

thoughtSPACE

Is car-sharing coming for commercial vehicles too?

p12

wealthSPACE

Smart digital lessons from three multi-platform moguls

p24

yourSPACE

Find out why execs call in coaches, and you should too

p28

MiNDSPACE

ENRICH YOUR THINKING



**JASON
DREW**

‘From where I stand, the future is broken, and we need to get busy fixing it. The only way is for companies to understand the radical shift in thinking and reinvent.’



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



OLDMUTUAL
CORPORATE

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.

FCB10020772JB/E

W

elcome to our first issue of 2017. Just when we took it for granted that the brain was hardwired, it scientifically revealed itself to be continuously adapting, with the ability to change and rewire itself as required. So too, our aptly titled *MiNDSPACE* magazine has just been re-engineered and rewired.

Launched at the highly anticipated 2017 SuperFund Roadshow, the new-look

of our first *MiNDSPACE* podcast speakers – watch this space) shares his views on the economic horizon on page 13. In the context of #FeesMustFall, we ask whether fees could actually fall and how that would affect local employers and the workforce of the future. See page 14 for a thought-provoking debate by two forward-thinking local academics.

We explore the economic, financial and

business landscape in WealthSPACE and discover the future of business (you may be surprised to hear it involves considering flies as part of your workforce) according to thinker, author, speaker and futurist entrepreneur Jason Drew, in our cover story on page 20.

In YourSPACE we've created a work-knowledge sharing space and ask the burning question: What do executive coaches most commonly get called in for? For the ultimate executive coaching cribsheet, visit page 28. ExpertSPACE on page 36 is where you'll

find deep insight and practical advice from the Old Mutual Corporate Consultants. In this edition, we unpack disability cover with Michelle Acton, Principal Consultant, and look at everything you need to know right now to understand our services and the Old Mutual SuperFund.

Good business values, sustainability and purpose are covered in LegacySPACE. For an in-depth read on how township micro-enterprises can uplift Africa and how your business can in turn uplift micro-enterprises, turn to page 42. In closing, novelist Tom Eaton makes us think twice (and laugh thrice) about sayings turned corporate-speak. And on that note, as the saying goes, the proof is in the pudding.

Bon appétit!

Gugu-Lisa Zwane, Editor



MiNDSPACE is geared to make you think, lead and succeed through carefully curated new sections. In the upfront LifeSPACE section, we view a global snapshot of the best companies to work for and reveal South Africa's most wanted, finger-on-the-pulse lifestyle news and goods. Fancy blending your own tea, coffee, olive oil or wine? Turn to page 8.

Then there's ThoughtSPACE, a section dedicated to must-read opinions from international and local thinkers who spark conversation and debate. Been wondering about the future of the commercial vehicles in your business? Well, you might not own any in a decade or so, says Charleen Clarke on page 12.

Renowned US economist Jeffrey Sachs, speaker at our 2016 Old Mutual Corporate Wisdom Forum (whom we interviewed as one

We welcome your feedback or thoughts on stories you would like to read and podcasts you would like to hear. E-mail me at mindspace@oldmutual.com.

OLD MUTUAL

Editor **Gugu-Lisa Zwane**
Project Manager **Charlene Murphy**
Project Assistant **Hayley de Vos**
Email **mindspace@oldmutual.com**

Old Mutual is a Licensed Financial Services Provider.

Mindspace is published for, and on behalf of, Old Mutual Corporate by John Brown Media.

EDITORIAL

Editor **Justine Joseph**
Consulting Editor **Kelda Lund**
Managing Editor
Masechaba-Mkefa Hausen
Features Editor **Philippa Selfe**
Copy Editors **Mariola Fouché,**
Jessica Baxter
Art Director **Stacey Tucker**
Senior Designer **Anelia du Plessis**

MANAGEMENT

Managing Director **Lani Carstens**
Business Development Director
Rebecca Smeda
Group Account Director **Joanne Hope**
Account Director **Meagan Kuhn**
Production Director **Nina Hendricks**

John Brown Media
Tel. 021 486 7600
www.johnbrownmedia.co.za

Contributing Writers Philippe Burger, Charleen Clarke, Tom Eaton, Mark van Dijk, Gus Silber, Babusi Sibanda, Salim Vally, Gillian Warren-Brown, Norma Young

Printers **Tandym Print**
Print Management **Point**

Copyright © 2017 Old Mutual. All rights reserved.
No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher. Opinions expressed in this publication are not necessarily those of the editors, publisher, or sponsors. Some of the articles in this publication contain forward-looking statements with respect to Old Mutual's plans and performance, and wider economic factors. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond Old Mutual's control. As a result, actual financial conditions may differ materially from the plans and expectations set forth. Old Mutual undertakes no obligation to update any forward-looking statements referred to in this publication or any other forward-looking statements that it may make. While all precautions have been taken to ensure accuracy of information, neither Old Mutual nor John Brown Media can be held liable for inaccuracies, injury or damage that might occur.

lifeSPACE

06 THE BEST COMPANIES TO WORK FOR IN...

Employers are now seeing a connection between workplace culture and the bottom line. We look at the ones leading the pack.

08 SA'S MOST WANTED

Bespoke products and experiences are a boon for luxe living, and supporting our local offerings is a boost for the economy too.



wealthSPACE

20

20 THE MAN WHO WANTS TO FIX THE FUTURE

Entrepreneur, futurist and environmentalist Jason Drew has a powerful message for businesses of the future.



expertSPACE



36 DISABILITY COVER DEMYSTIFIED

Michelle Acton explains the risk cover options and their intricacies.

38 WHAT YOU NEED TO KNOW RIGHT NOW

The latest tips and insights from Old Mutual Corporate.

thoughtSPACE 12

12 MOTOROMICS AND COMMERCIAL CAR-SHARING

As private car ownership yields to the car-sharing trend, Charleen Clarke suggests the commercial sector will follow suit.



13 A GLOBAL OUTLOOK

Renowned US economist Jeffrey Sachs sums up key economic issues.

14 A MATTER OF DEGREES

Two academics make a case for and against fee-free education in South Africa, and examine the repercussions for the future workforce.

24 TALES FROM THE DIGITAL FRONTIER

Advice from digital moguls on making your business more relevant and responsive, using multiple digital channels and embracing Big Data.

24

yourSPACE

28 CALL IN THE COACHES!

Executive coaching should be part of your business strategy if you want to get the best out of your employees, says Mark van Dijk.

32 A SMART MOVE

All you need to know about transitioning from a standalone to an umbrella retirement fund for your staff members.



LegacySPACE 42

42 THE ENTREPRENEUR EFFECT

By their very nature – increased human density and myriad opportunities – township needs drive commerce. Babusi Sibanda tells us more.



44 THE GOOD BUSINESS BULLETIN

Highlights from Old Mutual's responsible business journey.

46 WHAT'S INSIDE THE BOX?

Tom Eaton laments the demise of common sense in office-speak.

