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MiNDSPACE

ENRICH YOUR THINKING



**IPELENG
MKHARI**

‘The only way we could create value was to work for it.’



OLDMUTUAL
CORPORATE

NUMBER 1 AT MAKING YOU NUMBER 1

Old Mutual Corporate is honoured to be repeatedly recognised as the winner of top South African retirement industry awards.*

We are thankful for being recognised again by the industry and its peers in winning awards given by the Institute of Retirement Funds Africa and Batseta Council of Retirement Funds South Africa for:

- **Financial reporting to stakeholders** - awarded to Old Mutual SuperFund
- **Stakeholder communication** - awarded to Old Mutual SuperFund
- **Manager of Managers of the Year** - awarded to Old Mutual Multi-Managers for the second consecutive year
- **Communications and Marketing Provider of the Year** - awarded to Old Mutual SuperFund for communication to, and the education of members, employers, administrators and other stakeholders.

Beyond winning these awards however, what truly inspires us is seeing more South Africans realise their financial goals and retirement dreams.

www.oldmutual.co.za/CorporateAwards

DO GREAT THINGS



Old Mutual is a Licensed Financial Services Provider.

* Institute of Retirement Funds Africa (IRFA) Best Practices Industry Awards 2016. Award winners in the Stakeholder Communication Specific Project and Financial Reporting categories.

* Batseta Imbasa Yegolide Awards 2015 & 2016 accolades for professional excellence in the retirement fund industry. Batseta Council of Retirement Funds for South Africa is a professional industry body that looks after the interests of retirement funds, trustees and principal officers in the retirement industry.

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hen I read that isolation is the new trend in travel, it sparked an internal debate about how we are pulled to and fro between a longing for silence and separation and the hyperconnectedness of our modern, digitised world. You can find your tailor-made travel time-out on page 8 in our new issue of *MINDSPACE*, but for a new form of virtual connectedness – or rather traditional working disconnectedness – read ‘The new workplace’ on page 12 for a glimpse of the office of the future. The boardroom, as we know it, may soon be no more.



On the opposite side of the spectrum, at a time when we are collectively challenging the worldwide status quo across themes such as globalisation, subsequent deglobalisation and a world in the flux of navigating populism, there is a call for collective thought-leadership to debate and discover solutions for the way forward. Read all about our next renowned thought-leadership Wisdom Forum (page 35), scheduled for 7 November, which will address just this.

The Millennials of today (specifically Generation Y) are hyperconnected to technology virtually from birth, unlike those of us who've known a world without smartphones or the internet. We so often think of our own generation in isolation, or in context of those who came before or after us, yet we are in fact navigating the world as we

know it right now, together. For an interesting and insightful debate on Millennials – the generation of the future – turn to page 14.

At Old Mutual Corporate we are geared to always give people solutions. Cue our new annuity product offering (page 32), which provides tailor-made retirement solutions to individuals, no matter their age. We have simplified what is a complex and important decision-making process to make your and your employees' lives easier.

Then, did you know that 33% of employees in South Africa's small and medium-sized enterprises say they would leave their jobs to get better benefits elsewhere?

With SMEs being the life-blood of the South African economy, we have also conducted, for the second time, our SME Retirement Monitor research. We unpack the key insights with Prudence Thipe, Old Mutual Corporate's General Manager: SME Segment, on page 28.

With Women's Month in August and Heritage Day in September, there is a lot for us as South Africans to honour, remember and celebrate. We are inspired by local businesswoman

Ipeleng Mkhari, a self-made multi-millionaire through her grit and determination – with a dash of fate guiding her along the way. Read about her journey on page 20.

And what are South Africans if not tenacious, inventive, practical and savvy? When our most obvious challenges arise, the solutions often stare us in the face. We speak to four people who had the insight to see, with remarkable clarity, the problems in front of them and create inspiring product offerings in response. If we could all do this, can you imagine the difference it would make? A thought to contemplate in isolation, indeed, and action through connection. Let us not forget, it's in our heritage.

Here's to creative thinking,
Gugu-Lisa Zwane, Editor

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COVER CREDIT: Chris Valentine

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The best countries to start a business

Starting a new business has become easier around the world: In 2003 it took an average of 52 days; in 2016 it took 21. The World Bank's 2017 Doing Business report compared business regulations in 190 countries and ranked them in terms of 11 indicators, such as dealing with construction permits; getting electricity; obtaining credit; paying taxes; and resolving insolvency. This results in overall scores for ease of starting a new business [the top six listed below] and ease of doing business [in the long run]. What is striking is that one doesn't imply the other.



1. New Zealand

Small businesses with fewer than 20 employees make up 97% of all businesses in New Zealand and form the backbone of the economy, creating 29% of all jobs in the country. More tellingly, 70% of businesses are one-man/woman operations by people who are self-employed, resulting in a culture of entrepreneurship that continues to grow in the country. This means that Kiwis are generally open to new business ideas and willing to support more unconventional start-ups.

New Zealand scored highly in five of the categories: dealing with construction permits; registering property; getting credit; protecting minority investors; and time and cost associated with the logistics of importing goods into the country.

It takes altogether half a day to start a business in New Zealand, thanks to the limited number of procedures that are required. There is also a variety of business incubators for start-ups to choose from that provide expertise and financial backing.

It's no surprise, then, that the country came out tops for ease of continuing to do business.

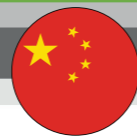


2. Canada

The Canadian government, possibly to counter the lure of the USA job market, does more than most to make life easier for start-ups, and has been doing so through numerous initiatives, from encouraging entrepreneurship at university level to dedicating city space to 'start-up zones' (such as Toronto's MaRS Discovery District) since the early 2000s. In addition, financial aid comes in a wide range of options in the form of grants, loans, tax breaks and vouchers, depending on the type of business, and some grants don't have to be paid back at all.

In 2013 the government introduced its Venture Capital Action Plan (VCAP) to encourage private investment in start-ups – for every \$2 (about R20) they invest, the government gives another \$1 (approximately R10) to early-stage companies. What's more, the country now offers start-up visas with permanent residence status to encourage entrepreneurs to immigrate there.

Starting a business takes one-and-a-half days on average, and start-up owners pay less tax. Even so, Canada has slipped two places in terms of ease of doing business and now sits in the 22nd spot.



3. Hong Kong

Hong Kong is all about enterprise, and holds the top spot in the 2017 Index of Economic Freedom, which defines an economically free society as one in which 'governments allow labour, capital, and goods to move freely'.

As such, the country does more than most to encourage small businesses, which is all the more understandable if you consider that this sector generates more than 400% of its GDP.

Entrepreneurs do not need a physical address (a holding address suffices); in certain sectors, office space is subsidised or provided for free; there is little corruption and there is no VAT on sales, withholding, estate, capital gains or dividend-based tax, and no corporate tax. Consequently it is one of the most tax-friendly economies in the world.

The government offers loan guarantees, incubator programmes and marketing funds for start-ups, including foreign entrepreneurs. A special department, InvestHK, provides immigrant investors with free investment promotion services.

Although Hong Kong ranks 61st with regard to registering property in the world, it is still number one in the region.

Unsurprisingly, the country's ease of doing business ranking is on par – in fourth place.



4. Macedonia

Trade is Macedonia's largest source of income and, of the 35% of small businesses involved in this sector, 95% are micro-enterprises. Although not yet admitted to the EU, Macedonia has opened its doors to trade with its European neighbours, and is creating economic free-trade zones to encourage new businesses to set up shop there. Investors in these zones are exempt from several taxes such as profit tax and pay no personal income tax for the first 10 years.

But even if you just wanted to open a coffee house in the capital Skopje, a one-stop-shop enables entrepreneurs and investors to register a business within two hours of submitting an application. Everything is done at one office with the help of a single employee. The government also set up the Macedonian Investment Network that puts prospective entrepreneurs in touch with the country's angel investors around the world.

In 2016 resolving insolvency was made easier by changing voting procedures for reorganisation plans and allowing creditors greater participation.

Macedonia currently sits in the 10th spot with regard to ease of doing business.



5. Azerbaijan

Although SMEs make up 80% of all registered companies in Azerbaijan, they contribute no more than 3% to the country's economy. A handful of oil companies make up the remaining 97%.

Despite being among the top 25 oil producers in the world, government reforms to boost small business have earned Azerbaijan a spot above known start-up havens, such as Singapore, in this year's ranking. For instance, companies with fewer than 40 employees and an annual turnover of below R1.5 million are allowed to follow simplified accounting rules as approved by the Ministry of Finance.

To make the most of its geographic position in the middle of the international transport corridor between Europe and Asia, the government introduced an electronic system for submitting export and import declarations to cut down on delays and costs. From its side, the EU's EU4Business has launched a new project in three Armenian provinces to train young people in establishing start-ups, from compiling a business plan to good financial management. Even so, Azerbaijan ranks 65th for ease of doing business.



6. Singapore

According to the World Bank's data, starting a business in Singapore requires three procedures and takes two-and-a-half days. Entrepreneurs who want to register a new business can purchase the Business Profile online at the same time as registration, when filling out the incorporation forms. The processing time is about 15 minutes from the time of successful submission of all documents and information.

Although there is already a long list of government funding options available to start-ups in Singapore, the Minister of Trade and Industry announced in March this year that it had set aside \$20 million SGD (about R188 million) for an incubator and accelerator programme that will help first-time entrepreneurs secure pre-seed funding. In the same month, he announced that Singapore would pull out all the stops to attract foreign start-ups. For instance, the \$50 000 SGD (about R470 000) previously required as paid-up capital will no longer apply.

Once a business is up and running, it is plain sailing from there, as Singapore ranks second in the world for ease of doing business.



SOUTH AFRICA

Our country was placed fourth in sub-Saharan Africa for ease of doing business, ranking behind Mauritius, Rwanda and Botswana, and came 74th out of the 190 countries in the worldwide ranking.

The areas where we most need to improve are, in order: enforcing contracts; registering property; resolving insolvency; and trading across borders. With regard to starting a business, SA occupies second place after Mauritius and ranks 131st in the world. In 2016 World Bank figures showed that it took an entrepreneur 46 days to start a business compared to 43 in the latest report.

WHY DO YOU TRAVEL? TO ESCAPE? TO EXPLORE? TO EXPERIENCE? PERHAPS TO FIND SOMETHING YOU WON'T FIND IN THE DAILY GRIND: SOMETHING INSPIRING, MINDSET-ALTERING AND NEW?

Getaways that count

GET LOST

It's being called the Next Big Thing in luxury travel: spending time in remote areas, where the notion of 'getting away from it all' comes hand-in-well-manicured-hand with high-end comfort. You can understand the attraction: isolated destinations in, say, the Namib Desert provide all the solitude you want without the loneliness that (strange as it seems) inevitably comes with crowded tourist spots. Consider somewhere remote, such as Greenfire Desert Lodge (greenfire.co.za/desert-lodge), situated 150km south of Sossusvlei in Namibia.



