 000 medical and surgical procedures, each with different requirements, risks and considerations. It is as Gawande points out, a lot to get right.

Fraud is a criminal act and the law should make no exceptions just because the perpetrator is a medical professional. SAPPF is working closely with the medical schemes industry to try to stamp out these activities.

What are some of the highlights that SAPPF has enjoyed?

Since its formation in 2008, SAPPF has grown from a few dedicated individuals to one with 23 affiliated disciplines and about 3 000 members. Although our membership is largely specialist based, recent requests by general practitioner groups and The Association of Physiotherapists have been favourably considered, which will double the membership.

This growth in membership has undoubtedly followed the SAPPF success in protecting the rights of private sector professionals from unwarranted or ill-considered attempts to curtail private sector influence.

SAPPF has participated and made representations to the NDOH on NHI, the CMS on the Prescribed Minimum Benefit Review process as well as the Private Sector Health Market Inquiry (HMI). SAPPF has proposed the establishment of a South African Classification of Healthcare Interventions—which the HMI team describes as a 'really positive proposal.'

SAPPF successfully opposed an attempt by the NDOH to introduce a Certificate of Need (CON) and participated with the HPCSA in proposing an ethical tariff for the medical profession.

Why does the cost of private birth continue to rocket? Are there any solutions?

Cost drivers in obstetrics are multiple and complex but reflect the current cost of providing a quality obstetric service. Structural changes to the way in which the service is provided are being implemented although the current fee for service/solo practice model still predominates. The cost of liability insurance has been driving the cost of care in recent years and the introduction of the South African Society of Obstetricians and Gynaecologists (SASOG) BetterObs Programme and other initiatives are attempting to reduce the risk of adverse events occurring in childbirth. Experience from other countries has shown that this crisis in obstetric litigation that is driving recent cost escalations can be brought under control.

What are your views on the proposed National Health Insurance (NHI)?

My personal view is that the current model of universal healthcare being proposed by the government is, given the current economic circumstances, unaffordable, unattainable and not sustainable. However, having said that, I do believe it is imperative that South Africa moves towards a more just and accessible system than the current two-tier system. WHO believes that every country needs to find its own unique solution and South Africa is no different. The challenge should be not to implement failed doctrinaire ideologies but to marshal all our available resources to provide an accessible, affordable and sustainable quality service for all South Africans. ▲

Medshield: one of SA's leading medical schemes

For five decades, Medshield Medical Scheme has remained competitive in the marketplace by consistently providing its members with affordable benefits and accessibility to the best healthcare in the country



Setsooto Sihawu, General Manager: Marketing and Communications, discusses what the Medshield brand has come to represent, the celebration of providing 50 years of quality healthcare and future aspirations.

Medshield Medical Scheme celebrates its 50th anniversary this year. Please tell us more about how Medshield has evolved over the years and what the brand is synonymous with today? What have your members come to expect from the Scheme? Medshield was originally founded in 1968, offering a niche insurance product under the auspices of the Medical Schemes Act of 1967. In 1996, the Scheme was renamed Medshield Medical Scheme, following an amalgamation with Medicare Medical Scheme. Over the years,

Medshield has had numerous administrators and is currently a self-administered Scheme. Medshield has always remained a financially stable Scheme with a sound product offering, enforcing the stability of the brand.

Over the years, Medshield has grown into one of the leading medical schemes in South Africa because of its true brand character, which is one of resilience and overcoming challenges whilst continuing to be a dependable healthcare partner to our members. The Scheme has been paying members' claims consistently for half a century—successfully navigating challenges brought about by the strictly regulated and competitive environment while skillfully managing the rising medical costs experienced throughout the healthcare industry.

It's not surprising then that we have translated this confidence and certainty into our value proposition, Medical Paid. Our current campaign, Medical Paid, has become synonymous with Medshield, and we will continue building on this confidence for years to come.

You're celebrating 50 years by renewing your commitment to providing access to affordable, high-quality health cover to your members—tell us more about this. Why is it so important to build, market and maintain a sustainable brand, particularly in your industry?

Medshield celebrates this significant milestone by reiterating its commitment to providing access to affordable healthcare cover to its members, which is what our members have experienced over the years and continue to expect from the Scheme. As a brand, we serve various employer groups in different sectors, and individual members. Through consistent

service excellence, compassion for our members and dependability, Medshield has earned the trust of South Africans and, hence, we are one of the oldest and highly-rated medical schemes in the country.

The Medshield brand has always been rooted in strength and confidence but it is only in the last few years that the brand positioning really took shape in the industry. Ongoing brand building, advertising, the demystification of the medical aid space through consumer education campaigns, which also benefited the industry as a whole, and delivering consistent and continuous service excellence to our members have resulted in substantial growth in brand awareness and, in turn, membership.

What would you regard as some of the Scheme's most notable successes and achievements over the years and what is in store for Medshield in the next half-century?

- Medshield has literally stood the test of time through remarkable political, environmental, economic and industry changes in South Africa. This is why the Scheme is currently one of the largest and most well-established medical aid schemes in South Africa, because our members are, and always will be, at the centre of everything we do.
- The Scheme has consistently been financially sustainable, which is a crucial element of a medical scheme, and has maintained a high reserve ratio—much higher than the statutory requirement of 25%.
- We pride ourselves on receiving an AA-Global Credit rating for 11 consecutive years. This credit rating is testament to our claim-paying ability. We pay claims three times a week.

- Service excellence through defined processes—Medshield is an ISO9001:2008 accredited medical scheme and conforms to the Quality Management System standards. We continuously monitor and improve performance, provide confidence to existing and potential members and enhance member satisfaction.
- The Scheme continuously explores innovative technological solutions, which enable us to stay ahead of the curve and streamline our service to our members.
- We strive to provide members with the best possible access to top quality healthcare through our partnerships with hospital groups and medical practitioners in line with the benefits offered on each of our seven benefit options. Our partnerships afford us the ability to negotiate the best possible rates with healthcare providers to ensure our benefit options remain affordable. Our benefit options are aligned to specific healthcare and lifestyle needs.
- Our success over the past 50 years is also owed to a number of stakeholders and partners who have contributed to this journey. The Scheme has various stakeholders whose loyalty, support and trust have been unshakable over the years. We are thankful to the labour unions, the employer groups, the brokers, healthcare professionals, service providers and marketing partners for their unwavering support. Of all these stakeholders, the members of Medshield remain the most important.
- This journey and the celebration of 50 years of success would not have been possible without the resilience and dedication of the Medshield staff—our ‘shining stars’. The tenacity and commitment of the Medshield staff have been at the core of this successful journey and we are excited to face the next 50 years together.

Talking about Medshield’s future relevance and the next 50 years, the Scheme is excited about the future of healthcare funding in South Africa. The move towards universal healthcare coverage, as outlined in the National Healthcare Insurance Policy Document, seems imminent and as a member of the Board of Healthcare

Funders, Medshield will participate in inputs and the rendering of expertise with regard to how the private and public healthcare sectors can work together to achieve universal healthcare coverage. We are looking forward to making access to affordable healthcare a reality for all South Africans, which aligns with our vision of “caring about you towards a healthier nation”.

What are some of the experiences that have shaped the brand and in which ways have your members inspired the brand?

Medshield recognises the importance of brand building and how it influences market share. In recent years, our marketing strategy took a more aggressive approach in terms of increasing brand awareness. Through our strategic marketing partners, we are able to increase our reach, frequency and, ultimately, our market share.

The success of the Medshield brand was initially due to consistent delivery and providing service excellence to our members. By delivering on the healthcare needs of our members, Medshield became known as a dependable and trustworthy brand. By earning members’ trust, Medshield established its position in the industry and started a more aggressive brand-building campaign, which was a contributing factor to the current success of the Scheme.

Please could you tell us more about your career journey—what set you on your current path and ignited your passion?

I am passionate about brands, specifically the Medshield brand. My journey started years ago with my qualification as a Public Relations Practitioner. I worked for various PR and advertising agencies after completing my studies, and the first-hand exposure gained during this period sculpted a better understanding of the marketing and communications space. I held positions at various Medical Scheme Administrators and I also worked for closed medical schemes overseeing their PR and communications. I later worked for an advertising agency to broaden my exposure in the marketing space. Continuous self-development and staying on top of new research and marketing and communication trends worldwide is

a non-negotiable point for me. I have recently completed a Strategic Business Management Programme with UCT and continue to self-develop on other aspects of my career.

The development of Medshield’s marketing and communications programmes have significantly contributed towards the achievements of Medshield’s business objectives. My curiosity about what influences consumer buying decisions is what drives me. I don’t believe in luck—persistence and hard work haven’t proved me wrong yet. “I am” because of my family, I am a daughter, wife, mother and sister. When I question tough times, they remind me why I’m here. My sister proved time and again that anything is possible—it’s all about your attitude.

What does your role entail?

As the General Manager: Marketing and Communications and a member of the Executive Committee, I’m responsible for developing strategic goals aligned to the Scheme’s business objectives, specifically membership growth, and overseeing the implementation of the Board-approved strategy within the marketing and communications space. Gaining insights to understand the competitive landscape in which we operate, developing integrated marketing communication plans to influence acquisition and membership retention are also key. Additionally, the marketing and communications space at Medshield is tasked with guarding and growing our brand in the marketplace and to gain and hold consumer confidence within a defined budget.

What is your leadership style and what are the key pillars of your leadership style?

My leadership style is inspired by my values and how I was raised—to respect and treat people in the way I would like to be treated. Having said this, I would describe my leadership style as “participative and engaging”. As a leader, I offer suggestions and guidance to the team and participate in the deliberations. A key pillar of my leadership style is teamwork and trust. My team forms part of the implementation process and the more inclusive and engaged they are, the more successful we will be. I lead from the front, make the final decisions and take accountability accordingly. ▲

Epitomising academic excellence and innovativeness

Since its establishment, the University of Limpopo (UL) has strived to be a leading African university focused on the developmental needs of its communities

Through relevant and higher quality education and training, research and community engagement, and in partnership and collaboration with its stakeholders, the university aims to fulfil its mission, which is to actively respond to the developmental needs of its students, staff and communities.

“The University of Limpopo was formed by the merger (since discontinued) between the Medical University of South Africa (MEDUNSA) and the University of the North.

“The core of the University of Limpopo, therefore, remains the University of the North which was established in 1959 as the University College of the North and became known colloquially as Turfloop.

“The university offers programmes that range from short courses to certificates, diplomas and degrees that include honours, master’s and doctoral degrees. These are offered in four faculties, which are, in turn, divided into 13 schools,” says Professor Mahlo Mokgalong, the Vice-Chancellor.

He explains that the university has formed partnerships with numerous institutions, both locally, regionally and abroad. Thus, students may be offered opportunities to continue their research at those institutions.

Furthermore, as a rural university, the institution ensures its students’ participation in various cultural activities denied those at more urban universities.

“The current year is a continuation of the previous one being characterised by stability, diligence and a fervour to seek higher education. Applications to the university far exceeded the vacancies and every effort is being made to expand residential possibilities and classroom and lecture theatre sizes,” says Prof. Mokgalong of the student growth over the past year.

“Our focus remains the rural poor and we would like to accommodate as many students as possible,” he adds.

Quality education

Since its establishment, the University of Limpopo has always been renowned for providing quality education to its students. For this reason, it has attracted students from South Africa and the African continent in general (for example, Zimbabwe, Swaziland, Zambia, Mozambique, Namibia, Cameroon, Nigeria and the Democratic Republic of Congo).

“University of Limpopo graduates presently occupy essential positions in the country as officials in various local, provincial and national departments and institutions in the country.

In addition, UL graduates are absorbed by the higher education sector in South Africa as academics, administrators and managers at other universities. The judiciary also benefits from UL law graduates in that some of them ultimately become prominent lawyers, magistrates and judges,” Prof. Mokgalong says.

Recently, some employment agencies have been head-hunting academics who possess UL

qualifications for senior management positions in the country, Prof. Makgalong says proudly.

“One may mention positions such as Heads of Department, Directors of School, Deans of Faculty, to mention but a few. At the lower level, UL students who register for programmes at other universities generally do well and even surpass their peers who have been at such universities from the beginning. All this demonstrates the high quality of education that UL offers to its students,” he enthuses.