The best company

The Great Place To Work (GPTW) Institute is the 'global authority on high-trust, high-performance workplace cultures'. Along with its annual report that ranks organisations based on their Trust Index Employee Survey (which measures levels of trust, pride and camaraderie) and Culture Audit assessment, they also release best workplace lists according to region and industry, as well as other categories such as suitability for parents, millennials, women and diversity and so on. In 2016 over 500 000 employees from 47 countries were surveyed. Here are some of the results...



USA

Google/Alphabet
Industry: Information Technology

Google/Alphabet employs over 61 000 people globally and topped the *Fortune* 100 Best Companies to Work For and GPTW World's Best Multinationals lists for 2016. When quizzed by glassdoor.com, an employee said: 'Google epitomises why I love technology and the tech industry. Useful products, smart people, data-driven decisions and culture...' The high calibre of their peers aside, staff also value Google's approach to inclusivity – every festival is celebrated at the office. google.com



CHILE

Microsoft
Industry: Information Technology

Innovation in its product offering aside, greater flexibility enables employees to work at least two days a week from home. According to GPTW's Best Companies in Latin America report, HR Director for Argentina and Uruguay Maria Inés Calvo says: 'We are not finding problems because people telecommute. On the contrary, people are more committed, more motivated.' Microsoft's community upliftment projects make an impact too – for example, staff are able to volunteer in community initiatives during office hours. microsoft.com



UK

Cisco
Industry: Information Technology

When this data-networking specialist announced its new CEO, all 70 000+ employees across the globe were invited to the celebration. 'Cisco Rocks' events were held in 50 locations, featuring live music, food, drink and entertainment for staff, who relished the emphasis on fun and the opportunity to interact with colleagues beyond the office. In addition, Cisco also donated \$250 000 to Second Harvest Food Bank and NetHope, a group that helps global aid organisations working in developing countries and disaster zones. cisco.com



PERU

Liderman
Industry: Security Services

Good communication, approachable management and benefits that extend to employees' families are why staff rate Liderman so highly. Company CEO Javier Calvo Pérez Badiola even calls himself a 'culture guardian', but these high-trust tactics work in favour of the bottom line. According to Pérez Badiola, the company's high level of trust means fewer middle managers are needed to supervise staff. liderman.com.pe

to work for in...



POLAND

Mars

**Industry: Manufacturing & Production
- Food Products**

Although headquartered in the USA, this chocolate, beverage and pet-care manufacturer has about 75 000 employees worldwide and is ranked a great place to work in approximately 20 countries. 'We are not treated just as a number in the organisation. It is not only about "headcounts", it is also about "heartcounts",' declared a Polish employee. This culture of appreciation clearly pays off. 'Responsibility bonuses' are paid to employees who take on additional workloads during busy periods. mars.com

GERMANY

**Daimler Financial Services
Industry: Financial Services
& Insurance**

Daimler's focus on diversity has a positive impact on business success, as summarised by Chairman of the Board of Management for Daimler AG, Dieter Zetsche: 'In our plants you are just as likely to meet a designer in a wheelchair, a refugee doing a bridge internship and a transgender colleague from vehicle development as a 16-year-old apprentice or a 60-year-old quality manager. Diversity is our driving force. Modern working models that suit an individual's life situation are a decisive success factor when it comes to diversity within our company.' daimler.com

SINGAPORE

Salesforce

**Industry: Information Technology
- Cloud Computing**

According to GPTW, in Asia employees value fairness and respect, such as equal treatment, regardless of job level. One of the many Salesforce perks is their Wellness Reimbursement programme, which offers employees \$100 every month to be used on health and fitness programmes of their choosing, from gym memberships to weight management. salesforce.com

NIGERIA

**Chemical and Allied Products Plc (CAP)
Industry: Manufacturing & Production**

CAP Plc is a subsidiary of UAC of Nigeria Plc (UACN) and manufactures Dulux paint. It's part of a big business family, but MD Omolara Elemide attributes the satisfied staff to the 'people-oriented policies and culture that promote trust, credibility and mutual respect'. Furthermore, 45.2% of upper management positions are held by women. capplc.com

DID YOU KNOW?

In 2016, Old Mutual scooped the Top Employers Institute accolade in Financial Services and Insurance (South Africa) for the sixth year running. The firm was also named Top Employer in 13 African countries. 'Enabling positive futures is Old Mutual's core purpose and promise to its customers, employees and the communities it serves,' says Old Mutual Emerging Markets Human Resources Director Anisha Archary.

WE'VE DONE SOME DIGGING AND ASKED THOSE IN THE KNOW. HERE'S A SELECTION OF THE MOST DESIRABLE EXPERIENCES IN THE LAND. *By Justine Hewitt*

SA's most wanted...

Urban trail

If you're visiting Joburg, be sure to book a walking tour with the city experts at Past Experiences. Discover pan-African eateries in downtown Jozi, old-school fabric merchants in Fordsburg and street-art must-sees in Soweto. Owner Jo Buitendach is an archaeologist with an urban edge and her team of passionate guides offer a view of this gritty city you're unlikely to find elsewhere. pastexperiences.co.za



HEAVENLY SCENTS

While Cape Town perfumer Tammy Frazer has created an exquisite and exclusive range of off-the-shelf perfumes, soaps and candles, it's the bespoke Frazer Parfum experience that speaks to noses in the know. Book an appointment at her studio in the city and join her on an aromatic journey as you discover the scents that most suit you and your style of life. frazerparfum.com

5 STAR FLOAT

Experience Cape Town from the water – on SA's largest private yacht, *Mirage*. Tapping into the trend for oversized luxury pleasure craft, *Mirage* can host up to 100 guests and has all the bells and whistles, from a full bar to superb cuisine, DJs and entertainment (think giant inflatable slides). Sundowner sessions are hugely popular and cruises to Clifton, with whale spotting on the way, are par for the course. mirage760.com





FINE VINES

While the Stellenbosch Winelands are known for their estates, it's the lesser-known regions, such as Paardeberg, that have wine fundis aflutter. It's home to a band of renegade vignerons who dance to their own tune. Among them is Adi Badenhorst, acclaimed owner-winemaker at Kalmoesfontein. If an out-of-the-box guided wine tour is on your wish list, book some time with this down-to-earth expert who shares wine wisdom and insight along the way.

aabadenhorst.com

PHOTOGRAPHY: SUPPLIED



COCOA CREATION

Former financier Alan Clegg knows all about the good life, which is why he started Alexander Avery, South Africa's first bespoke chocolaterie. From crafted bonbons filled with lavender and rose water to exquisitely prepared shards of chocolate studded with nuts and fruit, this tailor-made offering elevates a sweet indulgence to something quite sublime. The packaging is spectacular too. **alexanderavery.co.za**



YOUR OWN BLEND

'Made for you and by you' is the mantra at Stellenbosch estate Vergenoegd where visitors can indulge in a 60-minute experience blending their own tea, coffee, olive oil or wine – a must for any epicurean. The estate also serves wonderful lunches at their on-site eatery, as well as artisanal picnics and front-row seats to a daily parade of snail-gobbling ducks that patrol the vineyards. **vergenoged.co.za**