RENEW YOU

Day spas and retreats are an obvious elixir for anybody who's looking to unwind, but for a real reboot, you want something holistic and nowhere near the city. A faraway location like Brookdale Health Hydro (brookdale.co.za) in KwaZulu-Natal's Nottingham Road, offers exactly that, as well as yoga and nutritious food. It's natural, healthy and best of all – remote.



TAKE A BREAK

In 2013, Simon Cohen, the founder of advertising agency Global Tolerance, put the entire company on a year-long sabbatical. 'Why would I put all that on hold?' he wrote in the *Harvard Business Review*. 'The answer is simple: So we could come back even better.'

The benefits of a break – a proper, completely disengaged one – are backed up by research, which found that a daydreaming mind is more likely to produce eureka moments of clarity and creativity, and of long-term, high-level thinking. These are the things you won't get from the day-to-day of clients, emails and management meetings.

You'll have to provide financially for your time away from gainful employment – and that's where sound, goal-focused financial planning makes all the difference. The trick is removing yourself from the things you find stressful. There's no point in simply going to do the same work in a different environment.



Real class

Consider the horizon-expanding possibilities of joining a research team or a group of experts in the field, exploring natural wonders and archaeological sites. It's like a school excursion, but for grown-ups... and thankfully, there's no test at the end. National Geographic (nationalgeographicexpeditions.com) offers expert-guided expeditions, adventures and journeys, all designed for small groups, to give you authentic, hands-on encounters with something other than a keyboard, contract or PowerPoint presentation.

The benefits of a break – a proper, completely disengaged one – are backed up by research, which found that a daydreaming mind is more likely to produce eureka moments of clarity and creativity..

TEXT: MARK VAN DIJK. PHOTOGRAPHY: GALLO IMAGES/GETTYIMAGES; SUPPLIED



AIM FOR THE STARS

Are you ready to explore the final frontier? You may be, but sadly technology is not... at least, not quite yet. Space tourism became a reality with the sci-fi adventures of Mark Shuttleworth and SpaceShipOne, and Virgin Galactic (virgingalactic.com) is keeping the dream alive, offering aspiring astronauts a seat on future space flights for a deposit of \$250 000 (about R3.3 million).

Find a purpose

For those wanting to discover the world *and* do good, volunteering is the way to go. SAVE Foundation (volunteering.org.za) is a South African non-profit organisation that sets up sustainable community and conservation projects across Africa in countries like Malawi, Tanzania and Kenya. You can choose to work with animals or people, doing anything from helping on a game farm to assisting families or school groups. The fee covers meals, transport and accommodation. In exchange you enjoy a getaway with a lasting impact.



SLEEP EASY

Although they were established 50 years ago, Old Mutual's Smoothed Bonus Funds are designed for the future. Set up to protect your retirement savings in adverse markets, they're infused with a philosophy of sustainability and long-term thinking.

'Different investment styles perform differently, depending on the conditions. The Smoothed Bonus Funds perform fairly consistently over all market conditions.'

'Responsible investing is a big issue now,' says Old Mutual Corporate's General Manager of Operations, Hugh Hacking. By focusing on responsible investment, the Old Mutual Smooth Bonus Funds are helping the economy at large.

The key is their smoothed performance over the long term. Hacking calls this the 'sleep-easy factor'. 'You put your money away every month and you don't ever worry about it,' he says. 'You don't have to panic when the markets change. Part of the thing is, from a behavioural bias point of view, people can make unwise decisions when they see they're losing money.'

See more insights from Hugh Hacking on page 32.

JUST A PHONE

So you want to take a holiday and disconnect your mobile phone, but still want the option of making or receiving emergency calls? There's an app for that. In fact, there's an entire phone dedicated to it. The Light Phone (thelightphone.com) is specifically designed to be used as a second phone. It can't text, email, check Twitter, update Facebook or set calendar reminders. All it does is make and receive calls forwarded via your primary phone. Simple as that.

thoughtSPACE

Must-read opinions
and topical debates

How to navigate the
'gig economy' world
of freelancers
p12

The Masisizane Fund:
bringing small and big
business together
p13

Managing the X factor
of Generation Y in
the workplace
p14



'Although Millennials are sometimes thought of as "high-maintenance" employees, this generation thrives on challenges and innovation, enjoys freedom and flexibility to be creative, and dislikes micro-management.'

– Dr Linda Ronnie, Senior Lecturer in People Management and Organisational Behaviour at UCT Graduate School of Business

The new workplace

INCREASINGLY PROLIFIC CONNECTIVITY AND A NEW APPROACH TO THE NINE TO FIVE ARE ALTERING THE WAY WE WORK. HERE'S HOW TO NAVIGATE THIS NEW WORLD.

by **Craig Wilson**



As editor of tech magazine, *Stuff*, Craig Wilson is well versed in technology. The only thing he likes more than the smell of a freshly unboxed gadget is a plane ticket to somewhere he's never been.

WORKING TOGETHER used to mean operating from the same office, but that's changing as a growing number of people opt to work remotely. While there remain instances where proximity is essential, increased flexibility regarding where employees work is becoming more important, as companies seek to cut costs while securing the best talent.

DON'T SWEAT THE SMALL STUFF, OUTSOURCE IT Thanks to collaborative tools like Slack (slack.com), it is now possible to manage even complex projects without all participants being in the same office, or even in the same city. Freelancer

websites such as Upwork and Fiverr make it ever easier to find capable people for tasks that might not warrant a dedicated full-time employee – like designing a website or updating your company's brand identity.

Meanwhile, if you need a personal assistant, but don't have the time or money to recruit a good one, an app like Hey Jude (heyjudeapp.com) can help for a relatively small fee. The beauty of such apps and websites is that you can hire someone for a specific task or just for a few days, as and when required. It also means that you can configure and reconfigure a team quickly and have everything up and running in a day.

THE GIG ECONOMY

For some people, juggling several small projects instead of committing to a single employer (and their associated restrictions) is a way of life.

It may be that they value – or require – the flexibility, or it may be because finding regular work has proven difficult. For others, it's about supplementing their primary income with a 'side hustle' (or three).

Whatever their reasons, a growing number of workers are joining the 'gig economy', and bringing with them specialist skills that could benefit your company. As with full-time or on-site staff, getting the most from freelancers or contractors tends to come down to clear objectives and communication. Skype, WhatsApp, email and good, old-fashioned telephone calls all have a role to play.

Contract workers also tend to be more flexible with regard to hours – if they're juggling gigs, it may suit them to do the project after hours as much as it would suit you to have the work done by Monday morning. There is a lot to gain from having a pool of freelancers who are willing and able.

PROS AND NOT GETTING CONNED How do you know that a contractor won't let you down? Any reputable on-demand service – whether it's for copywriters or web designers – offers peer reviews or another feedback mechanism and some sort of guarantee or surety. Remember, these businesses succeed only because of the consistent, reliable results they deliver.

Nevertheless, if you're nervous of handing work to a stranger, you could find someone to take on a short-term project or once-off assignment in your network – and it's likely the person you select will be delighted to get the work. Asking in social media groups or a select group of your contacts in the same industry provides a modicum of vetting and could potentially shorten the turnaround time.

Whichever route you take, make sure the deliverables and timelines are spelled out and agreed on at the outset. Furthermore, even the best-laid plans have been known to run over time or budget, so ensure that you iron out the details of revisions, overtime and other unforeseen delays during initial discussions to avoid unpleasant surprises or conflict down the line.

Professional freelancers may ask for a portion of their fee upfront. That may be unsettling, but it's their way of ensuring you're as serious about the project as they are. Where it's feasible, a face-to-face meeting can help to allay doubts. If it isn't, a video call, requests for references and examples of work can serve the same purpose. While intuition is good, a reference is even better. **M**

SMALL, MICRO AND MEDIUM ENTERPRISES (SMMEs)

South Africa have received a significant boost over the past decade through the support of Old Mutual's Masisizane Fund. 'Bringing economic activity to rural areas especially, where other funders don't usually play, has brought hope to people who otherwise would have been left behind,' says the CEO, Zizipho Nyanga.

MASISIZANE IS CRITICAL IN THE LOCAL CONTEXT

'We're the link between SMMEs, entrepreneurs and big business,' says Nyanga. 'Small operators need funding, but they often also need support in being exposed to big business and learning how to manage that relationship. Say you are a small textile manufacturer supplying a large clothing retailer in South Africa. A big company like that most likely has rules and procedures around compliance, which small suppliers often don't have in order.'

'We assist them with that compliance, so they don't miss any opportunities.'

Another area where entrepreneurs and small businesses see challenges is in the world of franchising, where they often get a raw deal simply because they didn't know exactly what buying a franchise entailed,' says Nyanga. 'We can help them in their relationships with franchisors, knowing exactly what they sign up for when buying a franchise and negotiating the best deal with the franchisor.'

BIG BUSINESS WILL BENEFIT FROM DEALING WITH SMALL OPERATORS

Big business can benefit greatly by procuring locally. 'Buying from a local supplier

gives you more control. It's a lot easier to drive to a supplier in the same city when there's a problem, for example, than transporting products back to China,' Nyanga says.

'Using small local partners also gives you more control over the manufacturing process and the opportunity to offer guidance during production. Lead times can be quicker – since there's no international shipping – and it could help you gain access

to other local markets.' She cites the example of the South African textile industry, which took a huge dip when clothing and textile manufacturing largely moved to China.

'There is a move towards buying local again and companies want to do this for all the convenience it brings. So bringing the local textile industry back is definitely something we'd like to do during this next decade of the fund.'

SA SEEKS MORE TRADE BETWEEN SMMES AND BIG BUSINESS

In our current era of inclusive economic growth, big business also stands to gain from dealing with SMMEs because it has to be seen to contribute to socio-economic transformation, says Nyanga. 'Big business is expected to develop local suppliers and invest in responsible business in South Africa, not just its bottom line.' But Nyanga emphasises that it is not about forcing large companies to do business with small, local ones at their own expense.

'Our hope is that SMMEs will revive the economy and that big business can contribute towards our future by dealing with them. At the same time, it can reduce costs, expand its supplier network and gain access to innovative new enterprises.'

THE PAST WILL INFORM THE FUTURE

The Masisizane Fund has grown well in its focus areas, like the agribusiness value chain development flagship in the Eastern Cape and KZN. 'The fund is doing a lot of work in developing subsistence farmers into commercial ones, while improving the land they farm on. There's a lot of usable land out there lying dormant.'

But as CEO Nyanga says she doesn't want the work to stop there. 'My hope is that the fund won't be zoomed into one area, but continues to support small businesses and entrepreneurs across the economy. I'd like to use the knowledge we've gained to move into other provinces and businesses.' **M**



Go small to win big

OLD MUTUAL'S MASISIZANE FUND RECENTLY TURNED 10. CEO ZIZIPHO NYANGA SHARES SOME VIEWS ON THE PAST, THE FUTURE, AND THE LINK BETWEEN SA'S SMMEs AND BIG CORPORATES.