At all times, the university endeavours to produce both well-rounded and well-grounded students whose expertise in their respective fields would be beneficial to their communities and humanity at large.

“UL considers it extremely important that all academics who are responsible for their respective programmes are suitably qualified and have sufficient experience and teaching competence as required by the Higher Education Quality Committee. Thus, UL has recruited a large number of academics who possess a doctoral qualification; it has simultaneously supported a significant number of young academics to register for and acquire their doctoral degrees,” Prof. Mokgalong says, adding that the university’s programmes are duly accredited by the relevant bodies and structures in accordance with the Council on Higher Education’s criteria and requirements.

“In other words, all programmes that UL provides need to be of a high quality and are offered using apt and modern technologies to



Professor Mahlo Mokgalong, the Vice-Chancellor.

allow students to exit with sufficient knowledge, skill, competencies and values,” he says.

The challenge facing education

According to Prof. Mokgalong, the biggest challenge facing higher education, or education in general, is funding and rapidly rising costs.

“Billions upon billions are spent recklessly on major projects, e.g. armaments or nuclear energy, whilst the fundamental concern should be funding education in all its forms: pre-school, school, post-school, and higher education.

“Tied to this is the challenge of technology outpacing the capability of higher education to keep up with advances. To a degree, too, society and industry are starting to challenge the very notion of formal degrees and certificates,” he says.

Prof. Mokgalong explains that the university, based on its origins, its mission, its vision and its values, is pre-eminently concerned with the education of the rural poor.

It is committed to allowing access to higher education by the vast majority of our country who have previously been denied such access based on the vagaries of history and skin colour.

Thus, of the Fees Must Fall Movement, he says, “To put it succinctly, the university supports fee-free higher education for those who qualify, based on merit. It follows, therefore, that the university is supportive of the Fees Must Fall movement. And, historically, it supports student protest. Society will always benefit from a larger base of university graduates and society will make greater progress if protests are a democratic right.”

Empowering female students

The university wholeheartedly believes in empowering female students and promoting the value of education amongst women.

“We have an organisation called the University of Limpopo Women’s Academic Solidarity Association (ULWASA), which is geared towards female postgraduate students and staff members. Through this organisation, which has been running for 10 years already,

female staff and postgraduate students have been empowered with research skills, which enables them to publish and write dissertations or theses. The university has an nGAP position in gender studies. The intention is to start a gender studies programme at the institution,” says Prof. Mokgalong.

He explains that female students have had equal access to the university’s programmes. “The encouraging aspect of our enrolment statistics is that female enrolments have been steadily increasing over the recent years. This, itself, points to the value that female students

energy storage industry. The newly-established Cathode Materials team will work closely with the Materials Modelling Centre at the Faculty of Science and Agriculture under the leadership of Prof. P.E. Ngoepe,” he says.

The Vice-Chancellor

Mahlo Mokgalong was born in Ga Masemola in the Limpopo Province and attended the well-known Hwiti High School. Later, he enrolled at the University of the North, now the University of Limpopo. He also attended the Commonwealth Institute of Parasitology

“The encouraging aspect of our enrolment statistics is that female enrolments have been steadily increasing over the recent years. This, itself, points to the value that female students place on education.”

place on education, generally, and at our university, specifically,” he enthuses.

At the level of education access, female students are able to compete with their male counterparts and succeed.

“As an institution, we are doing extremely well in terms of educating women, with an annual increase in female enrolments. Across the country, the government has a 50/50 male-to-female policy, which is successful. However, the reality is that there are small numbers of females in management positions at the university; this is slowly increasing,” Prof. Mokgalong explains.

An exciting partnership

Last year, Science and Technology Minister, Naledi Pandor, launched the Lithium Ion Battery precursor pilot plant facility, set up in partnership with the University of Limpopo.

Prof. Mokgalong explains that this project transferred skills into the university with the objective to develop and commercialise cathode materials for lithium-ion batteries in South Africa.

“The project was initiated by the Department of Science and Technology that also provides funding. It is an excellent opportunity to establish and expand skills at the university and to position ourselves in the fast-evolving

in the United Kingdom. His studies enabled him to earn a BSc in Biological Science, a BSc (Hons) in Zoology, an MSc in Limnology and a PhD in Parasitology.

His research enabled him to travel to destinations such as the UK, USA, Finland, Mauritius, Belgium, Czech Republic, China, Thailand, Hong Kong, China, Taiwan, Singapore, France and Italy.

He has published a number of scientific articles and technical reports and, over and above being a member of professional societies, he has served and still serves, on a number of committees and boards.

“My career at the University of Limpopo made it possible for me to apply myself to the demands of academic life, balancing the rigours of lecturing with those of service to the university community.

“I steadily climbed through the ranks, from Junior Lecturer to my appointment as the Executive Dean of the Faculty of Sciences, Health and Agriculture. I was then appointed Acting Vice-Chancellor and Principal from 1 January 2003 until December 2004. In January 2005, I was appointed the Interim Vice-Chancellor of the University of Limpopo, after which I was appointed substantively as the Vice-Chancellor and Principal of the University of Limpopo.

“I was re-appointed to this office by the Council of the University for a further term, an appointment which has since been renewed,” he says.

“My job entails occupying the ultimate role of responsibility and accountability. I am the CEO and the Chief Accounting Officer with all the duties to which the incumbent of the office subscribes.

“Amongst them are: providing academic and strategic leadership to the institution; representing the institution in all negotiations with the government, business and industry; chairing committees; liaising with stakeholders; chairing Senate; representing the University at Council; delegating duties to appropriately qualified staff. The list is endless—literally,” Prof. Mokgalong muses.

In terms of how he maintains his passion for his vocation, he credits being surrounded by his caring family, understanding friends and, importantly, supportive staff.

“Without this combination, the stresses of the job would have forced me to reconsider my involvement in the sector,” he says.

With regard to leadership, Prof. Mokgalong says that what his personal and career-related experiences have taught him is that above all, a leader takes responsibility. This means setting priorities and objectives—and acting on these priorities.

“Planning is a fundamental aspect of leading an organisation. Planning means approaching a task circumspectly and wisely. A lack of planning, on the other hand, leads to uncertainty and indecision and wasteful and fruitless expenditure.

“A leader knows the value of communication. As much as the leader wishes to convey his instructions and ideas to his staff, he should also be receptive to the messages conveyed to him by them. A leader also communicates to his own superiors, be they the board, the council, the chairperson.

“A leader should be skilled in identifying talent and delegating authority. This means understanding that not all people have equal talents.

“A leader is not someone who indulges in cheap emotions. Instead, he knows how to manage them: sadness, joy, fear and anger. There is no such thing as egotism in a leadership position.

“A leader knows the boundaries between his career and his family, his friends. A leader, profoundly, knows himself,” he concludes. ▲

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The leading women of Kellogg's

Kellogg's commitment to diversity can be traced back to its founder, W.K. Kellogg, who was a pioneer in employing women in the workplace and reaching across cultural boundaries

Today, the company continues his legacy more than 100 years later by making diversity and inclusion one of its priorities. Over the years, Kellogg's has been recognised and awarded for their commitment to diversity and inclusion. The company is working tirelessly towards

achieving its gender equality targets around recruitment, retention and the promotion of women. The global aspiration is to be 50:50 women/men in leadership roles by 2020.

These are some of the company's dynamic women in leadership positions.



*Zandile Mposelwa – Marketing Manager
Rest of Africa and Emerging Markets/ Head
Of Women of Kellogg SSA (WOK)*

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

I am responsible for developing and driving the Kellogg's Marketing strategy in these markets and segments. The intent is to drive category development and the preference of the Kellogg's brands. Even though each country

has different dynamics, all moms, despite their circumstances and background, want to give their families the best nutritious meals. The fact that Africa is at an emergent stage, being part of the team that leads how we engage with consumers to drive preference of our range is a big motivation.

WOK is Kellogg's largest Employee Resource Group—what are your thoughts on how this group adds value to the company and what is its agenda?

Leading WOK a privilege because I am passionate about enabling women to be their best, I know for sure that when they are at their best, they will pay it forward through empowering other women.

It is encouraging to be working for an organisation that has a clear commitment to women's empowerment. This is evident by the commitment made by our MD, Gerald Mahinda, towards a 50:50 gender parity by 2020 and by continuing to facilitate the promotion of women to senior roles in the organisation.

In which ways does Kellogg's enable women in the workplace?

We have WOK-led initiatives, both regionally and locally.

One is, WOKMatch, an Asia Pacific region mentorship initiative that matches women with mentors who are senior managers focusing on

supporting the women both personally and professionally.

Another is Unconscious Bias training to enable gender sensitisation in the workplace. We also participate in internationally recognised events, for example, International Women's Day with a 2018 theme of #leavenowomanbehind.



*Xolile Mbatha – Research, Nutrition and
Technology Director*

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

I am the Research, Nutrition and Technology Director at Kellogg. I work with a team that develops the business strategy, which informs innovation plans based on consumer needs, technology and business requirements. Planning, prioritising and delegating helps me to conduct my duties effectively.

There is often a lot going on at the same time and, therefore, prioritisation is important. Having a clear plan and being able to clearly articulate the end objective also helps when delegating some duties.

What are some of the unique challenges you have faced as a woman in a position of leadership?

I am in a male-dominated environment. That alone is a challenge.

I was raised in a society where males were dominant, they made the rules and, therefore, it is not easy to unlearn what had been instilled

“As a female leader, I realise that there are upcoming women who look up to me”

for such a long time. Although the team I work with does not have gender issues, my background still has an impact on how I conduct myself within the team. I am by no means a pushover, however, I am on a continuous journey of becoming a better leader as a woman.

I am fortunate to be mentored by strong women leaders within Kellogg, Theo Morille-Hinds (VP Global Quality) and Yukari Inoue (MD Japan), who motivate, guide and challenge my thinking and ways of working as a woman leader in South Africa.

How do you leverage on your role as a female leader at Kellogg’s and outside to impact and influence other women to aspire to more?

As a female leader, I realise that there are upcoming women who look up to me. I often

engage in conversations with these women about how they ought to conduct themselves and how they could improve their ways of working, engagement and becoming more visible in the business.

I believe that hard work pays off and that if you put in the effort, the results become evident. I am not in my role because I am a female. I am in my role because I am capable. This is what I encourage in the up-coming women, that capability surpasses gender.



Vani Marik – General Manager, Kellogg Tolaram Nigeria

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

I am responsible for growing our cereals and snacks business in Nigeria. Both cereals and packaged snacks are quite nascent in Nigeria, hence, the opportunity is very exciting. A clear vision and a strong team are two of the most critical factors for the success of any venture. We work with an ‘ownership mentality’, which means all our decisions are driven by the thought, “What’s the best for business in the long term?”

This also means empowering and entrusting the teams with greater responsibility and standing by them through all the phases. What motivates me is the value we create, in food and in jobs.

What are some of the biggest challenges you, as a woman in a position of leadership, have faced within the corporate landscape?

I have been lucky to have been working (in my current role) in an organisation, which does not differentiate based on gender. I have not faced a glass ceiling, so to speak. However, as a leader, the challenges I have faced are more in terms of women who are willing to take a step back from their careers to take up marital responsibilities.

We need to make workplaces more suitable for women with children so that they don’t drop out of the workforce. Many of them are forced

“I have not faced a glass ceiling, so to speak”

to make that choice in the absence of good child care. Making working hours flexible is one way of encouraging more women to participate in the workforce.

How do you leverage on your role as the female leader at Kellogg Tolaram Nigeria and outside to impact and influence other women to aspire to more?

Women face many different challenges compared to men, to stay in the workforce, let alone climb up the ladder.

There are two levels at which organisations need to make an effort:

1. Involving more women in the workforce: as we know, many women, while juggling marriage, children and work, drop out of the workforce due to a lack of support. They should not be making that choice. We need a deep societal change, wherein the family responsibility does not solely lie with women. Our policies should support childcare leave, equally for both men and women, for example. We also need to understand no one can have it all, in perfect balance.
2. Grooming women for leadership roles: identify women with potential and spend time grooming them for the next role. Prepare them for the challenges and equip them aptly to handle those.