Locomotive LUXE

The Blue Train is one of our most luxurious railroad experiences – couple that with a five-star safari and you'll never want to step off the tracks. Aside from the well-loved Cape Town–Pretoria route, you can also make your way from Pretoria to Hoedspruit and Kruger National Park. Overnight at Ivory Tree Game Lodge, where game drives, gourmet fare and spa spoils are the order of the day. **bushbreaks.co.za**



'One cannot overemphasise the importance of supporting local

businesses, particularly entrepreneurs and Small and Medium Enterprises (SMEs). A 2015 study found that local SMEs contribute 42% to total GDP – an increase of 9% from 2010. Other research shows that SMEs are responsible for up to 90% of all new jobs in South Africa. That's why we should all be supporting SMEs and entrepreneurs at every turn. They are powerful forces for stimulating economic growth, creating jobs and alleviating poverty.'

– Prudence Thipe, GM: SME Old Mutual Corporate



PHOTOGRAPHY: GALLO IMAGES/GETTY IMAGES

A closer look at
car-sharing in the
commercial space
p12

A global outlook
from a visionary
economist
p13

A debate
on fee-free
university education
p14

‘Fundamentally
it’s not about
shifting assets,
but rather about
access to decent
education.’

– Jeffrey Sachs, US economist

thoughtSPACE

Must-read opinions and
topical debates



involved allows for more debate and more thorough research into the feasibility of policies. 'I believe that universities have a major social role to play,' says Sachs. In addition, calling on economic students to assist with strategy development and research would not only benefit government departments but also give students an opportunity to gain valuable experience.

South Africa needs to become a more diversified service economy. Currently, we are a resource economy heavily reliant on the exportation of gold and diamonds. Sachs advises that we look at becoming a more diversified service economy,



Professor of economics, bestselling author and director of the Sustainable Development Solutions Network tasked with finding solutions to some of the world's most pressing environmental, social and economic problems, Jeffrey Sachs is one of the world's most well-respected economists.

little in actual policy. He had little presence in Africa other than in the security sphere and Trump will probably do very little as well.' In his view, if the US doesn't spark real turmoil with China, China will continue to grow and Eastern and Southern Africa have the potential to become part of a new regional economic superpower made up of countries bordering the Indian Ocean: 'The Indian Ocean economy including China, South East Asia, South Asia and Eastern and Southern Africa is a region where interesting things will be happening so, even if the North Atlantic side, which has been a dominant part of the world economy for centuries, goes into a funk, I think the Indian Ocean side will be quite dynamic.'

The best thing for Africa's development has been the rise of China. 'When Africa was only looking to former colonial powers for investment, it wasn't so great for African development,' says Sachs. 'Europe wasn't offering too much and the US also detached itself. Now the natural economic affinities of Asia and Africa are being restored,' he explains. **M**

A global outlook

KEYNOTE SPEAKER AT THE 2016 OLD MUTUAL CORPORATE WISDOM FORUM, US ECONOMIST JEFFREY SACHS HAD PLENTY OF INSIGHT TO OFFER BUSINESS OWNERS AND INVESTORS ALIKE. HERE ARE SOME OF HIS KEY MESSAGES.

Education is key to South Africa's economic development.

Sachs believes in investing in human capital by improving public services, particularly education. 'Fundamentally, it's not about shifting financial assets, but rather about access to decent education, giving a fair chance to kids in townships or poor areas,' he says. In addition,

on an economic level, educating the population will create more skilled workers, which encourages more investments from the private sector.

Universities need to offer their expertise and research capabilities to government when it comes to policymaking. Why? Because they're able to adequately identify the root causes of problems and offer the best solutions. Plus, getting universities

which requires less input and greater output. Instead of investing in a single trade or partnership, 'the main job of Africa is to diversify diplomacy and economy'. 'Africa needs friends in India, China, the Middle East, Europe and America. You need the funds and markets from every place.'

Africa's future is not determined by America (or President Trump). 'With respect to Africa, [former president] Obama did very

Motoromics and commercial car-sharing

IS THE UBER ERA DAWNING FOR BUSINESS VEHICLES TOO?

by Charleen Clarke

LAST MONTH my son donated his car to charity. He said, 'I don't need a car, and the charity did. Why would I want to own one when there's Uber?' I had no words. But as is often the case, he was right – car ownership is so last century.

Futurists believe no one will own a car in 25 to 30 years – when it comes to city dwellers, I concur. Sure, some will buy cars as 'toys' – much like people buy horses and don't use them as transport. But the reality is, unless you're using a vehicle to generate money, it doesn't make sense to own one. In the city, it's so much better to use someone else's – and, thanks to Uber and various car-sharing apps, that's now as easy as tapping out a text message.

Uber CEO Travis Kalanick says the trend is already evident: 'We get customer feedback every day, saying, "Hey, I just sold my car; I don't need to pay for parking at home or work."' Parking doesn't cost nearly as much here, but the cost of car repayments, fuel, tolls and insurance add up pretty quickly.

Clearly, private motorists are already getting comfortable with car-sharing, but the majority of commercial vehicle operators still prefer ownership. This too could change. It's already



As former president of the South African Guild of Motoring Journalists (SAGMJ) and winner of the Motoring Journalist of the Year, Charleen is a seasoned voice in all matters automotive. She has judged the South African Car of the Year since 1989, is the local judge for the Women's World Car of the Year and is an associate member of the World Truck of the Year jury – the only journalist in Africa to have achieved this honour.

changing in Europe where transport contracts are shortening and operators are progressively eyeing rental units – because a rented truck is less risky.

The same is happening in SA – to the point that Scania South Africa has even started renting trucks rather than just selling them. 'We started our rental operation late in 2012. Since then, it's grown substantially and is now a solid contributor to our profitability,' says Patrik Glas-Crommert, CFO and director of truck rental

at Scania South Africa. 'The truck rental concept is a flexible and attractive solution for many operators, which enables them to access a premium truck at a predictable cost. Our rental offering is an off-balance sheet product for customers and the risk is far lower than buying a truck.'

Glas-Crommert believes the trend is here to stay: 'Renting is gaining popularity and will continue to grow.' Going forward, it's likely that even fewer commercial vehicle operators will own their vehicles.

This means that, for vehicle manufacturers, business models are now changing. BMW, for instance, offers the DriveNow app: you locate a car, take it for a spin and then leave it wherever you like. In London, 10% of DriveNow users say they've sold their car because of the service; another 19% deferred the purchase of a new car. Mercedes-Benz Car2Go has achieved similar results – one of their vehicles is rented every 1.4 seconds.

Mum's the word as to whether these services will be launched in Africa, and if similar things are afoot for commercial manufacturers. But as rental and sharing become economically sensible and progressively the norm, the future of private and commercial motoring will look nothing like the present. **M**

'The reality is, unless you're using a vehicle to generate money, it doesn't make sense to own one.'