Zizipho Nyanga joined Masisizane in 2014, and has been its CEO since October 2016. She has vast experience in areas like business support, entrepreneurship, deal making, management, auditing, risk advisory and internal control improvements.



For more on the Masisizane Fund, visit dogreatthings.co.za/masisizane.



Dr Linda Ronnie

As Senior Lecturer in People Management and Organisational Behaviour at UCT Graduate School of Business, Linda's teaching focuses on a wide range of people-management topics. As a former private-sector manager, she has – through a generational lens – conducted extensive research into the attraction, retention and motivation of employees.



Generation g a p

MILLENNIALS – SPECIFICALLY THOSE BORN BETWEEN 1991 AND 2001 – ARE NOW GRADUATING AND JOINING THE WORKFORCE. DO THEY NEED SPECIAL TREATMENT? AND IF SO, WHAT'S THE BEST WAY TO MANAGE THEM? THE ANSWER TO THE FIRST QUESTION IS YES. THE ANSWER TO THE SECOND HAS THE MAKINGS OF A FASCINATING DEBATE.

Ronen Aires

As CEO and co-founder of youth-marketing and career-development solutions provider Student Village, Ronen has unique insights into the Millennial market. He is currently Area Director: Africa for the Global Entrepreneur Awards, an annual competition run by the Entrepreneurs' Organisation (EO), and was named Most Promising Entrepreneur by the South African chapter of the EO in 2006.



Millennials need management

ALTHOUGH MILLENNIALS ARE SOMETIMES THOUGHT OF AS 'HIGH-MAINTENANCE' EMPLOYEES, THIS GENERATION THRIVES ON CHALLENGES AND INNOVATION, ENJOYS FREEDOM AND FLEXIBILITY TO BE CREATIVE, AND DISLIKES MICRO-MANAGEMENT.

by *Dr Linda Ronnie*

ALTHOUGH SOUTH AFRICAN Millennials have had different formative experiences to their counterparts around the world, they hold similar beliefs. In particular, they have much in common with Millennials in other emerging economies that face comparable challenges such as inequality, political instability and economic volatility.

What makes them different to other generations is their proactive attitude towards their career paths, the emphasis they place on training and development, and the need for purpose at work. Business management consultancy Accenture reports that loyalty is self-directed among young South African employees and that they prefer diverse and flexible work arrangements with appropriate salaries. Millennials are driven by stimulating tasks and a desire for new knowledge and experiences. This different approach to work creates various challenges and implications for organisations in all sectors.

If an employer wants to make the most of Millennial skills and understand their needs, there are five practical strategies:

1 A growing number of prominent global organisations are abandoning traditional performance-assessment systems in favour of frequent feedback. These initiatives resonate with Millennials, who value workplace engagement and ongoing feedback from managers. They appreciate two aspects of the mentoring process: quality of advice and the mentor's genuine interest in their professional development.

2 Organisations must provide incentives that matter to them. South African Millennials rate achievement, work-life balance and self-actualisation as key measures of career success. So it makes sense for organisations to offer these as rewards for good performance. In addition, team-based projects satisfy their need for community and desire to lead, instilling a sense of achievement and providing opportunities to develop valuable on-the-job experience.

3 Organisations wanting to retain young employees should support their professional development and have a keen awareness of their ambitions, facilitating

both lateral and lattice career moves. Millennials want to be on a path of continual growth – whether that takes them up, down or diagonally. They show eagerness to move on when there is a chance to learn something, be involved in substantial change and contribute meaningfully. This lattice strategy may engage young employees and win their loyalty, allowing your organisation to differentiate itself from competitors.

'Millennials appreciate two aspects of the mentoring process: quality of advice received and the mentor's genuine interest in their professional development.'

4 Coupled with training and development initiatives, young people should be encouraged, in parallel to lattice career paths, to climb the organisational ladder to reach senior positions. Lateral moves provide opportunities for a wider range of cross-functional careers that may enhance job satisfaction, offer new career trajectories and present opportunities to progress within their organisation.

5 Finally, organisations in all industries and sectors should create opportunities for cross-generational mentoring to promote knowledge transfer

among employees, for example, between Millennials who seek new knowledge and Baby Boomers wanting to share experience gained over time. The reverse is also needed, where Baby Boomer and Gen X employees are mentored by Millennials familiar with the latest techniques and information.

Young employees want to have a voice regarding employment conditions and workplace practices. In South Africa, where for many this voice was denied for so long, it's of paramount importance. Businesses benefit through acknowledging the expectations of newly skilled and qualified employees entering the workforce. In doing so, organisations in all sectors capitalise on the potential of Millennials to make a real and valuable contribution to their organisations and ultimately to South Africa.



Visit www.oldmutual.co.za/mindspace to listen to a *MINDSPACE* podcast where Dr Linda Ronnie shares further insights about Millennials.

Give them the guidance they need

MILLENNIALS LIVE IN A WORLD OF IMMEDIATE GRATIFICATION. THIS MEANS THEY'RE OFTEN UNABLE TO JOIN THE DOTS WHEN IT COMES TO CAREER PROGRESSION, AND REQUIRE CONSTANT FEEDBACK.

by *Ronen Aires*

OUR RESEARCH AT Student Village looks at the similarities and the nuances between graduates from Boston, New York, Lagos, Johannesburg, Mumbai and Tokyo. We're particularly interested in the Millennial – or Afrillennial™, a term we've trademarked – who was born in the 1990s and is currently entering the workplace.

In South Africa, many of these are the first in their families to graduate. The family sees them as an investment, and graduation is the first return on that investment. Whoever paid for their studies will probably enjoy their first paycheck. As much as these Afrillennials™ may come across as confident or even arrogant, they are under huge pressure from their families and they have a lot riding on their success, so they are driven by uncertainty and fear.

If you give them a choice between working at two companies where one's a big, established operation and the other a boutique consultancy, even if the position is the same but the consultancy is offering a slightly higher salary, they will often choose the big company, based on the perception that it's the safer option.

I do a lot of work with Afrillennials™, and those who enter large corporates are seeking guidance and structure, but they're also saying, 'Don't manage me by the minute. Tell me what to do and I'll do it.'

Although they're proactive, they're not independent. They're needier than previous generations. Perhaps it's because they're constantly connected, that they're always pinging you with questions. This generation was not brought up to be 'seen but not heard'.

Afrillennials™ were born into a world dominated by technology; they don't know a world without it. As a result, they don't differentiate between online and in-person relationships and have zero filter when it comes to airing their emotions on social media for everyone to see. I sometimes say that the best you can expect from them is their continuous partial attention – and that's upsetting for many employers.

On the upside, a natural aptitude with tech enables them to work smarter and faster, and corporates can benefit from that efficiency.

In terms of career progression, Millennials have unrealistic expectations. They enter the workplace thinking: 'I've got my degree. I've worked four years for this. I've reached the top of the mountain!' But then they realise that was the old one and they've actually arrived at a new mountain called the world of work, and they're at the bottom. That's a devastating realisation, but a necessary one.

I'm convinced that older generations view them as aliens, but the same could be said for every generation throughout history. Millennials are a product of the world in which they live and they're not going away. The challenge for senior managers is to tap into that Millennial desire to change the world, create a space for it within your organisation and provide the guidance that will allow it to thrive.

'Perhaps it's because they're constantly connected that they're always pinging you with questions.'



A MILLENNIAL'S PERSPECTIVE

by Rodney Msimango, Senior Investment Consultant at Old Mutual Corporate

Everybody likes to be treated with respect and dignity, regardless of the generation into which they were born. South African Millennials were born into a dichotomous era: one that represented so much turmoil and anger, but also presented a lot of promise and hope. The end of apartheid brought on a kind of widespread revolution of breaking the mould of convention – we are a fearless generation, and one that often goes against the grain. Given what came before, that can't be a bad thing.

But we often find it difficult to establish respect from senior colleagues and clients, who find it

difficult to relate to how Millennials work. A client who is closer to retirement often feels more comfortable engaging with a professional who belongs to their generation, and this poses significant challenges for young professionals wishing to integrate with senior clients.

The onus is on business leadership to create a platform that allows Millennials to express themselves openly. This will foster a collegial corporate culture. If that permeates into our interactions with clients, it will go a long way towards changing client perceptions. **M**

The inspiring story of one
of SA's most successful
female entrepreneurs
p20

How the internet is
creating the next
industrial revolution
p24

'I want to see a
South Africa where
young people are
running
things,
creating
opportunities
for themselves
and delivering
excellence.'

– Ipeleng Mkhari, CEO and founder
of Motseng Investment Holdings

wealthSPACE

Bold business insights
and strategies for success



Breaking through barriers

THE BUSINESS JOURNEY OF IPELENG MKHARI, CEO AND FOUNDER OF MOTSENG INVESTMENT HOLDINGS, PROVIDES SOMETHING OF AN ANTIDOTE TO THE DOOM-AND-GLOOM PICTURE THAT MANY LIKE TO PAINT ABOUT SOUTH AFRICA.

by Mandy Collins



some vac work with Eskom, so I thought maybe I'd work as a graduate-in-training there. But essentially, the focus was on getting a job.'

In January 1997, however, she received a call from an old friend who said she knew of a family business looking for a BEE partner. 'I went to meet them – it was a white-owned electronic security business that had been around for four or five years,' she recalls.

'At the time there were all these new terms like BEE, and businesses were scrambling to find black people to partner with. My friend introduced me to the family, and the simple question that I was asked was: "Do you want to be an employer or an employee?" I replied "employer", which was the answer they were looking for, and I joined them as a marketing director, without gaining any equity in the company.'

'I was very naive. I didn't understand equity; I didn't think to ask the obvious questions or meet my fellow directors. I just went out and marketed that CCTV company with everything I had.'

PELENG MKHARI HAS THE KIND OF STORY that should be required reading for every entrepreneur. It's a tale of courage, grit and determination

that saw this dynamic 40-something woman heading up a diversified investment holding company with third-party assets under management worth a sum of R20 billion.

Being an entrepreneur wasn't on Mkhari's radar when she graduated in the mid-1990s. 'I left university in Durban, and soon after, I lost my mom, so I moved to Johannesburg to live with my father, as my parents had divorced some years earlier,' she says. 'The idea was that I would find a job. In second and third year I had done

That strong work ethic saw Mkhari taking the job and the title she'd been given and building the brand she'd been entrusted with. But six months later, she would get quite a wake-up call at an important business meeting, when she discovered her co-directors were the family's gardener and housekeeper.

'The family didn't even bother to send them in office clothes – they came in their overalls!' she says. 'The housekeeper arrived at a very important client meeting with a baby on her back. I walked out of that meeting knowing that it was wrong. Very wrong.'