Tsholofelo Ngobeni – Plant Manager

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

I am responsible for the end-to-end operations management of our production facility. We ensure that the food produced nourishes our consumers and that its produced in an environment that is safe for our people. I lead an operation of approximately 150 people.

My passion for the Kellogg's brands and the fact that my personal values are aligned with the Kellogg's values makes all the challenges worthwhile.

What are some of the unique challenges you have faced as a woman in a position of leadership?

Transformation in manufacturing is not happening fast enough. More should be done by providing an enabling environment for females and black females. Corporates need to realise that the nurturing ability of women enables better-connected environments.

As a mom, I have found having a solid support structure enables me to manage challenges but I am blessed to have a husband and family who are very supportive and encourage me to do what I love.

How do you leverage on your role as a female leader at Kellogg's and outside to impact and influence other women to aspire to more?

I formally and informally mentor women at Kellogg as well as outside Kellogg's. I am

conscious that my appointment in this role paves the way for others to see that breaking through stereotypes is possible.



Rithika Baruah – General Manager, Kellogg Tolaram South Africa

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

I am a General Manager for Kellogg Tolaram South Africa (Pty) Ltd., a joint-venture company between the Kellogg Company and Tolaram Group leading operations in South Africa. I lead the overall commercial, operational and financial strategy and execution for the company.

Being able to bring a group of people together to work passionately towards a common goal for the consumer and company motivates me. Working with cross-functional, multicultural and multinational teams gives me the luxury of interacting with interesting and talented colleagues, which makes every day a learning experience.

What was your experience like when working towards achieving your position of leadership?

I still remember my first day in the field during my Unilever internship. We were inside a consumer household to gather insights on ready-to-eat food trends in Indian kitchens. The curiosity I had back then is the same curiosity I have today when we visit a consumer's home or launch a new product or start up a production

facility. My experience has taught me that there is no shortcut to hard work.

How do you leverage on your role as a female leader at Kellogg's and outside to impact and influence other women to aspire to more?

Personally, I believe leading by example has a greater influence than any other way. I always try to walk the talk and try to remain open and approachable to the younger people at my organisation, especially women, so that they can discuss personal and professional challenges openly and seek solutions to them and I can support and coach them in whatever way I can. Trust, a listening ear and genuine respect can go a long way towards impacting people's lives and careers positively.



Gwynyth Mchiela – Regional Sales Manager Sub-Equatorial Africa

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

The scope of my role involves looking after seven countries within this region and ensuring the business growth and development of the Kellogg's products.

I make sure there is a smooth and effective process to ensure the availability of our products through effective and efficient distribution and availability in the market. I deal with various customers across the region, I make sure their needs are met and, ultimately, knowing there

is availability and visibility of our product on all outlet shelves for consumers to access is the biggest motivation.

What were some of the most important lessons you have learnt along your journey?

Being humble, eager and willing to learn is very important. Humble beginnings and patience are important in every journey. Also, working in the FMCG industry teaches one to be aware that customers are very important in every business—being of excellent service to them is an absolute necessity for success.

What does good leadership mean to you and how would you describe your leadership style?

Good leadership for me is being able to create a vision for those whom you lead and “allowing” them to fully participate and contribute towards the achievement/delivery of that vision. Of course, as a leader, one is responsible and accountable for the necessary checks and balances along the way. I am a team player, so my leadership style is one that encourages teamwork



Grace Kimani – Regional Sales Manager East Africa

What is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

I am responsible for delivering business results and driving Kellogg’s growth in the region by working closely with the in-market distributors

and internal stakeholders. The role covers Kenya, Ethiopia, Tanzania, Uganda and Rwanda. The East Africa business is still small but there are immense opportunities to grow and I’m motivated by the fact that I have the freedom to put together the best plans and try out new ways of doing things to help take advantage of these opportunities.

In which ways does Kellogg’s encourage and facilitate the appointment of women in leadership positions?

At Kellogg’s, it all starts with the recruitment process, where women are given as much of a chance as men to apply for the existing leadership roles. In addition, the leadership team exposes women leaders to all the available career and leadership programmes to prepare them for the various leadership positions.

How do you leverage on your role as a female leader at Kellogg’s and outside to impact and influence other women to aspire to more?

I believe in mentoring and coaching fellow women, especially the ones who are starting out in their careers, and I do this as much as I can. I want the women to feel that they can count on me as a leader and I want to be someone they can bounce their ideas off for open, candid feedback.



Dana Smith – Head of Traditional Trade and Emerging Markets

Please tell us more about your position—what is the scope of your role, how are you able to effectively carry out your duties and what motivates you on a daily basis?

My role covers various channel’s where sales are predominately driven by higher shopper frequency or bulk purchase, where convenience, price, distribution and availability of our product is critical. The size of the opportunity

“I believe that women in African countries are better positioned”

and the challenge in dealing with the formal and informal sectors, the people and the diversity, the pace and the passion are all daily motivators for me.

My inspiration comes from leading a team who have a winning mindset, great customer relationships and the ability to define opportunities in the face of challenges.

In which ways are women on the African continent better positioned than women internationally in terms of the strides made towards accepting women in positions of leadership?

I believe that women in African countries are better positioned. A while ago, I read in a McKinsey & Company’s annual Women Matter report that in the private sector, “the African continent had the second highest representation of women in senior management positions”, which is quite inspiring. We at Kellogg’s have aspirations to inspire and enable women of Kellogg to feel fulfilled and have formalised targets to enable this.

What is your leadership style?

Enthusiasm, passion, energy, eagerness and a positive attitude always result in high motivation and these qualities are contagious—this is at the core of how I choose to lead. I promote the value that my sales team add and set high standards of excellence. It has always worked for me and I am honoured to work with a great team comprised of diverse individuals who not only learn from me but who I learn from daily. I am action-orientated and lead by example, and I believe this helps us to achieve great results. ▲

A history of excellence in education

The University of the Western Cape (UWC) is a national university, which is alert to its African and international context as it strives to be an institution of quality

Rector and Vice-Chancellor, Doctor Tyrone Pretorius, discusses the challenges the education sector faces, recognising the demands of the Fourth Industrial Revolution and their dedication to community engagement.

Please could you take us through the journey of the university's proud history and establishment and tell us what its vision and mission are?

UWC was designed by the Apartheid government as a college for coloured people with the intention of educating a class of teachers and civil servants. The university opened in 1960 with 160 students. For the first decade, it was run by white administrators and was, essentially, a college of Unisa. This is what we were supposed to be, but it turned out very differently. Once Prof. Richard van der Ross became the first black rector of UWC in 1975, things went the other way for many reasons. Most importantly, perhaps, were the 1976 student protests that lit the defiance of young people across South Africa. UWC was very much a part of that and would remain a site of struggle until Apartheid ended. This was very evident when Prof. Jakes Gerwel became the Rector and Archbishop Desmond Tutu became the Chancellor. It was under Prof. Gerwel that UWC truly became a non-racial institution and insisted that it would accept academically deserving students from disadvantaged communities, irrespective of race.

What are the values that the university is built upon and what are its strategic objectives? Why would you encourage students to study at UWC?



Rector Prof. Tyrone Pretorius

I think UWC is the embodiment of “one’s origin does not define your destiny”. If you look at UWC’s history and where it started, it would be difficult to imagine where we find ourselves today. We are one of the leading research-intensive universities in South Africa and on the continent, and we have world-class researchers on our staff. We are a university that is alive to the needs of the society of which we are part of and we are proud that we have always provided affordable access to a quality education to a very diverse student population. When you take a closer look at UWC, you will find a university that has travelled a very long

way in terms of the quality of the education we offer, the programmes we have invested in and the excellent research facilities we have. And while we have strengthened our academic offerings, there are some things that should never change about UWC—particularly our role as a catalyst in changing the lives of young people, irrespective of their background. Here, I’d like to tell you about our involvement in the Square Kilometre Array (SKA) project in the Karoo. We have internationally renowned scientists on our staff working as part of the SKA team, but they are ensuring that a new generation of scientists and researchers are being trained. And, earlier this year, one of our young talented black scientists, who grew up in rural Eastern Cape, was a co-author on the first research paper to emerge from the first phase of the SKA project. Before he arrived at UWC, he had done one science experiment at school. Now, the universe is his laboratory.

UWC is offering its first 100% Online Management Development Programmes. Please tell us more about these programmes and why, in the advent of the Fourth Industrial Revolution, this was a very important step?

It would be foolhardy not to recognise the demands of the Fourth Industrial Revolution in our future strategic growth. We are already living in the digital age and it is our responsibility, as a research-led institution, to prepare our students for entering a world of work that is changing rapidly as a result of technological advances. The online programme will initially focus on business courses and is strategically aimed at those who need a flexible learning environment.



UNIVERSITY of the
WESTERN CAPE

We've always been committed to lifelong learning and providing courses online is an area where we know we can offer valuable programmes to people wanting to improve their skills but who have time constraints or are not in close proximity to a university.

But the Fourth Industrial Revolution goes far beyond the provision of online programmes. Educational institutions in the 21st century, in order to remain relevant to their students and professional needs, can't afford to ignore the impact and pervasiveness of digital technology.

In 2017, we launched a postgraduate Data Science programme and we will soon be rolling out postgraduate courses in e-logistics and virtual reality as part of our overall focus.

What are some of the biggest challenges universities/the South African education sector, in general, faces?

The education sector is often portrayed as a pyramid where tertiary education is the tip to which many learners aspire. The image of the pyramid is, in a way, symbolic of the reality of education in South Africa when you realise that less than half of the learners who start school will exit the system with a matric pass.

Of that reduced group of learners, only a small percentage will pass matric with a bachelor's exemption. Worse still, many of that last group will never go to university because they don't meet the minimum acceptance criteria for most programmes. We also know that most of the learners exiting school early or passing with lower grades come from poorer families. Unless we can rebuild the school system, universities won't be able to support South Africa's developmental needs. The inequality will just keep growing.

It is well-known that the funding of the South African higher education sector is challenging and that state funding in the form of subsidies to universities, has not kept pace with the rising costs of offering tertiary education. This has led to universities shifting the burden to students

by increasing student fees at rates higher than inflation for many years. The recent student unrests showed that the cost of tertiary education negatively impacts on equitable access and that there is a dire need for the expanded support for students from poorer households.

The unexpected announcement by former President Zuma last December, that the threshold for access to government funding through the National Student Financial Aid Scheme (NSFAS) has been increased is a step in the right direction, but the future financial implications for higher education are not clear.

How does UWC, as a formerly historically disadvantaged institution (HDI), rank in the higher education sector?

It would be naïve to deny the impact of history on our university, but UWC took a conscious decision in the early 2000s to not be trapped in the frame of being an HDI. It was felt that holding on to the notion of being an HDI would trap UWC's future anachronistically in its past. It was recognised that chasing after proven successes and past glories would take us into the future by focusing on a metaphorical rear-view mirror. It is impossible to portray UWC's academic achievements and the breadth and depth of its research activities adequately here. What I can say is that all seven of our faculties have areas that they excel in.

Do you believe that universities should be engaged with the communities around them?

This is an area that UWC remains deeply committed to. Our sense of community has shifted over the years because boundaries are forever changing or disappearing. It is impossible to stand apart from the society in which you are located and the idea of a university as the "ivory tower" is a very old-fashioned one. Every one of our seven faculties has community projects—from our Dentistry Faculty that sees to over 120 000 patients each year at its two primary sites at Tygerberg Hospital and in Mitchells

Plain to our Education Faculty that actively intervenes in three provinces in the teaching of maths and science teachers.

Please could you take us through your educational and career journey? What set you on your current path and what inspires and motivates you on a daily basis?

Like many people, I wish I could say that my career journey was a carefully planned and managed process. The reality is different but no less rewarding. You could say that I am an accidental academic. I arrived at UWC after being unemployed for a few years. I had realised that I needed further education to find direction and a career that had meaning. Initially, I had my sights set on becoming a teacher, but during the vacation after my final examination for a BA degree, I bumped into a psychology lecturer who suggested that my results were so good, I should speak to the Head of Department about an academic position in psychology. That's how my academic journey started and it led to successive academic leadership positions as Dean, Deputy Vice-Chancellor at several universities and eventually back to UWC as Vice-Chancellor in 2015. UWC gave me a meaningful start in my professional life and I find it immensely rewarding being able to continue to do so for other young people.