**Professor
Philippe Burger**

Currently steering the University of the Free State's Economics department and a member of the South African Statistics Council, Philippe's past contributions include heading up the Economic Society of South Africa, an invitation to the IMF as visiting scholar, consulting to the OECD and advising the South African National Treasury, where he co-wrote a 20-year review of South African fiscal policy since 1994.



**A matter
of degrees**



IN THE WAKE OF THE
#FEESMUSTFALL
PROTESTS THAT
RAGED THROUGH
MUCH OF 2016 ON
SOUTH AFRICAN
UNIVERSITY
CAMPUSES, TWO
FORWARD-THINKING
ACADEMICS DISCUSS
WHETHER UNIVERSITY
FEES REALLY COULD
FALL AND WHAT IT
WOULD MEAN IF
THEY DID.

**Professor
Salim Vally**

*Author, director of the Centre for Education Rights and Transformation, and associate professor of Education at the University of Johannesburg, Salim is passionate about the link between education and social policy and how these relate to transformation, human rights and democracy. His book *Education, Economy and Society*, co-edited with Enver Motala, won the Hiddingh-Currie Award.*



FINANCIAL DATA SHOWS that, although universities' total real expenditure per student has remained relatively stable for the past decade, funding that expenditure has become increasingly difficult.

The difficulty doesn't arise from falling government subsidies, which have remained relatively constant since 2005 – since then universities have derived about 40% of their revenue from government – but rather from the falling contribution of private income earned from research contracts to total university income.

This amount fell from roughly 33% of university income in 2007 to 27% in 2013, where most universities saw a 10-30% drop in their real per-student private income. Thus, with total real expenditure per student remaining mostly constant, universities had to increase fees to make up for the private-income fall.

As a result, fee increases between 2008 and 2015 consistently exceeded consumer inflation each year. And although large numbers of students rely on National Student Financial Aid Scheme (NSFAS) loans, there are those – the 'missing middle' – whose parents don't qualify for NSFAS or bank loans. These students found it increasingly unaffordable to study and the pressure subsequently exploded in the #FeesMustFall protests.

For education to be fee-free, university income would stem from government subsidies and private income. As the past 10 years have shown, private income cannot be expected to grow at the same rate as student numbers – which increased 26% from 2007 to 2013, and continue to rise. Weak economic growth also means private income won't improve much. As a result, universities will rely on government subsidies to replace tuition fees – and subsidies will have to grow annually to accommodate rising costs.

Historically, government has not been sensitive to rising cost pressures at universities, so it's doubtful it will be in the future. The result: fee-free education will in all likelihood undermine the quality of teaching and lead to less prepared graduates.

Also, given budget limitations, it's unlikely that government will implement fee-free higher education for all

students – rather, the scope of NSFAS funding would likely be broadened to include the missing middle. Universities will also implement, as many have, a progressive fee structure based on parental income – richer students will pay more than poorer ones.

However, as student numbers grow, underlying cost pressures will remain. With a progressive fee structure, constant subsidies and ongoing cost pressures, richer students will probably see much faster fee increases.

As a result the degree of progressivity built into fee structures will increase as universities try to balance the books.

Given that academically stronger universities usually charge higher fees, they also attract financially better-off students. Thus, such students would pay higher fees on average, and a larger proportion of them will also be in the higher fee brackets of their progressive fee scales.

So, stagnant subsidies and a progressive fee structure will result in lower average per student funding at academically weaker institutions, causing the quality of their education to deteriorate.

What does this mean for employers? As free education is likely to result in poorer-quality graduates, skilled workers may become more scarce, thus pushing up their salaries. Companies will probably also have to rely more on foreign graduates, who are more expensive to employ.

So too will they have to consider employing graduates from stronger universities, with academically weaker ones weakening further as subsidies don't keep pace.

This will further shrink the pool of skilled workers, pushing up the salaries of those whose skills are above par.

What should be the guiding principle as to whether or not education should be fee-free?

While there is undoubtedly a social benefit to education for which government subsidies should pay, there is also a private benefit.

Of course, poorer students should be supported by loans. But once they graduate from university, they will earn higher incomes and join the middle class. Why should anybody else except the recipient of that higher income pay for that benefit?

Lower fees won't balance the books

FEE-FREE EDUCATION WOULD NOT BENEFIT SOUTH AFRICAN STUDENTS AND THE WORKFORCE OF THE FUTURE. IT ALSO DOESN'T MAKE ECONOMIC SENSE. HERE IS A PROJECTION...

by Professor Philippe Burger

'Fee-free education will in all likelihood undermine the quality of teaching and lead to less prepared graduates.'

BY PRODUCING AND DISSEMINATING KNOWLEDGE, universities can fulfil their mandate as institutions of social, economic, cultural and intellectual development for democratic societies and the global environment. It is thus not easy to reconcile the costs of education with narrow economic goals alone. Providing free education to all citizens has inestimable value and limitless possibilities.

This is especially true in South Africa where the challenges faced by universities are fundamental to the reconstruction of post-apartheid society. This is why universities should be funded as comprehensively as possible.

Student funding depends on a variety of sources: parents' contributions, bank loans, the goodwill of business and charitable institutions; the contributions of universities who are themselves underfunded; as well as bursaries and scholarships from the public and private sector. All are unsustainable. None carry any legal obligation to fund students. This is even true in the case of parents, many of whom are likely to depend on bank loans.

The government must increase funding by at least an aggregate amount equal to the ratio achieved in Organisation for Economic Co-operation and Development (OECD) countries. In 2011, South Africa's state budget for universities as a percentage of GDP was 0.75%, which is in line with Africa as a whole (0.78%), but lags behind OECD countries (1.21%) and the rest of the world (0.84%).

No student who meets the requirements for admission to a university course should be excluded for financial reasons. Students should be funded for the 'full cost of study'. This includes registration and other fees, accommodation, meals, travel and books. Universities should also receive a subsidy per student from public funds that is sufficient for its recurrent operations.

The state should closely examine the structure of personal taxation that could be levied for the top 10% of income earners and for high-net-worth individuals. This could generate a substantial increase in available public revenue to fund

higher education. This approach concentrates on the structural aspects of inequality. It puts tax revenues to good use. Some have mooted the idea of a differentiated approach to the 'rich' and the 'poor'. In this model, a basic means test is applied to all students. But many South African students fall into the 'missing middle'. Furthermore, contributions by the 'rich' will be limited to the timeframe in which their children are in the university system.

Our proposal supports the idea that those who earn the most pay for their children's education through taxation and the distribution of public funds – rather than through an individually based 'wealthy user pays' approach.

In our model, all students will be regarded as beneficiaries of public funding. As such, they'll be expected to contribute to society after graduation through community service and by working in public institutions. This approach will support the creation of socially cohesive attitudes among students. It is, we believe, necessary for genuine, far-reaching structural and systemic change to occur.