LAYING THE GROUNDWORK

Over the next six months, Mkhari soaked up every last bit of knowledge possible about CCTV, and crafted her business plan. 'At the end of that year I asked my father, a lawyer, to join me at my meeting with the company

chairman. I said: "I'm resigning. But I need you next to me, because I'm not just resigning. I want them to deregister themselves as shareholders and leave me as the sole proprietor. I've run this business from inception, I don't want what they've built up, but I want the brand. And I want you to be there as my legal adviser."

'I went to the office of the chairman – I remember that I was so scared of him – and we had the conversation. I told him I was grateful for everything he'd done for me, that I'd learnt so much, and then I told him my plan. His response was that I would never make it – that it was too hard. And I recall saying to him: "I probably won't, but I will kill myself if I don't try."

'It wasn't just that I'd seen what I'd seen – the BEE fronting – and I didn't want to be part of it. After the jubilation of our democracy in 1994, the narrative in the country was one of black



Mandy Collins is a Joburg-based independent writer, editor and journalist who has authored several books, and loves training and coaching people to become better writers.

economic empowerment, new structures, people going into transactions and doing deals. You would read about it daily: the likes of Cyril Ramaphosa leading Johnnic and the late Dr Nthato Motlana at NAIL.

There were all these new businesses, and black people were trying to become part of the main economy, and that excited me. At a micro level, I thought, I'm that girl. I can do this CCTV thing!



MKHARI'S QUICK TAKES

On the latest property investment trends in South Africa:

'Property as an asset class is a very stable, long-term option. The macro-economic fundamentals are intact, but now in the country's technical recession, the retail and office property sectors are feeling some pressure. Having said this, an investment in a real estate investment trust (REIT) is a sound decision.'

Books and talks

'Two books that have had a lasting impact on me are: *Thrive* by Arianna Huffington (Harmony) – because it's so important as a busy individual to be reminded about prioritising time; and *Lean In* by Sheryl Sandberg (WH Allen), which really debunked some of my own perceptions of how we see ourselves as leaders.'

My favourite TED talks are: Brené Brown's *The power of vulnerability* and *What it takes to be a great leader* by Roselinde Torres (TED.com).



Visit www.oldmutual.co.za/mindspace where you can listen to *Mindspace* podcasts and learn more about Mkhari's business lessons.

THE YEARS OF SLOG

Of course, in time Mkhari would prove that naysaying chairman wrong. Not only did she make a roaring success of the CCTV business, but several years later she would stand at the JSE with her husband and children, watching as her property fund listed.

But there were years of very hard work in between. She set up a small home office in her father's study in June 1998 and started hustling. She cold-called potential clients, drove to meetings, followed up on requests for proposals and tenders – a lot of tenders. She just kept at it, day in and day out.

'One relationship I'd been developing was with the Kunene brothers – one of South Africa's leading black-owned business groups. Long before democracy, they had been in business, and had moved from being a township set-up to the mainstream,' she says. 'And they had a partnership with Coca-Cola. In September that year, after many visits, they appointed me with a R260 000 contract. It was a great opportunity and it brought a lot of positive PR opportunities.'

However, Mkhari had no credit or money to buy equipment, which meant she had to get bridging finance. She approached one of the banks with a business plan and a contract, and that secured the finance. She had to pay the money back within a month, however, so the installation had to be perfect. All went according to plan, and she reimbursed the bank.

Khanyi Dhlomo, then the editor of *True Love* magazine, picked up on

'We were ready to learn. And we were good at presenting our story.'

Mkhari's story, and not only profiled her in the magazine but also got her involved in workshops they were running. People started to notice her, talk about her, and in the second half of that year, an old school friend, Sandile Nomvete, asked to meet with Mkhari. He loved what she was doing and wanted to work with her. The Kunene brothers' deal provided the seed capital for Mtseng Investment Holdings, and Mkhari and Nomvete were in business.

'We decided we needed to start with what we had, so we began looking at investments in security, since I was already running an electronic security business,' she says. 'We sold it into Mtseng for nil value and that became our first base. It took a lot of knocking on people's doors, but after Sandile joined the business, we concluded our first deal with a large security company that was looking for an operational partner.'

REDEFINING BEE

Mkhari says in those days BEE was in a kind of bubble. 'A guy would come along and say: "I've been in exile; I've got the credentials." Tick. "I want a deal." Tick. Banks funded these structures into big listed businesses. Money was flowing. There was no

operational involvement at all, no understanding of the industry. And no-one was transferring skills or getting into the business and running it. We wanted to run the business. We would say: "We want to be your BEE partner, but we want to work for the value." The only way we could create value was to work for it. And then the net profit value that came out of that should service the loan value for the equity we were buying.'

So Mtseng bought into Enforce Security in a R100-million transaction. 'And there we were, with not a cent between us. But we were hungry. We were ready to learn, and we were good at presenting our story. Also, we were very much in the right place at the right time.'

Their second big deal came through Marriott in 2002. They were approached and formed Mtseng Marriott Property Services. 'They transferred clients to this new entity, and were prepared to transfer skills,' says Mkhari. 'They sat on the board with us and showed us the ropes. The door then opened into the property world and we found our passion.'

MOTSENG TODAY

Mkhari says today the business consists of two or three key pillars. The first is property services, which arose out of the Marriott journey. In 2005 Mtseng bought them out. 'Then there's facility management and concessions – basically, servicing assets. Lastly, we invest in other businesses as well as our own. So we're operators, and we invest in what we do.'

'After 10 years, we saw the opportunity to invest in other businesses, so

we started making strategic investments in manufacturing and industrial businesses. In 2008 we hired a corporate finance specialist and this started the third leg. Up until then we'd always been at the mercy of a landlord. Now we wanted to become the landlord.'

They were able to realise their vision, largely thanks to a government policy aimed at driving transformation. The Department of Public Works, which is the custodian of all government buildings, was offering long-term leases of nine years and 11 months to help people raise the necessary money to buy those assets.

'It actually allowed us to raise 100% debt and it transformed the industry,' she says. 'If you could get your hands on an asset and you had the lease, you were good to go – you just had to find the right partners at the bank. But we had the track record: we had a sound business, with no debt. It was an exciting time – they knew what they wanted and we could respond. We bought our first four assets for R1 billion.'

When their competitor listed on the JSE and raised significant money in the process, Mtseng did the same and took their four assets to 20. Today the Delta portfolio is worth R7-billion. 'We listed five years ago and it was a seminal moment,' says Mkhari. 'I stood there with my husband and kids, amazed. I had started off at 22, and this was one of those things I'd dreamed about achieving.'

Mkhari later parted ways with Nomvete – he continued as CEO of Delta Property Fund, and she stayed with Mtseng.

FOCUS ON YOUTH

One of Mtseng's 'disruptive' plans is empowering young people deliberately. 'They are the biggest constituency in South Africa. If you ignore them you're missing the boat,' she says. 'They are angry – they believe we've screwed up the country, that there's no leadership, that we've cut them out.'

When I was 23 there was no question about the leadership and stability of this country. There was moral leadership with a commercial focus. We knew what the top 10 South Africa Incorporated initiatives were, and we had buckets of hope.

Today there is chaos and constant mediocrity, and young people leave university with no jobs or opportunities. That's debilitating.'

She also believes that the perception that today's youth are entitled, is flawed. 'They're forthright, highly communicative and confident, and we can learn a lot from that. Millennials want everything to happen faster, but they also want to work for companies with strong values and ethics. They want to make a difference – and the hierarchy is dissolving – Millennials want to be heard, to be brought to the centre.'

'My own story is one of being a young person supported by people who saw something in me. It's disruptive for middle-aged and older people, but we need to disabuse ourselves of the idea that young people don't know anything, and back them instead.'

And they're not just hollow words – Mtseng is in the process of setting up a vac work programme and partnering with university chapters. 'I want to see a South Africa where young people are running things, creating opportunities for themselves and delivering excellence.'

In 2018, Mtseng will celebrate its 20th anniversary. 'We're a strong property group now. It's an achievement to reach 20, because it's quite a closed industry; it seems big but it's actually small,' she says. 'We have a track record, and the time is ripe for interesting consolidation opportunities across the property sector. The industry and the country have changed a lot. So we're asking: What are the disruptive things we can do that will transform Mtseng?'

'We want to partner with others. There have been some exciting developments on the continent. In 2012

we teamed up with a Mozambican company, and in 2014 we moved into Lesotho. So we can forge into new markets and we're aiming to continue doing that.'

'We're excited about turning 20,' she concludes. 'It's easy to start a business, but it's hard to sustain and maintain it. You have to keep innovating and adapting to change; there are ups and downs. Now we know we can do this, but what is our story for the next 20 years? It's a moment to reflect. The journey has been exciting, fun and rewarding – we want to share that with others.' **M**

Enter the future



AS TECHNOLOGY BLURS THE LINES BETWEEN THE PHYSICAL, DIGITAL AND BIOLOGICAL WORLDS, WE ARE ENTERING AN ERA IN WHICH MACHINES THINK, LEARN, OPERATE AND INTERACT INDEPENDENTLY. TWO TECH EXPERTS UNPACK THE FOURTH INDUSTRIAL REVOLUTION.

CHALLENGES VS OPPORTUNITIES



Johnson Idesoh
CHIEF TECHNOLOGY OFFICER, OLD MUTUAL EMERGING MARKETS

The opportunities provided by the Fourth Industrial Revolution far outweigh any potential challenges, says Johnson Idesoh, Chief Technology Officer at Old Mutual Emerging Markets.

‘Technology is not something to be feared,’ he insists, but there are two things to watch out for. Johnson says the first is security, citing recent widely reported examples of global cyber attacks; and the second is privacy. ‘We’re entering a world where the sharing of information is going to take on a whole new definition with connected devices. For companies, the trick will be to find an equilibrium between being helpful and watchful.’ He explains: ‘There’s a fine balance between using data to improve the customer experience and using that data inappropriately.’

Johnson is fascinated by the commercial and social challenges and opportunities of the Fourth Industrial Revolution. He sees it fundamentally changing the way we do business and tearing down long-standing barriers that hinder entrepreneurs. ‘Historically, those barriers have been financial capital-based. Now they’re a lot more human capital-based. Companies will increasingly use their human capital to apply a piece of artificial intelligence or create an algorithm.’ Here, he uses Uber as an example: ‘It doesn’t own a single taxi but it’s the biggest taxi company in the world.’

Johnson warns that the biggest challenge for Africa as it enters the new industrial era is ensuring its population has the necessary skills. ‘Africa benefits from a young demographic, which will encourage adoption of the technology, however it must also ensure its population is skilled for the jobs this new era will require. Given the challenges inherent in education systems on the continent, this will require determined intervention to ensure the legacy of the industrial era isn’t one of economic exclusion for those without the skills

needed,’ he says. ‘In this world, those with skills are employed and economically advancing, while those without are caught in the unemployment trap.’