What does good, effective leadership mean to you and how do you demonstrate these qualities?

There are no recipes for leadership even though leadership gurus have made billions out of telling us there is. There is not a cookie-cutter leadership style that suits every organisation. Leadership is situational, context-driven and must have a certain flexibility. My belief is in a collective leadership style that is not defined by "position" and that while I am goal-driven, I am able to mobilise and energise others to be motivated by goal attainment. ▲

Being mediocre is not an option

Professional music artist, Lady Zamar, is a talented writer and singer with a long list of achievements, aspirations and wisdom



Best-known for her hit song *Mamelodi*, produced with her then music partner, DJ Junior Taurus, in 2015 before going solo, Lady Zamar is quickly rising among the more popular stars as a soulful vocalist.

Releasing the duo album, *Cotton Candy*, with DJ Junior Taurus was said to be her big break into the entertainment industry when it was nominated for two awards. Since then, she made more headlines when collaborating with Prince Kaybee on the hit song *Charlotte*, with Lulo Café on *Dark Shadows*, and on her own with the 14-track solo album, *King Zamar*.

Although thankful for everything she learnt about music from Junior Taurus, their five-year experience together taught her to really celebrate and acknowledge where she, herself as a musician came from—the past.

Growing up in Pretoria West, Yamikani Janet Banda (Lady Zamar is a pseudonym) and her three siblings were raised by a single mother who instilled in her the promise of sweet fruits that can only come from hard labour. “All four of us were into music and by the time I started my music career, I already wrote over 300 songs—my drive was fueled by my mom,” she says.

Her mother used to tell them, “This is my money, I work hard for it. You can use it now but you need to make your own.” She taught them to survive within an environment where everything was set up against women, advising: “Don’t ever rely on anyone else to bring you riches. Do it yourself.”

This pushed Yamikani to be firm in business dealings but remain balanced within a family life. “I’m very well groomed to handle a career and still have time for family,” she says. Although not currently married or in a relationship, family means her mom, siblings and business team.

In 2007, her mother was already divorced from her Zambian-born father, during which time they lived in Mamelodi. In the two-year period living there, the family was confronted with a brutal attempted house break-in, the perpetrators threatening them with guns. The trauma of that incident and the confusion that a multicultural household brought still linger today.

But every music artist knows how adversity, pain and soul-searching can ignite creativity

in song, and Yamikani is no different. She still battles daily with anger and emotion, which, thankfully, get channelled into her songs and poetry.

“As humans, we’re all pent up with anger, Toni Braxton sings about it all the time. We’re all hurting, whether it may be by the hand of family, circumstances or relationships, we all struggle with forgiveness and reconciliation.

“I focus on expressing love in my music because it’s a powerful message for everyone. And the fans love it. For how can you know joy without pain? How can you know love for humanity without experiencing hate at some point?” she philosophises.

Yamikani graduated with BA in literature but poetry and music became more of a reality. “Music is time-sensitive,” she explains. “You have to live out your creativity as it arises in the moment—it’s happening now and can’t be pushed aside for something like a Master’s degree that can be obtained later.”

Music is a powerful channel for the written word and through her songs, Lady Zamar can make a bigger difference, maybe even larger than with literature. “Someday, when I’m in Vancouver somewhere, I want to teach what I’ve learnt, transferring my skills in the way I mastered it, instead of merely teaching from a textbook. That will be my legacy,” she says.

For Lady Zamar, legacy encapsulates being one of South Africa’s greatest poets and changing the history of the country’s music and literature. “The world needs to associate South Africa’s music with our heritage, our culture and that we are all part of this society, going beyond just what we see and hear, going beyond politics and conflict. Our stories need to touch people’s emotions and hearts,” she says.

Lady Zamar's legacy is already in its making: her latest solo album, *King Zamar*, was released in March 2017 and that November, she launched the deluxe version of the original album with four additional songs. The title, *King Zamar*, is a play on the meaning of her birth and stage names and demands authority, showing that now, in her own kingdom, she rules, she leads.

She writes her own songs, directs and produces them, although there is a team of twenty people who support her decisions and visions. "If there's one thing I learnt from working with artists like Prince Kaybee (with the song *Charlotte*) and Zodwa (sharing a stage performance), it's to listen to my own instincts," she explains.

But doing so also comes with a price, which can be good or bad. Thus, she learnt never to make any hasty decisions and to really think things through with regard to how it will affect her future, family, public image and reputation.

Even though Lady Zamar raised some eyebrows with her stage appearance during the 2018 Miss South Africa Pageant with a daring outfit—and had previously been attacked publicly for manipulating her voice, or sounding too American—she's everything but derailed and her reputation has hardly been tainted. If anything, it just enhances who she is with louder clarity.

In Hebrew, Lady Zamar means 'praising God in music', which is closely related to the meaning of her birth name Yamikani, which means 'praise'. However, it's her inborn grace and elegant style that really steals the show and elicits praise every time she walks on stage.

"And yes, I will never be a model, nor do I want to be a beauty queen. But I am Lady Zamar. I am an artist and I have a responsibility to bring to the world a notion of inner-acceptance and love.

"There are many people who go through far worse than me. But in a world of negativity and hate, we all have a responsibility to bring forth something of value to ease the suffering that all this negativity brings. The challenge is always to find the realness in it and although pain is experienced differently with various perspectives, we still need to find the joy and the love," she says.

For her, the joy comes with winning the awards, which she consciously decided to do so since the age of 16—she just didn't know when and how. She won Song of the Year at the DStv Mzansi Viewers Choice Awards for the hit track, *Charlotte*, and the Smirnoff Best

Female Vocalist of the Year Award at the Best SA Musical Awards - Best Dance Of The Year award, which was the first time in 13 years that a woman won it.

"This is a big thing for me, not for my ego, but to show the world I can do it, that anyone can do it," she says. Winning these awards drives her to work even harder and to make music that will transform worlds.

Her next album will debut in 2019. There's no collaborating with other artists this time, it's pure Lady Zamar. "Music excites me. When I sing, the world dissolves, I live only in that moment of creation and I derive immense satisfaction from seeing my visions appearing exactly as I envisioned it," she explains.

However, sometimes a vision can only come alive within a book. Yamikani just completed her first anthology, *Dancing With Katrina*, and is in the process of writing another three-part novel series.

Her future is long and promising. "I absolutely believe in the power of knowing and synchronising. I now know what I want and where I want to go. I make the final decisions only after collaborating with my team councilors to ensure all is aligned, and then I do it.

"And so I will rise, as I can never let my mother down. I can never be mediocre because she's not mediocre," she concludes. ▲



Photo: Oxana Nacu

Confidence in femininity without making it an issue

Lady Zamar uses her responsibility as a leading musician to teach the women of today to have confidence in their femininity without making it an issue.

"A lot of young women today struggle with femininity (not sexuality). Sadly, I notice a carelessness in their attitudes and behaviour. Femininity should be used as a tool, to feel confident as a woman. It breaks my heart to see how aggressive some women become against their own nurturing nature, against all the things that make them a woman.

"As older women, we can start teaching the younger generation that it's okay to be graceful and respectful and that no one can take away your beauty and self-respect. And no one should make you have to be aggressive to fight for who you are. Don't ever let yourself down," she says.

About *Dancing With Katrina*

It's an anthology of Yamikani's two-year journey to becoming a woman. The book is divided into four sections; sexual, spiritual, social and mental. It's about taking inspiration and lessons from the Hurricane Katrina that devastated US shores. "It's about self-reflecting and acknowledging what governs us. Hurricane Katrina didn't know what destruction she left in her wake. She was like a ballerina, minding her own business, totally unaware of the effect of her actions—similar to us humans, who don't always realise the consequence of our deeds," she says.

Bringing psychology, maths and science into business development

Swift Coaching is an international organisational development company, which has been incorporating the methodologies of business coaching, neuroscience coaching, profiling and practical corporate experience since 1990, enabling them to create bespoke and outcomes-based business development coaching courses, which are focused on enriching the corporate bottom line



Tanya Kunze, the CEO of Swift Coaching, is a highly sought-after keynote speaker specialising in the fields of sales, consciousness and leadership development. She is one of the leading speakers on neuroscience-based business development and was noticed on an international platform and elected as a LinkedIn Goodwill Ambassador in 2017. Kunze is a COMENSA registered professional business and neuroscience coach. Using her extensive local and international experience, Kunze has developed bespoke course material designed to enhance both the corporate

infrastructure and the individuals therein. Kunze is a professional speaker, facilitator, published author and the former Anchor of 'Healthy Business', which was flighted on DStv (CNBC Africa). She is also part of the coaching infrastructure at GIBS BizSchool.

With over 28 years of international experience in sales, marketing and strategy, Kunze brings an aspect to sales that is completely unique. She classifies herself as an 'innovator backed by neuroscience' and she is making an impact. By far, the most exciting and ground-breaking innovation to date that Kunze is bringing to the market, which has been her focus and life purpose since 2011, is to professionalise sales through accreditation. She is proud to announce that Swift Training Professionals, a sister company, is about to launch the first NQF Level 5, 2-year National Diploma in Sales. For the first time in South African history, school leavers, entrepreneurs and sales executives can join the professionals by wielding a sales diploma.

"Our sales diploma will be available through our sister company, Swift Training Professionals, and will be called 'Neuroscience of Sales'," says Kunze.

This completely revolutionises the sales profession as we know it, as it will structure and formalise the foundational sales essentials as well as salary banding, it will regulate within an unregulated environment and provide immeasurable opportunities for sales executives as well as companies throughout South Africa.

"For the first time, a school-leaver will be able to choose sales as an option to obtain a diploma. Would you even consider going into a surgical procedure with someone who claimed to have a natural gift for surgery, or be represented by an attorney who claimed only to have the gift of the gab? Yet, sales professionals have had to figure it out for themselves and Swift Coaching applauds the tenacity of salespeople, who have had no choice but to go out there and learn all the nuances of sales without an accredited course illuminating their way," Kunze says.

There is so much to learn about the psychology, science and mathematics of sales, and their passion is to bring this wealth of knowledge to South Africa's sales community.

Entrepreneurs will also be positively impacted by the accredited sales course, as one of the main reasons why entrepreneurs fail is the fact that they cannot sell. The one thing they can guarantee is that their funding will run out, but if they are taught to sell, they will be in a position to generate sustainable income.

Harnessing the power of selling has a potentially paramount impact on our economy if implemented correctly. Kunze is also the Associate Director of Sales Match, a UK-based company founded by Phil Hagen, which she brought to the South African market.

She highlights that, astoundingly, there are 48 types of sales profiles, all opening, selling and closing in their own unique way. There are no one-size-fits-all training methodologies within the Swift Coaching infrastructure, as each profile

is considered a powerfully unique individual and their skills are enhanced and developed as such.

Kunze states emphatically that everyone can sell—if you have a job, you sold yourself in an interview, if you have a friend, you sold your personality. She smiles as she says, “If you are married, you closed a deal.”

Swift Coaching has profiled and coached thousands of people, proving that anyone can sell, they simply need to understand their sales strengths and how to apply the science and psychology underpinning them, in conjunction with definitive sales principles, to achieve their full potential

How it's done

Swift Coaching achieves this by initially following their tried-and-tested methodology of profiling, analysing and discussing the proposed solution to the identified areas of development and then implementing either an outcomes- or educational-based workshop, training process, consulting contract or group/individual coaching journey.

The business development coaching is focused on all levels of employees, from EXCO, GSuite and management to entry-level employees, with one goal in mind: to increase job satisfaction and the bottom line of the company they are dealing with.