Of course, making education free will not magically make all individuals equal.

But the spirit of what we're proposing must actively aim

to end the culture of individualism, corporatism and unnecessary managerialism that is pervasive in the university system.

This is important because of the role that higher education can play in a society with high levels of unemployment and chronic inequality. A properly funded university system is necessary to engender co-operation, collegiality, collaboration and a new social compact – based on a set of values in which knowledge is not commodified and is socially relevant.

The #FeesMustFall movement calls for an education system that speaks to the needs of citizens and not to the business of profit. For this cause, students are entirely prepared to challenge authority and even put their bodies on the line. **M**

Free education is both possible and necessary

THE CURRENT FUNDING MODEL FOR PUBLIC HIGHER EDUCATION IS UNSUSTAINABLE. BASED ON A SUBMISSION MADE TO THE COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND TRAINING, WE LOOK AT HOW SOUTH AFRICA COULD TAKE FREE EDUCATION FROM PIPE DREAM TO REALITY.

by Professor Salim Vally

'All students will be regarded as beneficiaries of public funding. As such, they'll be expected to contribute to society when leaving university.'



An eco-preneur's
ideas for the future
p20

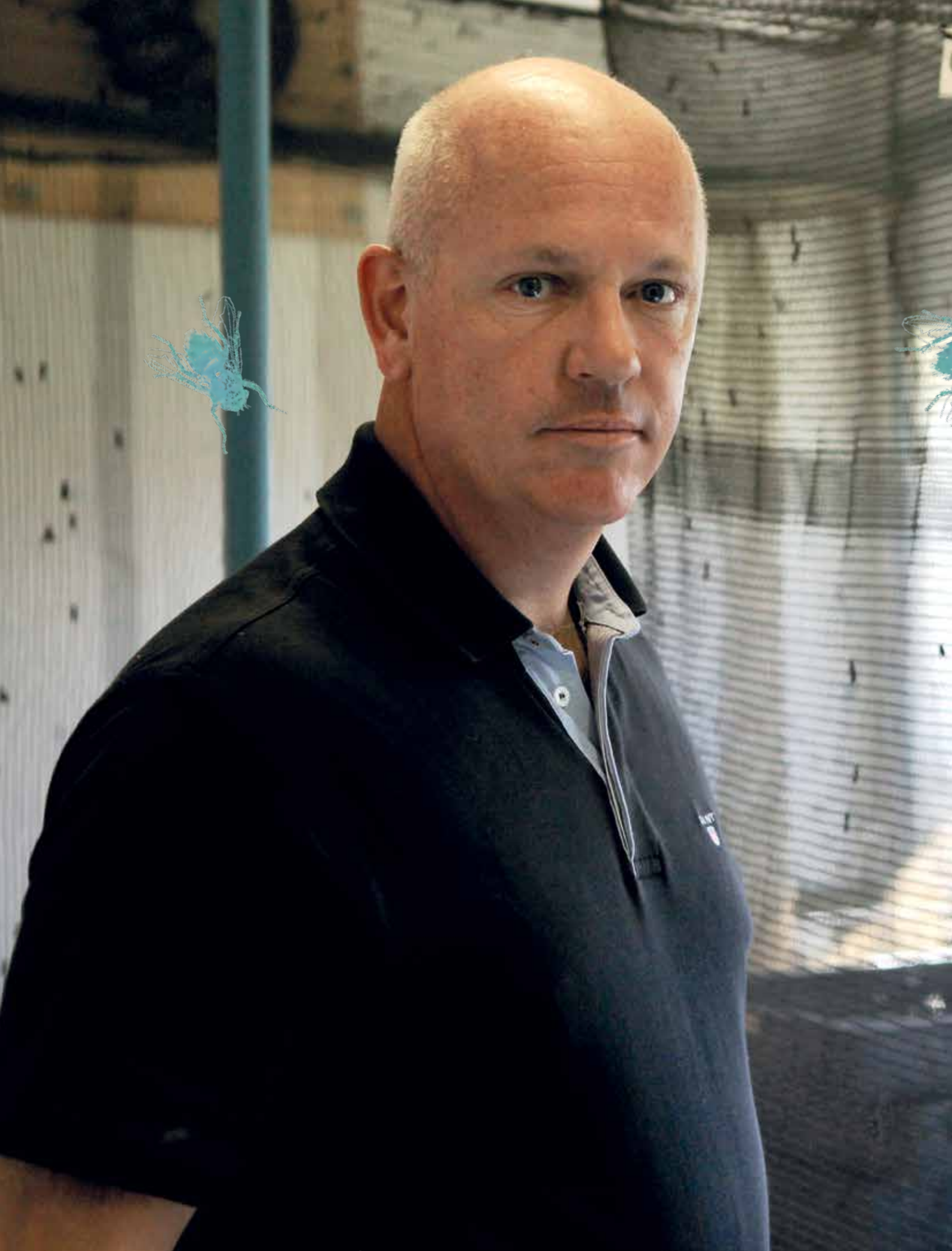
Digital lessons for taking
business online
p24

'The only physical structures with any money are companies. As soon as they begin to deploy that money in a sensible direction, the world will change.'

– Jason Drew, entrepreneur

WEALTHSPACE


Bold business insights and
strategies for success





The man who wants

JASON DREW IS AN 'ENVIRONMENTAL CAPITALIST'. FLYING IN THE FACE OF OLD-FASHIONED THINKING AND INDUSTRIAL MODELS OF PRODUCTION, HE SEES THE FLY NOT AS A PEST BUT A HERO, A NEW REVOLUTION IN SUSTAINABILITY AND PROFITABILITY.



to fix the future



C

ONSIDER THE FLY. A tiny, buzzing missile of spite, harbinger of pestilence, the devil's emissary on a mission to contaminate and infest. We rise up against it, reaching for the spray, the rolled-up newspaper. Splat. It's either them or us.

We marvel at the gossamer beauty of the spider's web; we admire the piety of the praying mantis; we wish the ladybird well on its way.

But the fly we wish only to eradicate, pledging its kind as the sworn enemy of humanity. Well, with the possible exception of Jason Drew. Jason is an agricultural entrepreneur by profession, and his stock-in-trade allows him a casual boast: he runs the biggest farming operation, by sheer headcount, on the face of the planet.

Eight-and-a-half billion creatures, bred and reared for their hatchlings, the seething, writhing mass of creamy yellow larvae

known as maggots. Spawn of *Hermetia illucens*, the black soldier fly, harvested, dried, pressed and packed into sacks at a sprawling undercover facility a short drive from Cape Town International Airport. From there, branded as MagMeal, produced by Jason's company AgriProtein technologies, the granules

by Gus Silber

of pure protein will go on to feed the chicken and fish that we in turn will eat.