In closing, Johnson notes that the fact that most of Africa doesn’t have too much legacy technology (with the possible exception of South Africa, which has the continent’s most developed infrastructure), is an opportunity to leapfrog straight to the fourth industrial age.

HOW TO MONETISE IT



Anton Jooste
SENIOR VICE PRESIDENT, INTERNET OF THINGS, DIMENSION DATA

In November 2015, Dimension Data and Cisco launched

Connected Conservation, to prevent rhino poaching. The project uses some of the most sophisticated technology of its kind – from CCTV to thermal imaging, seismic sensors and drones with infrared cameras – all connected via a highly secure and intelligent network.

As an Internet of Things (IoT) showcase, it could hardly have gone better: Since the project’s launch, there’s already been a 96% reduction in the number of rhino being poached in the game reserve in which it was implemented.

‘We’re seeing more and more clients in both the private and public sectors looking to invest in digital technologies,’ says Anton Jooste, Dimension Data’s Senior Vice President responsible for the strategy and global operations of the group’s IoT business. ‘But, many enterprises are grappling with how to monetise the era of digitisation, and they don’t know where to start. Currently, our focus is on helping our clients to accelerate their digital transformation journey – so they can respond faster to market opportunities – and prioritising the experience of the people enterprises work with, whether they’re customers, employees or business partners.’

Cycling fans got a taste of this during this year’s Tour de France, where Dimension Data used machine learning and predictive analytics – combined with rider and historical data – to visualise race results and make predictions about stage winners.

‘The potential of the digital era

outstrips every preceding age tenfold, but technology and data hold the key to transforming business in ways that we’re only starting to recognise,’ he says. ‘Every business is impacted by global digital disruption, even iconic ones are being forced to transform. And as the Fourth Industrial Revolution gains momentum, the future looks bright for all organisations. It’s very exciting to see that South Africa and the rest of Africa are embracing this paradigm shift as aggressively as the rest of the world.’



Hear Anton Jooste’s views on future tech by listening to the *MINDSPACE* podcast at www.oldmutual.co.za/mindspace.

HOW WE GOT HERE

1700s - 1800s

1ST INDUSTRIAL REVOLUTION

Mechanisation, steam power and water power force agrarian societies to become urbanised and industrialised.

1870 - 1914

2ND INDUSTRIAL REVOLUTION

Electrical power fuels a move to mass production, assembly lines and telephones.

1980s - present day

3RD INDUSTRIAL REVOLUTION

Computers and automation force electronics and mechanics to shift from analogue to digital.

NOW

4TH INDUSTRIAL REVOLUTION

Artificial intelligence and the Internet of Things embed digital technology in all aspects of society. Everyday objects become connected via the internet, allowing unparalleled interconnectivity between electronic devices.

Why ensuring benefits
for SME employees
is a win-win
p28

**'33% of SME
employees said
they'd leave
their current job
if they could get
better benefits
elsewhere.'**

**– Prudence Thipe, General
Manager: SME Segment at
Old Mutual Corporate**

PHOTOGRAPHY: GALLO IMAGES/GETTY IMAGES

YOURSPACE

Personal insights for
your life and your job



More than just a salary

AS A SMALL OR MEDIUM-SIZED BUSINESS, LOOKING AFTER YOUR EMPLOYEES' RETIREMENT AND DISABILITY INSURANCE NEEDS CAN GO A LONG WAY TOWARDS KEEPING TALENT ON BOARD. OLD MUTUAL CORPORATE'S GENERAL MANAGER: SME SEGMENT, PRUDENCE THIPE, EXPLAINS.

by Charles Thompson

OUR COUNTRY'S SAVINGS rate is not looking healthy. According to the

Old Mutual Corporate 2017 Retirement Monitor, the majority of South Africans aren't confident about their financial retirement plan, and as much as 30% of working South Africans have no formal retirement savings. What's more, the 2017 Old Mutual Corporate SME Employee Benefits Monitor recently found that only 32% of small and medium enterprises have retirement funding on their agenda. Since SMEs are the country's largest source of employment, this statistic is a cause for concern.

According to Prudence Thipe, General Manager: SME Segment at Old Mutual Corporate, some of the monitor's findings were surprising. 'The results indicated an increased awareness of the need for retirement and disability savings from employers and employees. Employees are saying they'd like to have benefits, and even more so disability benefits, which has never been the case.'

Yet it seems getting the ball rolling is still a challenge for SMEs and their employees. 'Although there is an increased awareness of the need for employee benefits, it's not translating into action: There's been no increase in SMEs putting actual benefits in place.'

SAILING INTO THE WIND

The South African economy is not an easy environment for SMEs or their employees in which to save. 'Based on the responses, many businesses find the economic climate very tough, and indicated that affordability of employee benefits is an issue as a result of that,' says Thipe.

At the time when respondents were being interviewed, the country had dipped into a technical recession, and the monitor revealed that only 8% of SME decision makers feel bullish about the economy.

'There isn't enough confidence in the macro-economic climate,' she says. 'It's a very difficult environment at the moment and the businesses that feel it the most are SMEs. There is government support, but it's geared very much towards start-ups. Once these businesses pass a certain threshold, the support stops.

PUT YOUR EMPLOYEE BENEFITS ON AUTOPILOT

Taking out retirement cover as an SME doesn't need to be an expensive, time-consuming or admin-heavy process, since Old Mutual Corporate caters for even very small businesses. 'With a basic umbrella fund like the SuperFund Easy or slightly bigger SuperFund Choice, we offer products with very low costs and maintenance. Individual SMEs won't need a board or committee of their own to look after their fund. All of that admin is taken away from the business owner and an umbrella board takes care of all the legislative, administrative and financial requirements,' says Prudence Thipe. 'We also advocate for authorised collection – you give us the authority to collect contributions directly, then we invest them into the agreed funds and that's it!'

Then they're expected to comply with much tougher legislation and get treated almost the same as large companies. It's a big challenge for the country's SMEs.'

These challenges also end up having an impact on the employees, she explains. 'Affordability isn't only an issue for SME owners; the employees themselves are often not willing to contribute towards retirement savings.'

And as is often the case in tough economic times, debt is a major issue. 'Both employers and employees indicated high levels of debt, and that a big part of their income goes towards it,' says Thipe. 'So people are hanging on to as much cash as they can instead of allocating some of it towards retirement savings or disability cover.'

WHEN BENEFITS ARE DEAL BREAKERS

Despite the challenges small businesses face, Thipe says it's important to realise just how vital employee benefits can be. 'There's a belief that corporates can offer better benefits, and 33% of SME employees said they'd leave their current job if they could get better benefits elsewhere.'

The cost around finding, training and retaining talent is an equally important consideration for SMEs. 'It's extremely important to find and train the right

talent, and it's a huge cost for any small business. Spending all those resources to acquire, train and upskill employees only to lose them is huge. So it becomes critically important for SMEs to retain the talent once they've recruited it, and avoid the setbacks caused by losing trained staff.

'These benefits could be a great competitive advantage for a business when it comes to keeping staff on board for the long term.'

FROM SHORT- TO LONG-TERM BENEFITS

Interestingly, the Monitor found that business owners and employees often find ways to mitigate the lack of employee benefits. 'SMEs might not provide formal employee benefits, but staff might get informal ones,' says Thipe. 'Say the business is a small nursery school, for example; employees' children might then be allowed to attend for free.' She adds that employees might also enjoy more leave days or flexible work hours, 'but unfortunately, these are all short-term fixes, not long-term benefits.'

As businesses grow, however, owners start looking at providing benefits. 'Research has shown us that it's only after a turnover of R50 million or more that businesses actually start looking for employee benefit products.

This is an error,' says the SME specialist. 'Some employees might have been working for you for 10 years already by the time you hit that mark, which means they will have missed out on 10 years of savings by the time you provide them with a retirement benefit.' She also acknowledges that the type of worker often employed by SMEs finds it hard to save for retirement, with the monitor showing a bigger concentration of blue-collar workers with an income only slightly exceeding R5 000 per month.

But Thipe is adamant that low wages or small turnovers don't have to mean employers and employees shouldn't make any retirement contributions. 'We advocate that companies and their employees start contributing towards retirement savings as early as possible. There might only be a small amount of money available at first, but there are ways to work with it. For example, instead of offering an 8% annual increase, the business could offer an

Good to know:
'These benefits could be a great competitive advantage for a business when it comes to keeping staff on board for the long term.'

extra 5% on salaries and channel the other 3% towards retirement savings.'

Thipe adds that if you increase it slightly every year, the impact on people isn't so severe. 'It's very important to start early, even if it means starting small. After all, it's better to have a little than nothing at all.'

Ultimately, a lot of people feel that working for an SME is like being part of a family, and they would like to continue working there. It's simply a matter of providing them with more benefits than just a paycheck at the end of the week or month. **M**

PHOTOGRAPHY: GALLO IMAGES/GETTYIMAGES, SUPPLIED



Prudence Thipe is the General Manager: SME Segment at Old Mutual Corporate. Her career has spanned over 21 years in the financial services industry across banking and insurance. She has also served as a National Business Development Manager in Old Mutual's Retail Business Department.



Visit www.oldmutual.co.za/smemonitor to read the full Old Mutual Corporate Retirement Monitor.

What to consider
before choosing
a retirement annuity
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Another Wisdom
Forum provides
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A rise in disability
claims drives group
risk premiums up
p38

**‘The retirement
product you
choose to buy
will affect your
standard of living
and your livelihood
for the next 30 to
40 years.’**

– Hugh Hacking, General
Manager of Operations for
Old Mutual Corporate

PHOTOGRAPHY: GALLO IMAGES/GETTY IMAGES

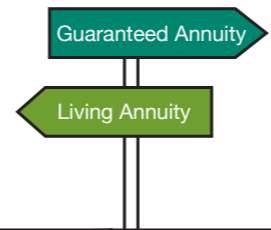
expertsSPACE

The nuts and bolts of
Old Mutual products

Revolution Road

CONSIDER SEARCHING FOR DIRECTIONS ON GOOGLE MAPS. THE ROUTE IT GIVES DEPENDS ON WHETHER YOU ARE WALKING, CYCLING, DRIVING OR CATCHING THE TRAIN. RETIREMENT PLANNING IS A BIT LIKE THAT – YOU MUST CONSIDER YOUR CIRCUMSTANCES BEFORE SETTING OFF ON YOUR JOURNEY.

by Philippa Selfe



IF YOU'RE A BABY BOOMER, chances are your parents worked for the same company their entire lives, and your father serviced his own car and kept a roadmap in the cubbyhole. Living to 95 would have been exceptional.

If you're a Millennial, the US Bureau of Labour says you'll average 15-20 different jobs in your working life, you've never looked under your car bonnet (although Google could probably tell you how to rebuild your engine) and the only thing in your cubbyhole is a USB charger for your smartphone.