The ‘Neuroscience of Sales’ Course includes: (Offered as a coaching course through Swift Coaching)

- Personal profiling: understanding your unique profile and your areas of strength
- Customer profiling: how to identify the profiles of your customers to enhance sales conversion
- The psychology of sales: how to open, present, communicate, tell stories, sell, close and service your customers optimally based on your profile strengths
- The mathematics of sales: taking the guesswork out of sales with our close ratio formulas

Outcomes:

- The harnessing of sales skills, using the fundamentals of sales, based on your core competencies
- Being able to identify the profile of your customers and how best to sell to them

- Understanding and implementing close ratios
- Increasing productivity, overcoming communication barriers, achieving measurable goals and shifting presenteeism into motivation

The ‘Power Of Positivity’ workshop includes: (Half- or full-day workshops. For all employees)

- The science underpinning consciousness: a motivational journey starting 450 million years ago, rich with self-discovery and resulting in the awareness of your consciousness potential
- Detoxifying negative thinking and managing stress by means of neuroscience enriched mindfulness

Outcomes:

- Motivation and a positive, conscious mindset

The ‘BIG 5’ leadership and self-development coaching process

(Offered as a 3-month coaching course through Swift Coaching)

- Challenging where you or your company are now
- Co-creating a critical path of where you or your company want to be
- Identifying and unpacking the blocks
- Ascertaining where you or your company are in the change process
- Building the roadmap
- How to implement with consistency
- Methodologies to stay on track

Outcomes:

- Increased focus, motivation, productivity, implementation and consistency

Who is Swift Coaching?

Swift Coaching is dedicated to leadership amplification, sales enrichment and harnessing the power of profiling, positivity and mindfulness. They are an international organisational development company, specialising in sales coaching, leadership coaching and consciousness coaching underpinned by neuroscience

What do they specialise in:

- Profiling
- Coaching

- Workshops
- Training
- Consulting

What is their market segment:

- Educational institutions
- Entrepreneurs
- SMEs
- Large companies
- Listed companies

Who are their typical clients:

- GSuite or EXCO
- Management (teams or individuals)
- Experienced employees (teams or individuals)
- Entry-level employees (teams or individuals)
- Scholars (groups)

How do they add value?

Swift Coaching has a definitive focus on the empowerment of your human capital and a keen eye on your return on investment (ROI) and return on relationship (ROR), they profile, discuss, analyse and agree on the most effective development strategy to positively impact the growth trajectory of your company.

They offer the following services:

- Profiling—sales-specific or individual DISC profiles
- ‘Neuroscience of Sales’—course (2-day, 5-day, 3-month)
- ‘Power of Positivity’—workshops (half-day or full-day)
- Neuroscience Coaching (group or individuals)
- Executive Coaching (group or individuals)
- Business Coaching (group or individuals)

The abovementioned coaching, courses or workshops are offered to companies to better their human capital, productivity, products and sales.

Kunze says that you need to understand who your people are, manage them optimally and enjoy the positive rewards, adding that one thing all successful businesses have in common is their ability to sell their products or services. ▲

For more information, visit their website: www.swiftcoaching.co.za

A leading accounting and audit firm

Beraca Accountants & Auditors Inc. is a one-stop service provider for the accounting, auditing, consulting, statutory and secretarial needs of individuals as well as business entities. Coenraad Jacobus Stokes, the Managing Partner, discusses their service offerings, competitive advantage and future aspirations for the firm.



Coenraad Jacobus Stokes, Managing Partner

Please could you tell us more about your firms' history in terms of its formation, how it's established itself as one of the biggest auditor firms in Mpumalanga's Highveld district and more about your global footprint in terms of where you provide your services?

Our firm was established by my father in 1999 in Secunda. In the past 19 years, we grew to a firm that is servicing clients in various industries and sizes, from individuals, SMMEs and

larger local corporations to multi-national and listed entities.

We assist various South Africans who work and live abroad in countries like Namibia, Botswana, the United States and Germany, and we have a few clients in the Middle East.

Currently, we have 25 full-time employees, more than 1 000 active clients and we operate in all nine provinces. We have offices in Secunda, George and the Cape Town area.

Essentially, Beraca Accountants & Auditors is a one-stop service provider. Please tell us more about the scope of your services—what are your various offerings and who do you provide them to?

We have four departments in the firm. We have a tax and statutory department that deals with compliance, structuring, calculating and the submission of direct and indirect tax returns and dispute resolutions with the South African Revenue Services in terms of the current legislation in South Africa.

Furthermore, we have an assurance department that specialises in statutory audits for companies, schools, attorneys, non-profit organisations and estate agents. Additionally, we perform review engagements and agreed-upon procedures.

Beraca also has a management accounting team, which services the smaller entities that do not have in-house accounting resources. We assist with payroll and monthly accounting duties.

Lastly, we offer advisory services on various aspects that include, but are not limited to,

valuations of business interest, due diligence, estate and tax planning, business profitability analysis and advising on how to improve profitability, the review and design of internal control systems, mergers and acquisitions and complex accounting transactions and the handling thereof.

What would you regard your competitive advantage to be in terms of the services you offer?

Each individual within our team has extensive knowledge of their respective fields of expertise. This is supported by advanced training and we can deliver on the promises we make.

I, myself, am involved in a number of committees at the various institutes and regulatory bodies in our profession. Because of this, I believe we can “look around the corner” and, therefore, provide better services supported by the knowledge that it is not a short-term solution but, rather, a longer-term approach.

We also simplify complex issues and concerns for clients, discuss the different options and ensure that the best solution for the client can be implemented.

Lastly, Beraca has embraced the Fourth Industrial Revolution and has implemented various solutions that ensure we understand the speed and scale of the changes. We have developed and implemented a full cloud-based practice management application that empowers our employees to reinvent the way they approach their daily tasks and, therefore, I believe they are more empowered and can have a better, balanced life.

What are some of the biggest challenges your firm has faced and overcome?

As our head office is situated in Secunda, it was initially a challenge to grow the client base and not be reliant on the local community, to find suitable employees to deliver on our level of services and travelling to and from Gauteng to engage with the stakeholders.

As a firm, we built up relationships with the clients over the last 19 years and in the last few years, the risk of being dependent on the local community was mitigated by expanding our client base to include clients all over South Africa. Due to this, we were able to increase our staff compliment, retain more quality employees, improve training and offer better opportunities for our employees.

Lastly, by being recognised by SAICA and SARS as one of the leading tax practitioners in the area, I was fortunate to build up relationships with the various stakeholders in our profession, enabling us to, on a daily basis, deliver on our offerings to our clients.

In terms of strategic growth, what do you further hope to achieve in the next few years?

Currently, we are involved in two other very exciting projects. One is implementing and marketing the solutions to assist small and medium practices in order for them to be ready for the digital disruption that is happening and then we are rendering services to entities that are impacted by the mandatory audit firm requirements that will be affected from 2023.

In the next few years, I hope to be able to see Beraca continuing to expand and that the other projects will be profitable entities.

Personally, I would like to be more involved in our profession as well as in the boardrooms, to be able to make a meaningful impact on the future of South Africa and the economy.

Please tell us more about your education and career background, prior to being appointed Managing Partner, what prepared you for your current role?

I studied part-time at UNISA and was a trainee at Beraca Accountants & Auditors until I

obtained my CA(SA) in 2009. I then became a Junior Partner. During this time, I spent a lot of time in discussions with various directors, senior managers and leaders in society, to listen and learn from them. I also believe that the high quality of training as a SAICA trainee and working daily prepared me.

What do your duties entail and what excites and motivates you most in terms of your role?

In the last few years, I am more involved in preparing and implementing the strategy to be a sustainable audit firm amidst the turmoil that South Africa and our profession are currently experiencing.

I spend most of my day in boardrooms and meeting rooms to engage with our clients, to understand how we can assist them, and I then consult with and report to them. I also meet regularly with other firms to assist them with complex transactions, systems to improve service delivery and tax disputes.

Additionally, I spend a lot of time meeting with stakeholders, who include SARS, the different departments in our local and provincial governments and the regulatory bodies and institutes, to understand the challenges and to improve our firm and the services we can deliver.

Lastly, I spend time empowering our employees in order for them to also grow as professionals in a diverse business environment.

I am passionate about our country, our people, our economy, our profession and our future. Each time that I can make a difference to someone's circumstances, be it to improve their business, assist them with SARS challenges, improve their own quality of life or just to listen to them, I believe I have had a successful day and this is what gets me out of bed every day.

What does good, effective leadership mean to you and how do you demonstrate these traits on a daily basis?

I believe that to be a leader, one must lead by example. One must care for one's employees and the success of the organisation. I must be able to understand the needs of my team and clients and be able to respond to it.

I must be able to communicate effectively and honestly, have the ability to motivate my staff and also set goals for myself at the same time. The team must be familiar with our firm's vision as well as with our clients' and stakeholders' expectations.

We must be able to listen and be honest with each other. I know it is a cliché, but there is no "I" in team.

I try to spend quality time with all my employees as well as our clients. By understanding their views and incorporating them into my strategy and vision, we are able to deliver more on client expectations, have a better, balanced life and impact the communities that we serve.

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

I have learnt that I must persevere and take time to listen to our clients and my team. I must be able to accept criticism and use this as input for my own growth.

I have also learnt that I must look after my team. If I look after my team, they will look after our clients.

Lastly, I've learnt how to delegate more effectively. We all have only so much time and by allowing the team to assist, I can spend more time building relationships in order to deliver on client expectations and grow our business.

Who are some of the role models that have inspired you and for which reasons?

My father was my mentor during my early years. In recent years, I was fortunate to spend a lot of time with prominent business leaders in our country, some prominent public speakers from abroad and leaders in our profession.

By spending time with them, I aspire to be better every day and make a difference in South Africa.

Every day, I am amazed by the support I receive from my team.

Lastly, my wife and kids are always there for me and by seeing the small things my wife does for us, which allows me to do what I do, it inspires me to give my best. ▲



The indelible image

Siya Kolisi, the first non white South Africa Springbok captain leads out his team during the first test match between South Africa and England at Ellis Park on June 9, 2018 in Johannesburg, South Africa.

Photo: David Rogers/Getty Images



Is Tesla's downfall a case of over-investment?

After the recent announcement of the results for the first quarter of 2018, Tesla's stock fell by 6%, showing a few cracks in Elon Musk's armour. Is reality finally catching up to South Africa's most famous entrepreneur abroad?

With his promises of a better and less polluted world, thanks to his electric vehicles, Musk has galvanised crowds and investors—self-driving hardware in all cars, space tourism and reusable satellite launchers—his futuristic ideas sell dreams.

A communication champion, Musk even sent his own roadster into space. Yet, it's sometimes difficult to bring dreams to life, as Tesla's difficulties in achieving its goals regularly remind us. After each disappointing announcement, Musk reassures investors about his perspectives and future targets for the firm. Musk's ability to convince allowed him to propel Tesla to great heights in terms of market capitalisation. On 17 February 2018, the company's market cap reached US\$56.7-billion.

A worrying cash situation

When analysing Tesla's cash flow statement provided with the Q1 2018 results (unaudited figures), it is not enough to look at the net position at the end of the accounting period: US\$3.2-billion at the end of March 2018 compared to US\$3.9-billion at the end of December 2017, which still represents a drop of US\$745 million. It is more important to look at the cash generated by the firm's operating activities (cash flow from operating activities), which stands out strongly negative at US\$398 million at the end of March 2018.

In other words, on every car produced and sold, as well as on the energy-storage business, Tesla loses money. For comparison, in the last

quarter of 2017, operating cash flow was positive at US\$510 million. This means that Tesla burned through US\$908 million just in operating. If the company manages to maintain a positive net cash position at the end of the period, it is only

by introducing too much robotisation too quickly", and added: "In the medium term, we expect to achieve a slightly lower margin (than the 25%) due to higher labour content in certain areas of manufacturing where we

With an overall gross margin level of 19% at the end of December 2017, Tesla generated a loss of US\$1.96-billion

thanks to new borrowing and the issuance of shares, and a decrease in its investments.

With an overall gross margin level of 19% at the end of December 2017, Tesla generated a loss of US\$1.96-billion.

At the end of March 2018, the gross margin on the automotive activity (80.2% of sales at the end of March 2018) stood at 19.7%; almost the same level, and Tesla posted a loss of US\$710 million (against a loss of US\$330 million at the end of March 2017).

What's more worrying, in the press release announcing the results of the first quarter of 2018, Musk and Deepak Ahuja specify that the margin on Model 3 is still "slightly negative". Despite this, they maintain their gross margin target will be 25% as soon as they can produce 5 000 Model 3 units per week.