The ancient, eternal cycle of nature, push-pedalled into a new proposition by a man who, when he considers the fly, sees it as a harbinger of hope, a model of sustainable utilisation, a hero with the power to save the world from ourselves. The fly flits at the intersection of the old and the new, zig-zagging us from the industrial refrain of extract, manufacture, and throw away, to the formula of sustainability Jason recites like a mantra. 'There are five pillars,' he says. 'Durability, upgradeability, repairability, shareability,

and closeability.’ Enough to count on the fingers of one hand, and with that hand, to seize the opportunity to turn ability into action.

Jason speaks with the clipped, precise consonants of a born Londoner, but his view of the world comes from further afield, from his childhood in Eastern Europe and the Middle East, as the nomadic son of parents in the diplomatic corps. He remembers, of course, the flies buzzing in the desert heat, but his warmer recall is of the young boy scribbling a line into the quiet waters at the back of his grandparents’ house in the north of England. ‘There were only two ways to catch a fish when I was a lad,’ he recalls. ‘One was a fly on the end of the line, the other was a maggot on the end of a hook.’

And when he read of the exploits of Genghis Khan, the mighty emperor of the Mongol hordes, it was not his fearsomeness or strategic prowess that drew him in; it was the tale of the other legions that rode into battle with him, lured by the rotting meat on the back of a wagon. ‘He would never go into battle without his flies,’ says Jason. ‘The flies would lay eggs, which would hatch into larvae, and he would put those on the wounds of his soldiers, which, would disinfect the wound, as well as clear up any broken cells.’

In the modern age, this wisdom escapes us. We are too busy swatting at the specks that bother us to see the bigger picture: of flies as nature’s clean-up agents, breaking down and disinfecting everything from manure to animal carcasses, in a battle for survival that ultimately leaves us the inadvertent victors.

‘Larvae have the world’s most up-to-date antibiotics,’ says Jason. ‘There has been a perpetual battle over who wants the cell, and only two things want it: one is bacteria and the other is larvae. So larvae have to have a good anti-bacterial agent, to keep

bacteria away from the cells they want to eat.’

The epiphany for Jason, the image that ignited his agricultural-feed start-up, after a career in financial development and outsourcing and a string of what he calls his ‘Industrial Revolution businesses’, was a sight that would turn the stomach of most sensitive suburbanites.

He was in Saudi Arabia, visiting farms that were harvesting chicken and shrimp for export, feeding them on a diet that is fast becoming a dwindling resource: fish meal. At a slaughterhouse, he saw a festering pool of blood, and on top of it, hovering, feasting, a swarm of flies. It struck him that blood, rich in protein and other minerals, marks the end of one cycle and the beginning of another. Old blood is new blood. Today, at his farm in Cape Town, his black soldier flies are fed on cattle blood, bran and liquified organic waste, and the larvae – up to 100 tons

a day – can help save entire schools of fish from being turned into fish meal for industrially farmed fowl.

The seas are emptying at an alarming rate, he says. You don’t need to study environmental reports; you just need to visit your supermarket. ‘You’ll find

work. ‘Most individuals in the world are over-indebted or broke,’ he says. ‘Most governments are over-indebted or broke. The only physical structures with any money are companies. As soon as they begin to deploy that money in a sensible direction, the world will change.’

The real revolution of sustainability lies in the realisation that there is money to be made from everything, because there is no such thing in the world as waste. ‘There is only stuff that is in the wrong place,’ he maintains. Shift that stuff to where it belongs, process it and turn it into something else, and the money will start rolling in.

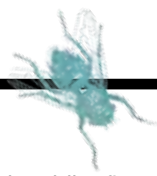
In Kenya, Jason has a stake in a company called Sanergy, whose act of alchemy is to transform human fecal matter and urine into cold, hard cash. The business model is simple. In the townships of Nairobi, there are about 950 toilets, which a user pays five Kenyan shillings (about R0.65) a time to use. The toilet operator earns an income from this, and the company charges \$100 a year to empty the toilets. ‘We make almost all of our profit out of the fecal matter, which we compost to make manure,’ says Jason.

But the most valuable commodity is the urine. The company draws some 150 000 litres a month out of its toilets, which it then sells for around \$2 per litre. ‘Urine is by its nature about 15% nitrogen and has traces of potassium and phosphates too. People are buying imported fertiliser from Europe, in dried granular form, but there’s plenty of that around. It’s just in the wrong place.’

As it turns out, our heads and our hearts are too.

‘If you’re a capitalist who doesn’t understand that your business is subservient to the environment, then your business will fail.’





We think we understand the natural environment and our place in it, but we flatter ourselves in thinking we are somehow bigger and more important than the smallest of creatures.

When our ancestors trekked out of Africa almost two million years ago, three species of fly travelled with them, and we have spent generations and fortunes trying to vaporise them into oblivion, instead of trying to understand what they can do for us. 'The fly has always been an integral part of the food chain,' says Jason. 'We've just never seen it as such. Most things on the planet either have a purpose or fit into a chain of some sort. The only thing I fail to find any use or purpose for, so far, is the human being. If we were to disappear off the face of the planet, the only creatures who would be vaguely disappointed would be a few tens of millions of dogs.'

But for now, we are here, and perhaps a way out of our existential crisis would be to figure out how to live and work smarter with creatures that are better fit for purpose than we are. Napoleon Bonaparte, in the 19th century, failed to heed the advice of his surgeon general, who said flies and their larvae should be left to get to work on the wounds of his soldiers. 'Had he listened, the outcome of Waterloo might have been very different.'

The black soldier fly lives only about 10 days as an adult, but in that fleeting span, if we watch them closely enough, if we try to get to grips with their purpose on the planet, perhaps we might see that they hold the power to suture the most gaping wound of them all. The future itself.

'From where I stand, the future is broken,' says Jason, 'and we need to get busy fixing it. The only way we're going to fix it is to get companies to understand the radical shift in thinking and to reinvent, in the sustainability revolution, their Industrial Revolution counterparts. Everything will and is going to change.'

Our minds, for a start. He thinks of the upside-down, inside-out way we see the world, through sheer force of grinding habit. His favourite example of this is the drill. A fine piece of machinery, but how often in your life do you need it? Maybe, in

total, 10 minutes? 'What people want is not a drill,' he says. 'What people want is a hole. And so what they need to do is buy a hole, which is increasingly available. You go onto a sharing site and you get yourself a drill for two or three hours.'

Durability, upgradeability, repairability, shareability, closeability. He knows the drill, and he is driven in his own life, using what he has learnt and what he still hopes to discover, to build businesses that are capable of repairing the future.

Maybe too driven. He has survived two heart attacks, and he is able to view them, with clinical dispassion, as physical manifestations of what happens when we push the boundaries too hard. The parallel for him is industrial-scale cattle farming, in which cows are selectively bred to deliver more milk, at the expense of their ability to reproduce. 'Whenever you push one

thing too hard, other things give.' It is not so much the pushing that is the problem. It is the direction. We have lived through 250 years, since the invention of the steam engine and the onset of mass production, of momentum in linear motion: the industrial paradigm of extract, manufacture, throw away. The new revolution, calls on us not just to think ahead, but also to think back. 'The world is not linear, it's disruptive. So what we need is disrupted, disconnected thinking.'