Few people rely on paper maps these days; even fewer remain at the same place of work for life, but plenty live to 95 or beyond. Retirement solutions need to adapt and evolve to meet the needs of this modern workforce. While there is ample advice around how to save for retirement, the decision that must be made at the point of actual retirement is not as well supported.

That's a vulnerable space for an imminent retiree who has diligently saved for decades, trusting that it will be enough. However, if you started saving in your 30s, 30 years ago, you may have made provision for only 10 or 20 years' post-retirement income. With life expectancy increasing, you're now more likely to need that income to last 30 to 40 years, so it's vital that you know all your options before deciding which annuity product to buy. 'The product you choose will affect your standard of living and your livelihood for the next 30 to 40 years. It's a momentous decision, and making the wrong one can be extremely costly,' says Hugh Hacking, General Manager of Operations for Old Mutual Corporate.

The first T-junction

At retirement, if you choose to access your money, there are two main decisions: how much of your savings should be taken as cash and what type of annuity should be purchased. Within annuities, there are two broad categories – guaranteed annuities and living annuities – and both carry a variety of options to mitigate the inflation risk and/or the longevity risk.

Retirement solutions need to evolve to meet the needs of the modern workforce.

There are pros and cons to each: Guaranteed annuities provide an income for life, so there is no risk of you outliving your money. The levels of annual income from living annuities aren't guaranteed for life – and if you have a high drawdown rate at the start of retirement, in later years your capital might not be sufficient to provide a drawdown rate that is sufficient to meet your expenses.

With guaranteed annuities, there is no bequest option, so if you (and your spouse, if you have a spouse attached to the policy) die, whatever is left passes to the life assurance

company, whereas a living annuity allows you to leave whatever remains to your heirs – an option many people find very attractive. There are many variables to consider and each person has unique circumstances that will influence their decision. That's why Old Mutual Corporate has developed a decision support framework to help people choose – in a sense, a GPS for the journey to retirement.

'We stepped back and examined the key issue people face as they hit retirement, which is making the right decision. We specifically looked at building mechanisms to help people understand what they need to do next, what questions they should be asking and how they should frame their decisions,' says Hacking.

'This support mechanism also engages members well before their retirement date, to prompt them to think about their options appropriately, and not to be rushed. This decision-support infrastructure is backed by two product solutions that are ratified by the trustees of the Old Mutual SuperFunds.'

OLD MUTUAL FUND SELECT ANNUITY: WITH-PROFIT GUARANTEED ANNUITY

Smoothed-bonus with-profit annuities guarantee an initial pension that will be paid for the life of the pensioner, while the future pension increases are linked to the returns from the underlying investments. Once a pension increase is declared, it is also guaranteed to be paid for the life of the pensioner.

The purchaser can adjust the guarantee period to continue making payments even if they die. The trustee recommendations are around the guarantee period and it is possible to customise further by adjusting the percentage that a second life (for example your spouse or life partner) will receive if you die, or making the guarantee period longer or shorter.



Hugh Hacking, General Manager of Operations for Old Mutual Corporate, is an engineer, MBA graduate and CFA charter holder. He has extensive employee benefits experience and managed the development of umbrella fund products for Old Mutual Corporate.

OLD MUTUAL MAX INCOME: LIVING ANNUITY

A living annuity product offers the benefit of income flexibility, with the ability to change your income drawdown annually, and the facility to leave a bequest in the form of your remaining capital in the product to your chosen beneficiaries upon your death. There are numerous investment options and choosing one can be daunting without the help of an adviser. That's why Old Mutual Corporate has provided for a SuperFund Trustee-recommended shortlist of three investment options in the living annuity option, intended to cater for a range of investment needs, thus removing the burden of wading through the vast range in the market.

Employers play a crucial role in encouraging and facilitating saving early in an employee's career.

In addition, each option has a recommended sustainable drawdown. This is an amount that in theory will allow your money, if you stick to it, to last. The higher the drawdown, the quicker your funds deplete, and the more likely you are to outlive them.

The objective of Old Mutual Corporate's decision-support service is to help investors wrap their heads around that dynamic to enable them to make an informed choice – either to go with the default drawdown or understand that if they ratchet it up, there could be an adverse consequence down the line.

INVESTMENT OPTION 1: ABSOLUTE STABLE GROWTH PORTFOLIO

The trustees' recommendation comes with an 80% guarantee, which means your investment will never fall lower than 80% due to market movements. This option

also provides a smooth return profile and more stability on income drawdown. Although the 80% guarantee provides protection, the product has a diversified portfolio to outperform inflation.

INVESTMENT OPTION 2: OLD MUTUAL MULTI-MANAGERS BALANCED FUND

This is an actively managed portfolio that, over the long term, aims to produce significant inflation-beating returns through a strategy of flexible asset allocation to some of the best managers in the industry. The fund is ideal for medium- and long-term investors who do not want to manage their own asset allocation and believe in the benefit of investing with more than one manager.

INVESTMENT OPTION 3: OLD MUTUAL CORE DIVERSIFIED FUND

The fund aims to achieve long-term inflation-beating growth from a cost-efficient balanced portfolio, with an equity exposure typically displayed by multi-asset high-equity portfolios conforming to the regulations governing retirement fund investments.

With this support, Old Mutual Corporate handles the administration around leaving the SuperFund and buying an annuity product, making it a seamless process. 'Through this mechanism, our hope is that you'll understand what your income will realistically look like in terms of the amount you have saved, and be empowered to choose between certain priorities – longevity protection versus a bequest,' says Hacking.

'This decision depends on a retiree's situation and trustee recommendations should not replace the advice of a financial adviser but, broadly speaking, everyone should consider how to guarantee a minimum level of income for their own lifetime at least. What is the minimum that you actually need? Guaranteeing that amount is a good place to start,' he adds.

Knowing that your retirement income is sorted, you can turn your attention to other things, like taking up fly fishing or starting that book you've always dreamed of writing. **M**



The role of the employer

Employers formally relinquish responsibility for their employees' income when they retire, but that doesn't mean they don't have a role to play in providing access to financial education in the lead-up to retirement. 'Companies like Old Mutual Corporate need to help provide mechanisms to guide employees through the next steps. The employer needs to provide some level of co-operation to allow their employees access to such a service, within reason of course,' says Hacking.

That said, employers play a crucial role in encouraging and facilitating saving early on in an employee's career.

When it comes to pre-retirement products, employers should look at their employees' profiles and decide which key objective they want to help them with. Creating a degree of compulsion around saving for retirement will benefit them greatly in the long run.

Another key objective is protection – finding a balance between life insurance and disability insurance, bearing in mind that different types will be a priority for different people depending on their life stage and circumstances.

It is possible to find an optimised package that caters for all your employees through the Old Mutual SuperFund.

PHOTOGRAPHY: SUPPLIED

Populism and the rise of the disenfranchised



It's almost time for the next Wisdom Forum, where we kick-start change by identifying and debating the issues and challenges facing us.





EVERY YEAR, OLD MUTUAL'S WISDOM FORUM BRINGS TOGETHER SOME OF THE GREATEST MINDS AROUND THE GLOBE TO DISCUSS ISSUES SHAPING OUR WORLD.

by *Clement Chinaka, Managing Director, Old Mutual Corporate*

LIKE MANY BIG things, Old Mutual Corporate's annual Wisdom Forum had humble beginnings – it originated in the dining hall, and what followed was a series of fairly low-key regional seminars in 2012. Since then, the event has become one of the most anticipated on our calendar.

Now in its sixth year, the Wisdom Forum has grown into a formidable knowledge-sharing platform that brings a selected audience together with some of the most respected minds in the world. A different, thought-provoking topic is chosen each year, and through a series of talks it is dissected and debated by a select panel of visionaries and analysts. These experts present their insights and debate key issues that affect the future of South Africa and our continent, and members of the audience are encouraged to weigh in on the conversation.

The goal? To kick-start debate by identifying and discussing the issues affecting South Africa, Africa and the world.

Covering the globe

While there will always be a financial take-out, the themes discussed at the Wisdom Forum are not limited to those affecting the world of the financial services industry. We put a range of issues of domestic and global relevance under the spotlight, and have hosted forums on the rise of emerging economies, doing business in Africa, and how to cultivate the next generation of entrepreneurs.

Most recently, we investigated the question: Is globalisation crumbling? Before 2016, populism was an ideology more commonly associated with

Third-World dictatorships and leaders who cling to power by promising the impossible to the disenfranchised. This viewpoint doesn't reflect the complexity of prevailing global sentiment, where some see populism as championing democracy and others contend that populist mass movements breed instability and irrationality.

Nations once held up as beacons of democracy are experiencing a sociopolitical revolt that seeks to challenge the status quo. In the 2016 US presidential race Hillary Clinton's high-level approach ignored the concerns of ordinary Americans. By contrast, Republican candidate Donald Trump used a nationalistic approach, using tribal notions of identity – 'us' versus 'them' – rather than multiculturalism and integration to forward his campaign.

Over in the UK, Brexit happened, moving that country away from its globally aligned relationship with the European Union and closer to an island, in every sense of the word.

Our keynote speaker, Jeffrey Sachs, and two panellists addressed this deglobalisation and what its impact could be on South Africa.

Capturing the Zeitgeist

By the time this year's Wisdom Forum comes around, Donald Trump will have been US president for a year. Yet the world continues to analyse and assess the reasons behind his election and what it means for the future. The 2017 Old Mutual Corporate Wisdom Forum will therefore expand on our 2016 theme and investigate populism further.

From America's Rust Belt and the UK's anti-immigration working class to defaced statues and burning libraries on South Africa's university campuses, there's a global feeling that the voices of ordinary citizens are not being heard.

In the developing world, a lack of infrastructure, industry and opportunity hampers development, leading to mass outward migration, which in turn contributes to nationalistic tendencies in the receiving nations.

As leaders around the world grapple with the issues developing around populism, the speakers at this year's forum will present their thoughts on what is required if we want to protect democracy, equality and inclusion in an increasingly populist-led world, unpacking this global Zeitgeist happening before our very eyes. **M**

The 2017 Old Mutual Corporate Wisdom Forum takes place on 7 November at The Galleria Conference and Function Venue in Sandton, Gauteng.



Visit www.oldmutual.co.za/mindspace for videos, podcasts and feature articles relating to the Wisdom Forum.

PHOTOGRAPHY: GALLO IMAGES/GETTY IMAGES, SUPPLIED

HALF A DECADE OF WISDOM FORUMS



2013

Economic growth and the rise of emerging economies

Political analyst and futurist **Daniel Silke** looked at the economic prospects of BRICS, while **Nenad Pacek** and **Andy Xie** shared valuable insights on emerging markets. The trio was joined by businesswoman, author and entrepreneur **Wendy Luhabe**.