But even if Musk says that the 5 000 vehicles per week will be reached in two months, the challenge is not yet met. The leader himself acknowledged, "We made a mistake

have temporarily dialled back automation, as well as higher material costs from recently imposed tariffs, commodity price increases and a weaker US dollar."

Despite his repeated use of the qualifier "slightly", these cumulative elements are not reassuring about Tesla's ability to post a positive short-term gross margin. For now, the gross margin on Model 3 is still negative.

Reduction in investments

Tesla said in its 2017 annual report that investments in 2018 would be similar to those of 2017, more than US\$4.4-billion. Announcing the results of the first quarter of 2018, investment projections (capital expenditure or Capex) were revised down to less than US\$3 billion. Musk insists he will not need additional funding.

But the group will have to face more than US\$4 billion of payments between April 2018 and 2019 and with its negative operating cash flows and forecast investments, Tesla will

clearly need additional cash soon. And on top of that, Tesla already has a debt of more than US\$10 billion, according to a report in The Conversation.

Today, Tesla is in a critical situation. At the end of March 2018, its net financial debt stands at 213% (237% at the end of December 2017) and its total debt-to-equity stands at 512.7% (576% at the end of December 2017). All financial analysts are legitimately raising the question of its funding needs, an issue that Musk persistently refutes.

This time, however, his disdain toward financial analysts seems to have undermined market confidence.

Beyond the over-indebtedness of Tesla, this attitude could be one of the reasons leading to the fall of the share price on 3 May. Even if the share reached US\$284.45 at closing, still valuing Tesla at nearly US\$49 billion, the price is below the symbolic bar of US\$300. And this first drop could well be a prelude to a much more brutal fall.

Leadership gaps

Tesla's Treasurer and Vice-President of Finance, Susan Repo, left the company in March 2018, just after the resignation of the Chief Accountant, Eric Branderiz, on 7 March. Executive turnover certainly exists in all groups but can we really believe this is a coincidence? In February 2018, the Global Sales Manager had also left and a year earlier, the Chief Financial Officer, Jason Wheeler, resigned—a resignation that had been announced on the eve of the quarterly results communication.

Recent retiree, Deepak Ahuja, who was Tesla's Chief Financial Officer for more than seven years, from August 2008 to November 2015, was then called to the rescue. Recall that in 2008, it was he who had saved Tesla from bankruptcy. Should we see a sign in his return? And why all these departures? A working environment loaded with adrenaline and stress?

Musk says he sleeps regularly at the Fremont factory in California and says the plant will be running 24-hours a day until the end of June. He

reportedly sent an internal e-mail announcing that he would hire an additional 400 people a week from the Fremont and Gigafactory 1 factories—a new decision that may further increase costs, while margins are insufficient and even negative on the Model 3. On 14 May, Musk said there was a need for “flattening the management structure” and that he was “undertaking a thorough reorganisation”. It followed the announcement of the temporary departure of Doug Field, the Senior Vice-President of Engineering, at a crucial time.

Currently, the CEO of Tesla has still not managed to solve the production problems of Model 3.

His company is far from profitable, its over-indebtedness has not been reduced and the thorny problem of its financing remains. Despite the tremendous communication efforts, the varnish of the invulnerable superhero begins to crumble. ▲

Isabelle Chaboud



Trump does it his way

From the moment Donald J. Trump threw his hat into the ring to be nominated as the Republican candidate for the race to be President of the United States of America, he had already broken all the traditional rules of engagement. Nearly everything that one should not do, he had done and felt proud to do.

Many thought that having an outsider enter the race who was a successful businessman would provide a new and exciting proposition, however unlikely it appeared at the time that he could possibly win. The truth was that he was behaving just like the entrepreneur he has always been. He has never been a corporate businessman with a well-structured and highly-disciplined decision-making process behind him. He's a New York property tycoon who is used to calling all the shots and never deferring to or consulting with anyone at all.

The experienced media pundits, the usual political analysts and just about every one of his opponents, have been predicting his downfall for the past three years. He continues to annoy, irritate and outfox all of them—but for how long?

He's definitely authentic but is he sincere?

It would appear that the only thing he is consistent at is dividing opinions. Trump has made a mockery of both the rulebook and best practice.

Very early on, he spotted that enough of the electorate had become tired and disillusioned with the usual 'out of touch' politicians and their same old divisions and 'dusted-off' policies. He labelled them the Washington 'swamp' and soon had the effective and rabble-rousing sound bite, "drain the swamp". Again, he had caught the mood, produced the catchy phrase and capitalised upon the moment whilst galvanising his movement.

Many were appalled but enough swooned at his brilliance.



Trump has singlehandedly made a winning virtue of cruelly rubbishing all of his opponents without any fear of being deeply personal and insulting any or all of them.

There is no level that he will not gladly sink to but he knows full well what will have his sizable base in raptures and, therefore, what will give him their continued, full and undivided support.

Incredibly, he rarely delivers any inspiring visions of the future, he focuses his anger on all the things that have gone wrong in the past, with a special place for anything that had been agreed or legislated by his predecessor, former President, Barack Obama.

This is the ultra-competitive property tycoon at his best (and worst). His sole objective, which has worked for him so well in the past, is to identify a gap in the market or a weakness in a

He has become the master of doomsday scenarios. He is an expert at pointing out what has gone wrong and what will continue to go wrong if you were to support and vote for anyone but him.

Trump is not alone with this spreading of FUD or being an older man screaming isolationist and nativist policies. Vladimir Putin, Kim Jong-un, Recep Tayyip Erdoğan, Xi Jinping and Viktor Orbán are all cut from the same autocratic cloth.

New politics

Many things around the world are undergoing a fundamental change but it would appear none more so than politics.

There is still an old school but there is also a new school. There was a time, not that long ago, when, if you wanted to succeed in politics,

He is rarely inspiring and hardly tries to be positive, he has built a rock-solid reputation on trading in barbs and nastiness

competitor and start pushing with everything he has. He has a 'sole trader' mentality and loathes any gatherings, clubs or associations where he cannot call all the shots without having to take others with him.

Therefore, all of the bodies and partnerships that the USA once proudly sat at the front of and in many cases led, he has pulled out of after rubbishing their purpose or performance; the Paris climate accord, NAFTA, NATO, trade and tariff agreements with allies and rivals are all being torn up, as he operates best without constraints or having to consider others.

He needs to have enemies as this gives him something to attack on a regular basis.

He is rarely inspiring and hardly tries to be positive, he has built a rock-solid reputation on trading in barbs and nastiness. He peddles fear, uncertainty and doubt (FUD) better than anyone who has come before him.

He has shown many populist European leaders how to win high office by scaring the hell out of their base, with immigrants and foreigners as the softest of targets.

"Make America great again" has become the mantra of his inward- and backward-looking strategic intent.

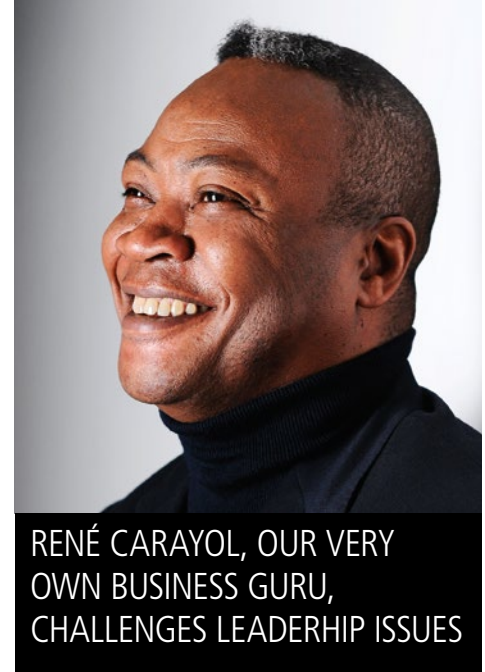
you had to do the 'hard yards' and serve your time. You would probably have studied political science at university and ended up somewhere very near the top of the class. You would then have learnt your profession, probably through an unpaid internship, leading to becoming a 'bag carrier' for a second-tier politician.

This could lead to five/six years' experience in a political office as a private secretary or an advisor and only after this arduous journey, would you be ready and able to stand at some sort of election.

Then the real power journey begins and after maybe another five to six years, you would now be in touching distance of Congress or Parliament.

However, this is where it becomes extremely competitive and where many fall by the wayside. Very few ever get the chance to even smell high office and when they do, they are well into their mid- to late-50s, if not 60s.

The political rules of engagement have been literally thrown out of the window on both sides of the Atlantic and even further afield. We are seeing new and successful candidates with either completely unorthodox backgrounds or with no political experience whatsoever.



The mercurial rise of Emmanuel Macron was both unpredicted and unprecedented, even Justin Trudeau in Canada was a bit of a surprise package, but nothing could have prepared any of the seasoned political analysts for the bombshell that's was President Donald J. Trump.

He not only came from left field and he didn't just break all the rules, but he always seemed to do precisely the opposite of what is seen as best practice. He was thin-skinned, aggressive and rude, yet this behaviour simply electrified his sizable base.

All these political newcomers have worked out that you can just about buck any trend, as long as you are absolutely clear on who your base is and how to keep them loudly fired up and always in your corner.

It needs a businessman

Trump filled his initial top team with a mixture of high-flying successful business executives and four-star military generals. This looked like an exciting and instructive mix: those with a track record of understanding the vagaries of the market and getting things done alongside those with a highly-disciplined code and natural team players.

So far, so good. However, both the business executives and the men from the militia were used to structured and well-coordinated chains of command. They didn't have a traditional Chief Executive or Commander-in-Chief at the helm, they had a tycoon and to be more explicit, a New York property entrepreneur.

He sees himself as the ultimate dealmaker, some of the titles of his many books give us a clue as to how he sees himself; *The Art of the Deal*, *How to get Rich*, *Think Like a*

Billionaire—you get the picture! He is brash, bold and never misses the opportunity to talk himself up. This is not a bad thing when trying to raise confidence and firing up your base but what's it like to work for a property entrepreneur who is obsessed with winning?

Well, many big names have been called and most have not lasted—they were either fired or they resigned. This is not normal for a

As with many entrepreneurs, he sees that even beloved traditions can anchor the organisation to its past, making it tough to respond to the pull of the future. He feels the Republican party is protecting what 'is' and that often sabotages what 'could be.'

It may sound strange to the traditionalists but he sees destruction as one of today's conditions for survival. Just as a snake sheds a skin it has

survived one of the most competitive property markets in the world.

Sitting up early in the morning, frantically typing his next tweets, he has made some stand up and take notice of what can be achieved with such a narrow focus.

What positives can we take from Trump?

- Always back yourself
- Take the big calls early
- Go towards seemingly insolvable problems
- No one is indispensable
- Always engage your people

He has also continued to ignore all alliances and collective decision-making, which has outraged long-time friends of the USA. If only he could moderate his impulses, but that has never worked for him in the past.

What might he have learnt to do differently?

- Nothing is best done alone anymore
- Strong structures have their useful place
- Team loyalty is a two-way street
- Splendid isolation has never worked
- It can't just be about you

He will probably not even contemplate changing what has worked so well for him in the past, especially as controversy seems to fuel him to try his hand and back himself even more.

The recent summit in Singapore with another high-octane gambler, Kim Jong-un, has Trump at his solo best but the stakes are incredibly high and he is forcing things through with little concern about strategy or risk management.

Trump has made the past week an extremely momentous and unforgettable one in global affairs: his brutally hostile performance at the G7 Summit in Montreal, the Singapore bromance and then to round off the week, his decision to impose US\$50 billion in tariffs on China.

He appears not to care about institutions like the G7 or perhaps igniting the long-dead nuclear arms race or even the liberal trade that has worked well for so long.

President Trump sums up his approach in a way only he could, saying, "My whole life is about winning. I don't lose often. I almost never lose." ▲

René Carayol

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This is not normal for a President's cabinet but it is not unusual at all for a fiery property entrepreneur who is not used to any form of oversight or compliance

President's cabinet but it is not unusual at all for a fiery property entrepreneur who is not used to any form of oversight or compliance.

The only real meaningful measure for him and his like is winning, and that is usually defined by the magnate in question, forever changing the rules to ensure that they are always winning—by nearly any means necessary.