A child asks lots of questions and doesn't take the answers for granted. They can spend the day making a world out of two tin cups and a blanket. 'Go back to that thinking,' he says. 'That's how you understand how to build a future out of nothing.'

Open your eyes to things you've looked at, but never really seen. And take a moment, in the midst of it all, to consider the fly. **M**

'Most things on the planet either have a purpose or fit into a chain of some sort.'



Gus Silber, also known as @gussilber, is an award-

winning journalist, author, scriptwriter, and tweet-writer. He writes extensively on technology, media and social entrepreneurship.



Tales from the digital frontier

RESEARCH BY XERO AND WORLD WIDE WORX FOUND THAT 23% OF SOUTH AFRICA'S SMALL BUSINESSES HAVE NO ONLINE SALES CHANNEL AND ONLY 29% ARE GENERATING AT LEAST HALF OF THEIR REVENUE THROUGH THIS CHANNEL. CLEARLY THERE IS A DIGITAL GAP THAT NEEDS FILLING, BUT LOCAL BUSINESSES ARE STILL HESITANT TO TAKE THE LEAP. IF YOU'RE ONE OF THEM, HERE ARE THREE BUSINESS PEOPLE WHO HAVE BRAVED THE DIGITAL SPACE AND SUCCEEDED.

By Mark van Dijk



THE SOCIAL INNOVATOR

Tebogo Kgethe, *HAS Foundation*

Red Bull Amaphiko calls itself 'a collaborative platform for social entrepreneurs who want to change their corner of the world'. But really, it's what would happen if Facebook and LinkedIn went back to their roots and held a networking get-together at their local coffee spot. Tebogo Kgethe is part of that network and is using its pulling power to call attention to his charity, the HAS (Help A Stranger) Foundation.

Within a year of launching in 2015, HAS and its partners donated food parcels to more than 200 families, delivered eight months' supply of sanitary towels to over 150 girls, and school shoes and stationery to more than 150 children. It's also supported five independent orphanages, adopted two learners and supports people living on the streets.

The biggest challenge, however, has been getting the word out, which is where Kgethe and his team are harnessing the benefits of digital technology. 'We use social media to spread the message about our projects and events,' he says. 'Partnering with Red Bull Amaphiko just adds to that, as we're able to reach more people in the US, Uganda and Germany – just because they've seen what we're doing on social media.'

Internet marketing consultant Melanie Gard sees the sense in exploiting social media. 'I've seen so many clients benefit measurably by improving their businesses' online presence and visibility,' she says. 'People search for products and services online. If your business isn't visible, then they're not going to use you. Social media and search engines are driving consumer decisions, and those decisions are being made faster than ever before.' hasfoundation.org.za

THE TAKEOUT Use social media to generate leads and spread the word about what you're doing. It's free, it's accessible and it'll reach your audience wherever they are.

SOUTH AFRICANS ARE EMBRACING SOCIAL MEDIA. ARE YOU?



Total population: 55.9 million



Facebook users: 13 million



YouTube users: 8.28 million



Twitter users: 7.4 million



Instagram users: 2.68 million

(Source: South African Social Media Landscape 2016, World Wide Worx & Fuseware)



THE DIGITAL NATIVE

Alison Jacobson, *Britehouse Digital*

While other businesses face the prospect of going digital, Britehouse – a division of Dimension Data – is already there. ‘Digital is everywhere, and it can either be the fuel for your success or your failure,’ says Alison Jacobson, MD of Strategy and Digital Consulting. She warns that companies will increasingly find themselves straining under the demand to stay competitive and relevant in a hyper-connected world. ‘Customers are able to bypass your advertising, compare pricing and features, and switch between brands at the click of a button,’ she says.

Jacobson also says a company’s digital strategy is as much about organisational transformation as it is about serving an increasingly digital customer. ‘You have to become dynamic and responsive to market feedback,’ she says.

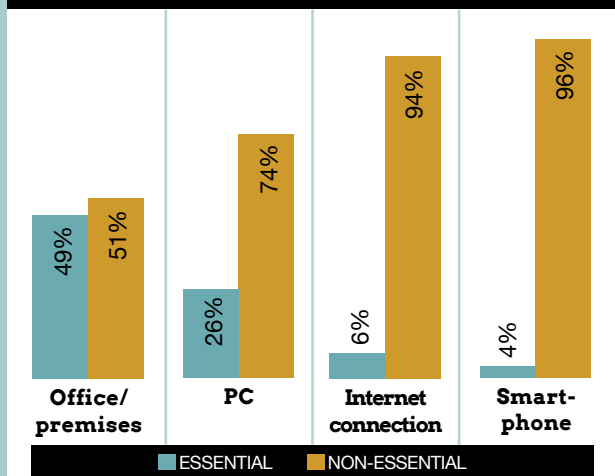
Ultimately, though, she says your digital strategy will come into focus when you don’t just ask, ‘What will digital do for my company?’ but rather, ‘How will digital add value to my customers?’

Taking your business online is a whole-business activity and requires a hands-on approach from the business leadership. ‘Everything is up for grabs as digitally fluent disruptors make their way into every industry, eating away at the margins of slower, less responsive businesses,’ says Jacobson. ‘As such, digitally enabled business-model innovation has to become a core competency at an executive level.’ britehouse.co.za

THE TAKEOUT Digital isn’t something you do. It’s something you are.

WHAT, NO INTERNET CONNECTION?

Despite the growth of digital technologies, barely a quarter of South African small businesses regard a computer as an essential business tool. Perhaps it’s time we reassessed our priorities...



(Source: 2016 State of South African Small Business Report, Xero)



THE HEAVY HITTER

Bradley Elliott, *Platinum Seed*

As MD of a leading digital marketing service, Platinum Seed’s Bradley Elliott watches a lot of video clips. One of his favourites from last year was the ad campaign for global sporting goods supplier Under Armour... and not necessarily because of the great content (featuring, among others, Olympic superstar Michael Phelps), but more because of the execution and the strategy behind it.

‘Brands such as Under Armour and Nike have changed their creative processes and now start with consumer insights, from which they develop unique experiences,’ Elliott says. ‘For instance, Under Armour’s “Rule Yourself” campaign didn’t contain any Olympic intellectual property or branding, but was the second-most-shared Olympics ad in 2016.’

It was a powerful strategy with positive results. According to research by market analyst Unruly, 78% of viewers were able to recall the brand after they’d watched the clip. Not bad, considering the words ‘under’ and ‘armour’ appear only once.

What does this mean for businesses like yours? Embracing Big Data to shape your reach and increase your brand advocacy. ‘Brands need to use data to find, reach and engage with customers,’ says Elliott. ‘But [they should] also understand they’ll be working with a rich mix of data-driven insights that inform real customer-centric strategies.’