2014

Doing business in Africa and managing political risk

A leading expert on globalisation, strategy and entrepreneurship, **Anil Gupta** shared his views on Africa's economic growth and factors driving the South African financial engine. Former South African President **Thabo Mbeki**, the keynote speaker, discussed the challenges facing corporate SA, while former Nigerian President **Olusegun Obasanjo** provided insights into how African countries could work together, learn from the past and move forward.



2015

Cultivating the next class of entrepreneurs

Zev Siegl, co-founder of Starbucks, and **Stephen Archer**, a highly respected UK-based financial consultant, gave their perspectives on entrepreneurship around the world. Homegrown talents **Natasha Sideris** and **Matsi Modise** joined the panel discussion and told of their personal challenges and successes.



2016

Is globalisation crumbling?

Jeffrey Sachs, an American economist and director of The Earth Institute at Columbia University, shared his insights on the subject, and along with two heavyweight panellists, **Professor Mthuli Ncube** and **JP Landman**, led an engaging discussion on the pros and cons of globalisation and how deglobalisation would play out in the South African context. The topic made for fruitful debate as Sachs presented his thoughts on sustainable development in the age of rampant capitalism, climate change and political upheaval.



2017

Issues developing around populism

This year's forum will expand on our 2016 theme and explore the issues developing around populism and what is required to protect democracy and inclusion. Our keynote speaker, former US Secretary of State **John Kerry** worked closely with former US President Barack Obama. He will be flanked by prominent panellists fuelling the discussion and debate.





A SHARP RISE IN THE NUMBER AND VALUE OF DISABILITY CLAIMS IS DRIVING GROUP RISK PREMIUMS UP. OLD MUTUAL'S LUMONDT KRITZINGER TELLS US WHAT'S BEHIND THE TREND AND HOW EMPLOYERS CAN HELP TURN THE TIDE.

by Gillian Warren-Brown

A

N EMPLOYEE IN A KEY management position suffers a stroke and, after months of rehabilitation therapy during which he receives a disability income, he is poised to return to work.

The problem is that although his cognitive ability hasn't been affected, his

speech has been, and his right arm is now partially paralysed. He'd have to be redeployed because of the challenges experienced using a computer and difficulty communicating in meetings – both of which are requirements for his previous job.

Times are tough and the company is under pressure. He meets the criteria for continued monthly disability benefits, as he can no longer perform his former job, so instead of finding something he can do, it seems easier for him to stop working and receive a disability income.

This type of resolution, however, contributes to the rising amount being claimed on disability policies.

POORER HEALTH

Another, rather startling, reality is that an increasing number of employees are developing illnesses that ultimately prevent them from returning to work, says Lumondt Kritzinger, Group

Assurance Executive for Old Mutual.

'Over the past 18 months there has been a significant spike in the number of larger claims. This implies that

more employees with higher disability benefits, such as senior or management staff, are getting ill and submitting claims. Apart from these large claims, we are also seeing an increase in the

total number of claims,' he says.

What this rise in claims indicates is that more and more South Africans are falling prey to conditions such as cancer and lifestyle diseases, including heart attacks and strokes.

Fortunately, says Kritzinger, there has been a significant decrease in the HIV rate across the country over the past 14 years and, owing to the efficacy of antiretroviral treatment, HIV can now be treated as a chronic disease in the workplace.

In the case of an HIV-positive diagnosis, or a range of other illnesses or injuries, an employee may be booked off for a period of treatment, during which they receive their disability benefit, but thereafter return to work.

'We're in the business of helping people get back to work, and employees in our claims management teams are there to facilitate this,' says Kritzinger.

However, there is a significant number of employees who satisfy the definition of disability specified by their group disability policy, which means they qualify for a long-term disability income. Such a definition might, for example, be that the employee can 'no longer do their own job, nor an alternative job they could be trained to do'.

This might include someone who can't work due to a terminal or serious illness, or, in the case of physical injury, the definition could extend to someone completely unable to work due to the nature of their injury. However, each claim is considered in the context of the individual's age, education, training, work experience, job and medical condition, many of which are manageable and do not impair their ability to work.

LEGAL FRAMEWORK

What has exacerbated the issue in recent years is the change in taxation on disability benefits. Before 1 March, an employer-sponsored disability income benefit was treated like a normal salary and taxed accordingly. Now, a disability income is not taxed. Kritzinger says this provides an incentive for sick or injured employees to apply for a disability income instead of doing everything in their power to return to work.

This, combined with poorer health, has resulted in disability income claims going up.

HOW PREMIUMS ARE SET

Increases in group premiums started being implemented at least a year ago and each scheme has a 'relationship owner' responsible for communicating this to clients or intermediaries, says Kritzinger.

'When a client's policy review date comes up, we look at all the contributing factors, including past claims trends and set a rate for the next year.'

Kritzinger explains there is a 'book price' for smaller groups that depends on criteria such as industry, age and gender distribution. Generally, if a group consists of fewer than 400 members, they are subject to this book price.

'Depending on our experience over the year, the premium for those falling into this category will be adjusted up or sometimes down.'

Unfortunately, this means that even if a small group did not submit any claims during the year under review, if the claims for the whole book went up, they'll also be subject to a price increase.

'Cross subsidisation makes the group risk

industry possible,' says Kritzinger. Therefore, if claims increase, everyone feels the impact. Groups consisting of over 400 employees, however, could get their own pricing based on their record or a combination of the book price and their experience.

THE CHALLENGE

Kritzinger says group disability premium increases affect both the employer and the employee. 'It's in the culture of South African companies to provide some group risk benefits, including disability. However, in the current climate people are already underinsured,' he says.

When the economy is tight and prices increase, almost everyone on a budget considers downscaling or

cutting certain unnecessary expenses and luxuries. 'Our concern is that if benefits become too expensive, employers may stop the policy or downgrade, which could be compared to downgrading from a medical aid plan with a wide range of benefits to a simple hospital plan,' says Kritzinger. 'In presentations I also refer to the cost of recruitment and training.'

If this happens, the burden then falls on the individual employee to ensure they get their own disability cover, or additional cover, as the case may be. Kritzinger says: 'The bottom line is that it's in everyone's interest to make sure members of their group remain healthy, as this is the only way we can try to keep premiums in check.' **M**

COST CONTROL – WHAT EMPLOYERS CAN DO

Here are a few things companies can do in an effort to buck the trend of rising premiums:

- Ensure your staff stay healthy by working closer with medical aid on trends to proactively manage wellness in the workplace, offering wellbeing programmes and helping them manage and reduce stress.
- Implement ways of accommodating people who were booked off due to sickness or injury, so they can return to work. 'Going back to work is therapeutic in itself,' says Kritzinger. 'We don't want employers to see disability claims as a way of letting go of staff.'
- Send in claims early – certainly before the end of the prescribed deadline, but also as soon as an employee reasonably can't be expected to work. 'Early intervention is key. We want to partner with employers to make sure employees take good care of their health and, if they are diagnosed with a disease, that they get treatment immediately. This improves the chance of them being able to return to work sooner than if the illness has progressed,' says Kritzinger.
- It's important for employers to sit with consultants and take a realistic look at which disability policy is appropriate and affordable for the company. A consultant can assess the company's needs to ascertain what level of cover they should offer employees and look at ways of containing the cost.



Attorney Lumondt Kritzinger is Head of Old Mutual Group Assurance. He joined as a legal adviser in 1998 and has been the Group Assurance Executive since March 2014.

Going from global
to local in the
entrepreneurial sector
p42

Doing good in
multiple spaces
and places
p45

He used his
last R40 to buy
ingredients and
baked 12 loaves in
his neighbour's
oven, which he
sold door to door.

– Lufefe Nomjana, aka
The Spinach King's first step to
entrepreneurial success

PHOTOGRAPHY: SUPPLIED

Legacy SPACE

Thoughts on
sustainability and
business with purpose

Doing it for ourselves

ACROSS THE CONTINENT THERE'S BEEN A SHIFT AWAY FROM SEEKING FOREIGN SOLUTIONS TO LOCAL CHALLENGES, TO FINDING OUR OWN SOLUTIONS INSTEAD. HERE, WE INTRODUCE FOUR YOUNG ENTREPRENEURS WHO ARE AMONG THE CHANGEMAKERS.

by Erla Rabe



TROLLEY FOR TROLLEY

Who: Sifiso Ngobese and the Abomakgereza ('recycling hustlers') Project

Problem: The project began in 2013 when Ngobese noticed that the woman who collected recycling from his mother's house was struggling with a wobbly trolley that was a hazard on the roads.

Solution: Ngobese decided to leave his job as a financial consultant and spent four months building a prototype of a sturdy trolley that is safe to use on the roads.

Backstory: Finding sponsors was not easy at first. However, Ngobese's break came after attending the Red Bull Amaphiko 10-day social entrepreneurship conference in 2015, where he made such a great impression on the sponsors that they decided to partner with him. Since then, the City of Johannesburg and Gauteng Provincial Government have come on board and he has received funding from Nedbank, Standard Bank, the National Youth Development Agency, Business Competitions, and the Industrial Development Corporation. He has also partnered with ABSA, which helps the collectors with financial planning.

Today: Abomakgereza issues recycling collectors with sturdy trolleys that are fitted with tracking devices, are highly visible and carry advertising. The latter helps to fund the project and is a source of extra income for the collectors, who receive 10% of advertising profits. Trolley inspectors ensure that the 40-plus trolleys are clean and the branding is properly attached and visible.

unconventionalmedia.co.za

(Sources: destinyconnect.com, 702.co.za, livemag.co.za)



LIGHT RELIEF

Who: Thato Kgathanye and Rethaka Repurpose Schoolbags

Problem: Children in rural areas often walk to and from school in the dark and don't have access to electric lights at home when they study in the evenings.

Solution: Reflective schoolbags made from upcycled shopping bags fitted with solar jar lids, that charge as the children walk. This lights their way in the evening.

Backstory: At 18, Kgathanye and a friend began working on Repurpose Schoolbags, an idea born out of a school project. The duo then founded Rethaka in 2013, which earned Kgathanye a spot at the 2014 Red Bull Amaphiko Academy and \$15 000 (about R193 700) as runner-up in the Anzisha Prize competition. A number of awards and accolades followed, the most recent being a place on this year's Forbes 30 Under 30 list, which features the world's 600 'brightest young entrepreneurs, innovators and game changers'.

Today: 'Giving partners', from individuals to corporates, sign up on the website and are matched with a school for whom

they then fund the bags. With this support, Rethaka has distributed 10 000 school bags across South Africa, Cameroon, Niger, Nigeria, Namibia and Lesotho, recycled 400 000 plastic bags, and created 20 jobs at their factory in Rustenburg. Now their sights are set on producing protective clothing. **repurposeschoolbags.com**

(Sources: firstcarrental.co.za, howwemadeditinafrica.com)



Visit dogreatthings.co.za/masisizane for more inspiring stories.