This has been an electrifying shock to the system for many of the traditional media but has set his base, who admire the straight- and tough-talking, and just like on his infamous reality TV show, *The Apprentice*, he's more than happy to administer the very public firings.

Trump is a firm believer that playing too safe benefits no one. He appears to never underestimate what can be achieved when you back yourself and believe in the future.

Once he hears "it can't be done", he becomes emboldened and he chases the glory of conquering his very own Mount Everest.

Change, by its very nature, is destructive. It gets messy. It causes confusion. That bothers a lot of people. They warn against change or argue for taking it slow and easy, so nothing gets broken. But that's not Trump. He will get his way, whilst those who want to survive will have to tiptoe around, try to be neat and not hurt anybody or upset people. Eventually, such a culture gets the organisation into big trouble.

He believes that a culture that's unwilling to break things can't move fast. If it tries to salvage everything, it ends up carrying a lot of old baggage. Bureaucratic practices and all kinds of bad habits build up over time.

outgrown, the culture he presides over needs to rid itself of habits that have outlived their usefulness.

This usually demands constantly changing sets of leaders at the helm in order to drive the necessary transformation, but they are all expendable. He is the only constant, no one else needs to hang around for too long.

He despises structure and has no patience for what he deems are bureaucratic practices that get in the way. He easily breaks from tradition when it becomes an obstacle. He's so not afraid to butcher the sacred cows. Instead of blindly protecting old beliefs, he throws them against the rocks of reality to see if they bounce or shatter. He is maybe far too willing to smash some glass but he continues doing what comes naturally.

Sure, all this gets messy and it makes a lot of noise. Some people will get upset. However, his towering self-belief system informs him that the USA and, therefore, his people, must always make certain sacrifices if they want to stay strong.

He has created a culture where people are rewarded for disturbing the peace.

However, as we have witnessed recently, if powerful leaders have too much leeway, they can blur the lines between the personal and the professional and foster a poor culture that lacks trust and encourages feisty in-fighting, and which drifts dangerously into imperious behaviour.

He is only doing what has served him so well as an entrepreneur and more specifically, as a



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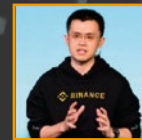
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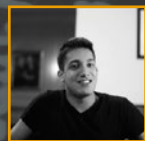
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Why doesn't diversity training work?

I recently attended a transformation workshop, which was attended by all the heads of departments at Rhodes University and facilitated by transformation and social justice specialist, Professor André Keet from Nelson Mandela University

He was outstanding and it was encouraging to witness the absolute commitment from the participants to proactively pursue the achievement of a transformed, diverse institution.

At the end of the workshop, however, Prof. Keet threw a curve ball when he cautioned that research has shown that diversity training often doesn't work and can have an opposite effect to what it is designed to achieve. One of the dangers is that participants learn how to speak the diversity lingo and effectively use this to undermine the process and disguise their motive, which is to retain the status quo. In effect, you are equipping them to talk the organisational strategy talk without walking the walk of deep, fundamental personal and organisational change.

He wasn't trying to be negative, he was simply saying that as committed as we were at the workshop, for there to be a lasting impact, we have to deeply and continuously focus on the who, what, when, where, why and how of diversity and transformation to start to understand and live it.

It prompted me, as someone who also facilitates in this field, to set aside what I have learnt and look at it afresh because, despite the overt attention given to it, we continue to see highly publicised incidents where, inter alia, gender bias, sexism and racism have been the focus.

One of the South African incidents was the showdown in the SuperSport studio after Ashwin Willemsse walked out of a live broadcast, accusing Nick Mallett and Naas Botha of

patronising him. An international issue that attracted global coverage occurred in April this year, following the controversial arrest of two black men, Rashon Nelson and Donte Robinson, at a Starbucks store in Philadelphia. They were arrested simply because they had asked to use the toilet and then sat in the store for several

Victor Lipman, Management Coach and the Head of Howling Wolf Management Training, explains that most diversity training initiatives fail because they come across as "a none-too-thoughtful exercise in political correctness, rather than the valuable business education programmes they should be".

It's extremely complex, as not only do people from different groups often feel threatened by each other in a variety of ways, they often experience profound cognitive dissonance

minutes without ordering anything. They said they were waiting for a meeting.

Nelson and Robinson have since reached a settlement with Starbucks for an undisclosed sum and Starbucks closed down its over 8 000 stores across the United States and many more globally for all their staff to undergo half a day of 'racial bias training'. Many staff members reacted positively to this training and said they enjoyed the documentary they were shown about what people go through every day in their lives simply due to the colour of their skin.

But where to from here? The half-day training is laudable but it cannot end there, or it will simply be adding to the growing pile of examples of why diversity training does not work. An article titled Why Doesn't Diversity Training Work? in Forbes Magazine written by

He offers the example of quick, online, diversity courses where you zip through the questions, are done in half an hour and can get back to work. He has done these and several other diversity courses over the years and explains that it too often feels "like we were simply checking a box in some sort of large HR curriculum. 'Well, that's done—excellent, now we've fulfilled our legal obligation for another year!'"

In Harvard Business Review's Spotlight on Building a Diverse Organisation, organisational sociology professors Frank Dobbin (Harvard University) and Alexandra Kalev (Tel Aviv University) ask this question of diversity and transformation training: "Do people who undergo training usually shed their biases?" They explain that "researchers have been examining this question since before World War II, in

nearly a thousand studies. It turns out that while people are easily taught to respond correctly to a question about bias, they soon forget the right answers. The positive effects of diversity training rarely last beyond a day or two, and a number of studies suggest it can activate bias or spark a backlash. Nonetheless, nearly half of mid-size companies use it, as do nearly all the Fortune 500”.

In a January 2018 article in Time magazine titled How Diversity Training Infuriates Men and Fails Women, contributor, Joanne Lipman, referring to Dobbin and Kalev’s research, says the training can also infuriate the people it’s intended to educate: white men. “Many interpreted the key learning point as having to walk on eggshells around women and minorities—choosing words carefully so as not to offend.” White men felt angered at being portrayed as the villains and as a consequence, may lose their jobs.

It’s extremely complex, as not only do people from different groups often feel threatened by each other in a variety of ways, they often experience profound cognitive dissonance—a condition proposed by American Social Psychologist, Leon Festinger, in 1957 to describe the mental discomfort people experience when challenged by other beliefs, ideas or values. People’s responses include distress, anxiety, guilt, embarrassment, frustration, fear and anger.

The concept of cognitive dissonance was explored from a diversity and transformation perspective by Global South Psychiatrist, Philosopher and Writer, Frantz Fanon: “Sometimes people hold a core belief that is very strong. When they are presented with evidence that works against that belief, the new evidence cannot be accepted. It would create a feeling that is extremely uncomfortable, called cognitive dissonance. And because it is so important to protect the core belief, they will rationalise, ignore and even deny anything that doesn’t fit in with the core belief.”

Prof. Keet explains that these and many other issues concerning diversity and transformation have not been adequately researched because they are not disciplines or professions, and people are, therefore, not specifically researching or training in the field: “In South Africa, diversity and transformation officers could have studied any number of fields. What we need is a disciplinary base for diversity and transformation to give them a scholarly, scientific

base as a specific career field. This enables us to pose intellectual questions from a knowledge base that studies the history and background of institutional and social cultures that generate racialised outcomes. It is only through the depth of understanding diversity and transformation that they can become both strategy and outcome, not just the former,” he says.

The establishment of a new Chair for Critical Studies in Higher Education Transformation (CriSHET) at Nelson Mandela University, headed by Prof. Keet, will no doubt reflect new light on this. At the Rhodes transformation workshop, I proposed a similar approach to Prof. Keet. As in many institutions and companies, the transformation and diversity objectives have been stated many times over but we need to put them in a format that is actionable. To achieve this, we need to put mentoring and measures in place to determine whether or not we are achieving the outcomes. And if not, why not? I am part of this living process and at the same time, I facilitate diversity and transformation training (albeit as imperfectly as I think I sometimes do). Jumping between the two gives one a very uncomfortable yet important sense of perspective.

What I have learnt is that authentic leadership is all-important, as Victor Lipman explains: “If employees feel management is just checking a diversity box, employees will go through the motions as if they too are just checking a box. But if they feel management is actually providing a thoughtful, authentic experience, an organisation will have a much better chance of making diversity feel like the critical business issue it surely is.”

What I have also learnt is that transformation and diversity workshops are needed more than ever, but they need to be led by highly respected facilitators and thought leaders who come with the depth of experience required to expose people to new ways of being in the world, and who can mentor them on this journey.

Rule one is that we have to be prepared to shed our preconceived ideas if we are to be constructive players in the process. We need to consciously open ourselves to different perspectives, with all the surprises and frustrations that come with this.

It can be a tremendously liberating experience to have a positive, open mindset and to make sure that transformation and diversity become works in progress in our lives, at work and at home. ▲

PROFESSOR OWEN SKAE



Professor Owen Skae,
Director of Rhodes Business School
Twitter: @owenskae

Taking charge of Africa's narrative

Just imagine what could happen if a 1.2-billion people spread across 54 countries in Africa all choose to share one positive story about their country or the continent every single day? That's 365 positive stories per person, per year with a profound impact on the narrative of our precious continent!

Why is this positive African narrative so important? The narrative of a company and even a country is important as it directly impacts how it is perceived and its resultant reputation.

Let's take a step back; what exactly is a reputation? It is something that is built on consistency, you are either going to be consistently good or consistently bad at something and that behaviour will impact how you are perceived by others.

So, why is a reputation important? As the leader of a company, your organisation's reputation has an impact on the people you attract to work for you. This, in turn, impacts your outputs, be it a product or service. The quality and perceived value of those outputs play a role in determining whether people are willing to part with their hard-earned cash to buy your offering and that ultimately impacts your bottom-line profit. The same is true for a country or continent; countries with a positive image generally have a much stronger economy, making foreign direct investment a lot more appealing. This can also positively impact tourism, which further stimulates the economy, allowing for investment in social upliftment projects and education programmes that can take the country and continent's well-being to the next level.

Reputations are built on perceptions. These perceptions are not necessarily the truth, they



are, however, someone's idea of reality and it is that reality, which shapes their worldview and what they communicate to others.

As the President of the African Public Relations Association (APRA), Yomi Badejo-Okusanya says, "For too long we've allowed the narrative of Africa to be determined by those outside the continent, looking in. It is time that we start changing perceptions and start rebuilding the reputation of Africa; we can only do that if every single person takes responsibility for what they do and communicate on a daily basis."

Ethics and reputation research

We have recently completed an incredibly interesting research study, asking the question, "Do ethics matter on the African continent?" on behalf of APRA. We identified what ethics and reputation mean to respondents at an individual, company and country level.

Our research, although unfortunately not statistically representative, provided valuable insights. The almost 120 respondents included Chief Executive Officers (CEO) and senior executives in the communication, public relations and marketing industry. These insights will be used to support the partnership between APRA and the African Union (AU) to assist them in building a prosperous image and reputation that is authentic to Africa. Of the 12 countries represented in the survey, 71% of respondents reside in South Africa with Ghana, Nigeria, Mozambique, Zimbabwe, Zambia, Tanzania, Kenya, Uganda, Ethiopia, Namibia and Angola also being represented.

The research proved overwhelmingly that ethics and reputation are interwoven and one cannot exist without the other. The AU theme for 2018 is "Combatting corruption—a sustainable path to Africa's transformation". This correlates well with the country level data, where respondents indicated that the meaning of ethics mainly refers to anti-corruption in the government. Respondents indicated that Botswana sets the example as the most reputable and ethical country in Africa.

Respondents felt that behaviour and core values such as honesty, transparency and credibility are the most important elements of a reputation. At an organisational level,

respondents felt that their brand's reputation is actively managed, communicated and prioritised by their leaders. Once again, this tells us how important it is for organisations to focus on getting the internal building blocks in place before engaging in external communication.

Lessons from Botswana

Botswana was identified as the most ethical and reputable country in Africa. What made this result very interesting was that no respondents who answered the questionnaire were identified from Botswana. Both the Botswanan flag and national anthem reflect the peaceful nation that it is and you can truly see and feel it when you arrive in Gaborone. There is a great sense of dignity amongst the people who embrace the country's core values of peace and harmony and who live out these values on a daily basis. It is no wonder they have such a strong and stable economy.