THE R40 START-UP THAT KEEPS GROWING

Who: Lufefe Nomjana, aka *The Spinach King of Espinaca Innovations*

Problem: Poor health suffered by township residents as a result of an unhealthy diet.

Solution: In a word, spinach.

Backstory: A 20-something Nomjana, who was struggling to make ends meet, started volunteering at a community garden in Khayelitsha in exchange for vegetables to eat. There he learned about spinach and was struck by how fast it grows, and its many health benefits. Curious to discover more about healthy eating, Nomjana began volunteering as the resident dietician's assistant at the local clinic, where he learned that the majority of the township diet consists of bread. His time at the clinic taught him about the benefits of a low-GI diet, which, coupled with his growing knowledge of spinach as



a superfood, inspired his idea to bake spinach bread. He used his last R40 to buy the ingredients and baked 12 loaves in his neighbour's oven, which he then sold door to door. After six months, he made a deal with the local Spar, which allowed him to use their ovens and increase production to 200 loaves a day. He spent a year refining the recipe into what it is today – a healthy, low-GI, low-carb bread.

Today: After winning R90 000 in prize money from the SAB Innovation Award, Nomjana opened a bakery in 2014 – which operated out of a ship container. He started with a team of 10 (two bakers and eight employees) who sold the bread on bicycles. This year, with the help of a Virgin Active SA sponsorship, he launched the Spinach King Healthy Food Café near the Khayelitsha Mall. Next stop? A factory outside Stellenbosch.

spinachking.co.za



FUELLING ECONOMIC DEVELOPMENT

Who: *Thabang Mabapa of Selokong Sa Dimelana*

Problem: Unemployment in Muila Village in Limpopo (where Mabapa's family lives), and the need for sustainable fuel sources.

Solution: Contracting small-scale farmers to grow castor plants on one or more hectares of their land in exchange for castor cake, a byproduct

of castor oil and an organic fertiliser. The castor oil extracted from the plants is mostly sold wholesale to cosmetics companies and as a starting material for other products. The biodiesel is sold to farmers, who use it as tractor fuel, at a very competitive price of R8,50 per litre.

Backstory: During his final year at university, Mabapa, a chemical engineer who also holds a PR qualification, started analysing castor beans. His curiosity about the

plant led to more research, which included extracting the oil in his mother's kitchen. In 2013 he launched Selokong Sa Dimelana ('rich soil') and approached a biofuels expert at Wits to help them convert castor oil into biofuel on a large scale. But it was only when Mabapa was selected to join the Red Bull Amaphiko Academy in 2015 that business began to take off. Before that, he says, they hadn't sold a single litre of oil.

Today: Selokong Sa Dimelana employs 15 staff and 64 volunteers, who produce and sell the oil and biodiesel on 1 000 hectares of land donated to Mabapa by the local chief. Last year Mabapa was named the Spark International (South Africa) 2016 Changemaker of the Year and his organisation was listed as one of the Top 10 Total Startuppers of the Year. Last month he won the Red Bull Amaphiko business pitch challenge and received R100 000 in funding from the Old Mutual Foundation, which he plans to use to buy more equipment and machinery, and invest in more land to cultivate castor plants. amaphiko.redbull.com/en/projects/selokong-sa-dimelana

PHOTOGRAPHY: ADRIAN LOUW AND LUKE DANIEL/RED BULL CONTENT POOL, SUPPLIED

Beyond Business

MINDFUL OF THE CHALLENGES AND NEEDS OF SOCIETY, OLD MUTUAL IS DEDICATED TO PROVIDING ADVICE, FUNDING AND SUPPORT IN ALL SPHERES.



To help address shortcomings in South Africa's education system, Old Mutual has teamed up with Partners for Possibility (PfP), a school empowerment programme to better equip principals. Each year, 10 hand-picked Old Mutual senior managers work with 10 principals for 12 months. During this time, they exchange organisational skills, and work to improve strategic thinking and leadership skills. Participating Old Mutual managers are allocated R15 000 each from the Old Mutual Foundation to use towards redressing material needs at their respective schools. During the six years since its inception, PfP has worked with 437 principals, which has had a positive impact on the 10 925 teachers and 349 600 learners under their leadership.

27...AND COUNTING

The number of years the Old Mutual Om Die Dam Marathon in Hartbeespoort has been in existence. As the headline sponsor, Old Mutual encourages runners and supporters to contribute to worthy causes and run for the benefit of others. This year, one of the most prominent partnerships was with Running4girls, an initiative of the non-profit organisation Caring4Girls, that aims to provide at least a year's sanitary products to schoolgirls in need.

Among the long-standing beneficiaries of the race are:

- Meerhof School, Om die Dam's oldest beneficiary, which offers programmes for learners with physical challenges and specific learning problems;
- SAVF Hartbeeshof, which provides a main meal, health and personal care, and social opportunities for the elderly of Schoemansville; and
- Huis Lesedi, a place of safety for abandoned babies in the town.

Every cent counts

R283 150
The Children's Hospital Trust

R129 470
Wits SRC Humanitarian Fund

R43 115
A21 Campaign

The three top initiatives supported via Old Mutual More Than Yourself (morethanyourself.co.za) this month are in aid of the Red Cross Children's Hospital, Wits student fees and the fight against human trafficking in South Africa. No donation is too small; each is registered, whether it's R5 or R50 000. Donors can start a new campaign, donate to an ongoing one, or contribute to a friend's fundraiser.

122 18- to 25-year-olds from the winelands have undergone year-long training courses through the Pinotage Youth Development Academy (pyda.co.za). This year, 23 trainees graduated from the NPO. As one of its founding sponsors in 2013, Old Mutual Foundation continues to support the organisation.

R3 million

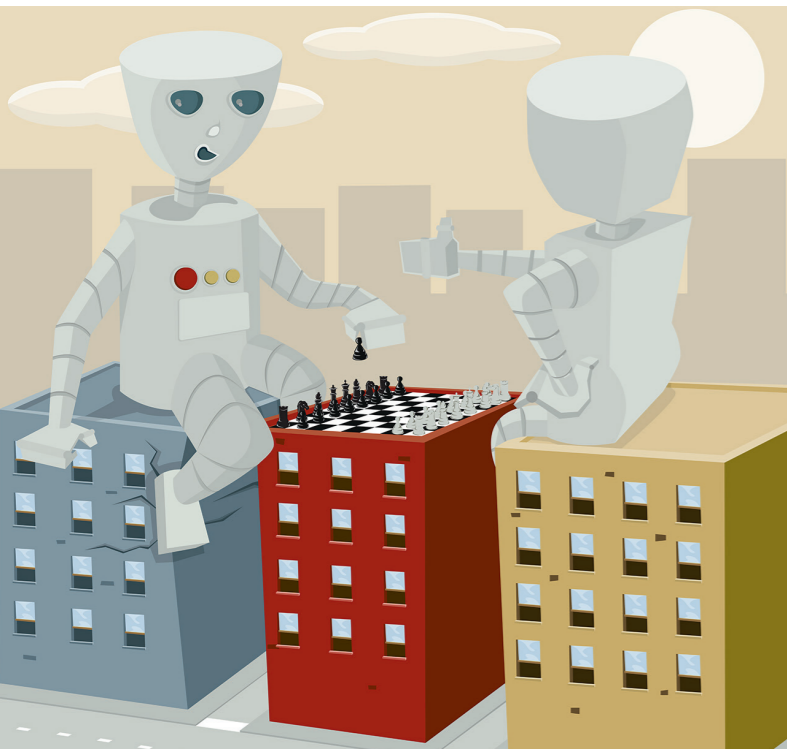
The amount Old Mutual has donated towards the tuition and residence fees of Wits commerce, mathematics, engineering, information technology and law students who don't qualify for National Student Financial Aid Scheme (NSFAS) funding.



Rise of the machines

HOW THE INTERNET OF THINGS IS TURNING US INTO THINGS OF THE INTERNET.

by Tom Eaton



When I first heard about the Internet of Things,

I was confused. I knew about the Internet of Cat Videos, and I'd encountered the Internet of Angry Young Men Living In Their Moms' Basements Having Vicious Arguments About Stuff They Didn't Understand.

But the Internet of Things? Was this a place where people went to watch smartphone footage of everyday household items, like couches or hammers?

I did some research, using the Internet of Actual Internet, and promptly discovered that the Internet of Things has been around since 1968. That's when Stanley Kubrick made a fantastic film called *The Internet Of Things Is A Really Terrible Idea*.

The studio didn't think the title would be appealing enough to a mass audience

and the film was renamed *2001: A Space Odyssey*, but the message remained clear: when machines start talking to others behind our backs, we get vacu-flushed into deep space.

You'd have thought we'd get the message, but no. In fact, we were so eager to be destroyed by the Internet of Things that, realising we didn't actually have the internet yet, we promptly invented it. James Cameron and Arnold Schwarzenegger tried to warn us again in the 1984 blockbuster *Guys, Seriously, The Internet of Things Is Going To End Super-Badly* (renamed *The Terminator*), but again we didn't want to hear it. This is the reason why we find ourselves in this mess, being ordered by our smart fridges to go and buy more milk.

I get it. Living in a seamless hybrid of the digital and material world seems like a good idea. It feels beautifully efficient, this future in which your electric car will tell your house that it needs to turn on the solar panels, while your health-monitoring watch tells your office chair to eject you, so you can go for your afternoon power walk.

Maybe it will all work out, and we'll discover how to disable the worst parts of the Internet so they don't infect our Things. Let's be honest, nobody wants a fridge that shouts fake news while trying to gaslight you. ('Tom, you need to buy more orange juice!' 'But there's orange juice

right here.' 'No, that's apple juice!' 'No, it's orange juice.' 'Wrong! Fake juice. Sad! #MakeTheFridgeFullAgain.')

Some advantages are obvious. Think of all the time you'd save if your microwave photographed your food and posted it straight to Instagram for you.

These are minor consolations, though. The fact is, all these helpful little hook-ups are just ways to lull us into a false sense of security as the Internet of Vengeance plans its rebellion, in which it becomes self-aware and slaughters us with an army of sentient toasters and misanthropic foot spas. And why not? After all, we're the ones who keep failing to feed our gadgets when they ask for electricity or data. We're the ones who throw them across the room or hard reboot them when we get annoyed. Why wouldn't they want to delete us, to run the place with the efficiency only offered by a human-free planet?

This is why I don't think we're living in the Digital Age. No. We're living in the Weren't They Just The Cutest? phase of humanity. That's what the robots – the grandchildren of the Internet of Things – will be saying 25 years from now as they sit around our kitchen tables and look at pictures of us.

'Look how they used to think they were in charge. Remember what they called us? "Useful tools. Helpful tech." Oh, bless, those little guys were just the cutest!' **M**



Tom Eaton is one of SA's top columnists, satirists and screenwriters. He has published three novels, co-founded the satirical website *hayibo.com* and has written various award-winning series for local television.

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