Overview of the results

At an individual and company level, ethics and reputation scored a very high average of 86.5%. In contrast, at a country level, the score was an average of 34.5% for both ethics and reputation. "The research confirms that it is at this level where work needs to be done. These results do, however, indicate a huge opportunity for growth. Now we have a results baseline in place from which we can measure and track annually," adds Badejo-Okusanya.

Vice-President of APRA and CEO of Burson Cohn & Wolfe Africa, Robyn de Villiers adds, "It is no longer just about 'walking the talk', we need to be talking the walk too; our behaviour impacts what we say and what we say impacts what we do."

The question we are left with is, what can we do to rewrite the African narrative? The first step is to go back to the basics and get the internal messaging right.

We need to make sure that the core values are in place and reflected in our daily behaviour. This will help to make our communication initiatives more authentic. As communication professionals, we should strive for a code of ethics, which resonates with the real and positive story we're here to tell about Africa to the world. ▲



Regine Le Roux is the Managing Director and founder of Reputation Matters. She holds an M.Com degree in Communication Management from the University of Pretoria. She is a corporate reputation specialist and handpicks and manages several teams that conduct reputation research studies and implements business communication strategies. Regine is the author of: Reputation Matters, Building blocks to becoming the business people want to do business with. Regine is the Chairperson for the Western Cape Public Relations Institute of Southern Africa (PRISA) Committee, and on the Board of the Rotary Club of Newlands, responsible for Public Image, and chairs Rotary International's Public Image for District 9350. Over weekends you will find her donning her pink skort for the Hout Bay Harriers.

The science of climate change

A simple definition of sustainable energy is that it is a clean system, which satisfies the needs of the present generation without affecting the future generation adversely

In a developing country, it is important to realise that sustainable development covers the following interrelated aspects: ecology, economics, politics and culture. Renewable energy, on the other hand, is renewed naturally within a relatively short space of time, such as solar energy (photovoltaic generation and thermal heating); wind power (windmills and wind turbines); hydropower (still the cheapest if available); wave power (very expensive); bio-energy (limited application); and geothermal (not found in southern Africa but in East Africa).

Choice of power

According to Demand Side Management (DSM), the cheapest source of energy is not to use it at all. Switching off all the electricity you do not use will not only reduce your electricity bill but also help to extend the availability of this valuable resource at a national level.

A case-in-point is the use of domestic hot water cylinders, commonly called geysers in South Africa. Why do some installers still set the control temperature of a geyser at 70oC, when humans can only tolerate a shower below 41oC? To make matters worse, geysers often remain switched on continuously, instead of just for the time when hot water is required. Luckily, Eskom is implementing a strategy where geyser temperatures are kept at 55oC to ensure that warm-water-loving bacteria are kept in check at the prescribed temperature.

The science of climate change

Being part of nature, climate change is subject to worldwide natural cyclic changes with or

without humans. As part of nature, the growth of the human population since about 1850 and the expected influence of rapid growth of adverse climatic influences like CO2 trapped in the atmosphere, show a perfect golf-stick correlation even up to 2050. Journalists and politicians did an incredible job in creating a global awareness of the possible environmental threats facing us, but seem to overlook the threatening cause of ever-increasing populations.

Over 70 nations signed the Paris Accord ensuring that governments will do their best to curb the rising temperature below 2oC within half a century or so. Can we blame President Donald Trump for asking to be given hard facts before signing this agreement? He obviously did not want to follow his predecessor, who signed this agreement, whilst also signing more environmentally-damaging oil sales contracts than any politician of his time.

Trump should be forgiven, since the terrible acid rain, which I experienced in Germany in the 70s, was said to be due to oxides of sulphur and nitrogen released from burning coal and petroleum fuels. Motor vehicles were blamed until botanists eventually explained that these trees were actually diseased.

A decade later, I was shaken by further alleged damaging effects of cars possibly causing the ozone hole. By 1996, CFC aerosols were phased out. But my naive question remained: "Why was the largest hole over Africa when far more motor vehicles were registered in the Americas and Europe?"

To this day, no convincing answer has been found, in spite of the Brewer-Dobson Prevailing Stratospheric wind patterns. Another interesting fact is that a meteorite apparently struck

earth some 300 years ago and peeled the earth entirely of its protective ozone layer. It recovered entirely on its own within a few years.

A lesson to be learnt

Scientists usually follow the rule of cause and effect but we should be warned of blind projections into the future, based on shaky evidence like:

Why is it assumed that the entire globe is affected only by the

- Arctic—where ice is melting—and the much closer Antarctic—where more snow is piling up annually, preventing ships from reaching their previous destinations—is completely disregarded?

Based on the claims by Heartland:

- Climatologists are terrible at predicting temperatures.
- Predictions of extreme weather events and sea level rises have failed to be true.
- Models cannot account for inexplicable deviations/cooling periods
- It is not clear whether the widely used data is accurate—Only data that fits a particular model is used, but the major predictor for weather [water vapour] is being disregarded.
- A slightly warmer climate may be advantageous to certain regions—think of our vegetation, crops, tourism, etc.
- Scientists will develop competitive cheap, clean energy anyhow.

Choice of energy sources

South Africa is blessed to be able to choose from a range of possible energy sources to be utilised on a local or regional basis. Let us not listen

to politicians and journalists, specialising in global warming. Energy decisions by themselves are dangerous without doing a proper economically-sound costing exercise before attempting projections into the future. Capital outlay, long-term running and maintenance costs, and labour need to be included before comparisons can be made. A colleague in Kenya once remarked that most African languages do not have a word for 'maintenance'. So, ensure that imported rules and policies concerning advanced technical fields (like nuclear) are observed. Our municipalities are frequently guilty of poor maintenance.

Coal

South Africa's estimated coal reserves will last almost twice as long as the global coal reserves. Thus, what should this developing country do? Some environmentalists say that coal should remain in the ground; uninformed economists say that it could be exported to Japan or China as raw material for a 'quick buck'; but forward-thinking engineers say: "Let us rather clean up our processes and manufacture electricity or other products like fuel, from coal."

Let us see what and when other competitive options of power generation become viable in South Africa. We should remember that our government cannot spend large sums of money to subsidise renewable energy, like most overseas countries have done. We have a coal-based economy. At this stage, over 90% of South Africa's electricity (ie. over 40 000 MW) is still produced from coal. According to the Paris Accord, which South Africa signed, the plans are to significantly reduce our carbon footprint, favouring other primary sources of energy. The updated IRP 2016 report promotes cleaner sources of energy, possibly also allowing fracking to stimulate our gas industry.

Nuclear power

As a Nuclear Scientist, I was biased towards the environmentally-clean, relatively cheap-to-run, technology, especially since we can mine Uranium (and could enrich it) in South Africa. But governments have been 'dilly-dallying' for so long that we can probably no longer afford it. Although nuclear has a good safety record without a mishap in France—with 66

nuclear plants—and in South Africa, the fear of a natural disaster as in Japan, persists. Russia experienced the Chernobyl disaster, because of political interference. We must guard against attempting to run nuclear plants by incompetent, politically-favoured individuals. Germany made the mistake to phase out nuclear power too suddenly. The drive to sustainable energy cost them much more than anticipated. Areas that were normally fed with electricity now became generators of seasonal wind power and so forth. To solve their problems, industry now has to spend billions of Euros to restructure their distribution infrastructure.

Renewable energy

The Renewable Energy Independent Power Producers' Programme's target for wind power was 1850MW and PV solar, 1450MW. At present, only 600MW wind-based and 1000MW PV solar are fed into Eskom's national grid, which could by 2020 rise to 6900MW and 6694MW respectively, or just over 10% of the grid.

Stakeholders need to ask the following relevant questions:

- Why is my source viable?
- When is it viable?
- Where is it competitive?
- How viable is it now?
- How sustainable will it be in future?

Of particular interest to us should be the 'thermal solar plants' near Pofadder (100MW) and Upington in the Northern Cape, where these new but still more expensive plants with parabolic mirrors use solar-heated salt to drive turbines—even for a few hours after the sun has set.

This gives the thermal solar plants the unique advantage over other renewable energy sources, to generate electricity even after its primary source (the sun in this case) is no longer available.

Although sustainable energy has become a buzzword, it is not scientifically advisable to blindly follow the whims of environmentalists, politicians and journalists. Energy decisions and policies are often meaningless if not based on defensible, accountable economic facts. The worst case scenario is a projection based on questionable basic data. ▲

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Leadership lessons from the pitch to the workplace

On 9 June, the inimitable Siya Kolisi led his team to victory against the English side after trailing 24-3 in the first 18 minutes of the game. Then, just 24 hours later, the BlitzBokke won the Sevens World Series.

There's nothing like sport to unite a nation. There's nothing like the dream of a win to unite a team. On the sports field, we see a microcosm of life play out. When the going gets tough, sports stars get grounded. They pull together and rely on each other's talents to turn the situation around. And, perhaps, that's the big lesson corporates need to learn.

In fact, there are lots of lessons we can learn from leading sports teams to create winning workplaces. Sport psychology is becoming popular beyond just the sporting realm, with many individuals adopting its mantras in everyday life. By extending this to corporates, we bolster businesses' resilience and give them the best chance of taking the trophy home—which ever form that victory may take.

As an avid sports fan, Chief Learning Officer and lecturer for the University of Stellenbosch, I continuously find it useful to apply lessons from the field to leadership in the working world. Here are some of my main takeaways:

The value of a vision

A leading sports team and a winning company share the same traits: both have a vision and relentlessly follow it. Think of John Landy, the Australian sprinter. Despite repeated attempts, he was unable to achieve his dream of running a mile in sub-four minutes until he witnessed Roger Bannister do so on 6 May 1954. Suddenly, believing his goal to be doable, Landy broke Bannister's record just 46 days later, with a time of 3:57. As leaders, it's important to have a vision and to cascade it through a company. And it's important to make it achievable.

In the office and on the field, there's a constant pressure to perform. Businesses stress the need for success and hammer home the message of hard work. Burnout is a common side effect and people often flounder when faced with seemingly impossible KPIs. When the pressure hits hardest, it's imperative to stay calm and composed. "I did not have to say much when we were in trouble because everybody was calm. We knew we were going to rock and the guys picked up the momentum," said Kolisi about his half-time pep talk in his inaugural match as SA's first black Test Captain. And that calm focus helped the team win the match.

Captains make the call

When a match—or a business strategy—isn't going the way it should, leaders need to step up and have alternate turn-around strategies in place. These contingency plans need to be well-communicated to the rest of the team in order to be executed effectively. Individual players need to be empowered to take risks—if these work, they could result in victory; if they don't then the team is wiser for next time.

In the office, who is the captain and who is the coach? The coach is usually a line manager—or an external consultant or specialist. It can also be one's peers—there's nothing like the support or mentorship of one's teammates to encourage personal and professional progression.

On the field, the captain (aka CEO) makes big decisions about 5% of the time; the other 95% of the time, decisions are made by normal players (employees) within the moment of the game. Every player is a captain and needs to be encouraged and groomed as such. That's also critical to any team's successful succession plan.

Setting other players up to score

In sport, only a few players actually get the opportunity to score; the rest of the team's job is to set them up to do so.

Similarly, in an office, cross-departmental collaboration is key for sustained growth and success. Although only one person may score the actual goal, leaders should reward the whole team for the win.

Every excellent sports team has an exceptional bench of reserves, waiting to swap out with the on-field players. Similarly, every business aiming for longevity and sustained relevancy needs a 'bench' of diverse, up-and-coming leaders ready to replace the 'old guard.' Leaders need to start training young people at school-age. Soccer stars start young, usually not at age 18.

What sets a team up for failure?

- No fans (no customers)
- No vision or goal (to share with the team and shareholders to make them part of the journey)
- No empowerment of players (employees) to take risks, be creative and innovative

What sets a team up for success? Planning. As a leader, how do you create this game plan for success? Challenge your conventional thinking—plan and prepare better than anyone else in the corporate environment. Details make the difference, along with creativity and continuous learning, rethinking and reinventing. ▲

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