Elliott sees the South African market grappling with a major gap between the work of digital marketing agencies and that of digital business analysts. While agencies are focused on creativity to solve brand issues, business analysts tend to focus on processes with little connection to customers. And the customer should always be the key. platinumseed.com

THE TAKEOUT Develop creative campaigns based on customer data... and always focus on the customer.

WHY GO DIGITAL?

According to Yaron Assabi, CEO of marketing agency Digital Solutions Group, digitalisation refers to going ‘beyond the digitisation of information or operations, to the adoption of key tech trends that will underpin the business strategy and operations going forward’. He lists three benefits of taking your business online:

- 1 Access to information... ‘anywhere, at any time through enterprise mobility, which provides a flexible working environment and agility to make decisions in real time.’
- 2 Improved efficiencies... ‘by using automation, artificial intelligence and Big Data to predict trends and opportunities.’
- 3 Enhancing customer experience... ‘by allowing customers to have easy access to self-service as well as technology assisted support.’



PHOTOGRAPHY: GALLO IMAGES/GETTY IMAGES

Inside info from
10 executive
coaches
p28

Why businesses are
switching to
Umbrella Funds
p32

**'I think the
reason a CEO
would work with
a coach is that it
can be lonely at
the top.'**

**– Deon Binneman,
management consultant**

YOURSPACE

Personal insights for
your life and your work

Call in the coaches!

IF YOU WANT TO PLAY LIKE A PRO, SOMETIMES YOU NEED TO CALL IN A PRO. TEN TOP EXECUTIVE COACHES SHARE THE MOST COMMON CHALLENGES BUSINESSES FACE WHEN BEING COACHED... AND HOW TO OVERCOME THEM.

by Mark van Dijk





Y

YOU CAN'T WIN

a World Cup without a coach, and you wouldn't dream of going to the Olympics without one, yet many businesses are still reluctant to bring in coaches or facilitators.

They're losing out. Executive coaching is a powerful tool for on-the-job problem solving, and – as we discovered from 10 top South African business coaches – many of those problems are the same, whether you're an entrepreneur, an employee or a top exec.

'Sport is a great analogy, and it's actually one of the sources of executive coaching,' says Lesley Harris, director at Connemara, a business and skills development agency. 'In sport the game changes all the time, as it does in business. Business leaders are constantly dealing with moving targets, and the coach is there to support and help them.' Connemara has its coaches observe the business leader in action, engaging with their team and with clients so they can give live feedback.

Harris says that every business coach has two clients: the organisation and the coachee. 'The organisation sponsoring the coaching has to benefit, so they have to be involved,' she says. That said, the coachee still deserves a safe space where they think aloud and engage in confidential conversation. But the primary objective of the coaching is to benefit the organisation – and the coachee has to benefit on a personal level as well.

The softer skills

'Executives typically call on coaches for three reasons,' says Julie Courtnage, facilitator at The Institute of Directors in Southern Africa (IoDSA). 'The first is balancing conflicting priorities, either within the business or between business and personal demands – the latter is especially true for female executives. The second is to work on their leadership approach to help shift the business into a revived position. The third is to deal with conflicting values or ethical issues, where their personal perspectives are being challenged by business requirements.'

Yet, while the broad concerns tend to be common to all organisations, she insists that a good coach will help clients find their own solutions to their unique situations. 'The kinds of questions that prompt useful insights might include interrogating the benefits and costs of allowing particular priorities to dominate the executive's attention,' she explains. 'Examining business needs in comparison to the leader's own style – and what shifts would deliver on those needs – can provide sometimes refreshing angles.'

Personality, personal style and – crucially – personal values play a key role. 'Coaching taps into the potential of individuals, the



'Coaching taps into the potential of individuals, the belief being that the individual with the challenge often has the solution.'

Dr Mariam Sha, business development coach

belief being that the individual with the challenge often has the solution,' says Dr Mariam Sha, business development coach at consultancy Awakening Excellence. 'Coaching has a holistic approach. It's about shifting behaviour patterns and creating awareness of the management of emotions for yourself and others to change thinking patterns with a clear focus on end goals.'

Read that language again. Words such as 'holistic approach', 'shifting behaviour patterns' and 'management of emotions' aren't what you'd typically hear on corporate golf days or during a tense negotiation session in Boardroom One.

But that's exactly the point. Executive coaching tackles a side of leadership that's often overlooked. 'Coaching works because the ownership rests with the individual being coached,' Sha adds. 'Through self-awareness, changes are made by the individual. The coach facilitates that change.'

Exploring values

One of the common challenges coaches are asked to help solve is the dilemma of achieving business results at the expense of supporting people. 'Interpersonal relations remain the primary challenge for our executive clients, as this underpins so many of the other challenges they face,' says Deirdre Elphick-Moore, co-founder of The Office Coach. 'Getting interpersonal relations right impacts positively on autonomy, accountability, innovation, creativity, problem solving, collaboration... traits execs want in their people.'

Close behind managing the immediate pressures of people management is the issue of self-awareness. 'Our clients need someone to help clarify what's important to them on personal and professional levels,' Elphick-Moore says. 'What are their focus areas and priorities? By unpacking this, exec clients can motivate themselves and can work through the process to motivate others.'

The advice she and her team give in that situation centres around value: 'We explore how execs' values interface with the values of others and the impact they have on perceptions, prejudices, expectations and communications. Then we explore their value proposition. Through a review of their strengths, talents and passions, we unpack the value they bring to the world and how this is best leveraged.'



'Coaching is aimed at helping leaders be the best they can be. As an added bonus for companies, this helps them

attract and retain the best talent.'
Michelle Moss, founding member of Talent Africa

'When we talk about interpersonal skills, relationship issues and personal appearance fall into this category,' says Alain Willem, executive coach at Path Coaching. 'It's about creating self-awareness and greater understanding about the person's impact on others. I usually ask my clients: What do you want to do that is an expression of who you really are?'

Reputation management

Simon Ekin, business coach, facilitator and speaker, shares a similar experience. 'Clients see that integrity is the most

'My role is to help executives explore the options available in whatever they're dealing with – through asking powerful questions that unleash their creative juices.'
Dr Jerry Gule, business and executive coach



important area. Not moral integrity – such as not taking bribes – but personal integrity... honouring our word and doing what we say – and if not, clearing up our broken word and making amends to those to whom we have broken it.'

Likewise management consultant Deon Binneman follows a coaching philosophy based on integrity and reputation. 'A few years ago I facilitated a workshop on crisis management in Beijing, China, when something was shared with me that I will hold dear forever,' he says: 'Your name will arrive at a destination long before you do. Best make sure you have a good name.' As he explains, 'A person's reputation is their stock in trade. It is a commodity that speaks volumes about trust and integrity. But it's also your biggest and most volatile risk.'

Sounding boards

'I think the reason a CEO would work with a coach is that it can be lonely at the top,' says Binneman, echoing the idea of the 'safe space' mentioned by Lesley Harris. 'A coach brings objective third-party insight, with many questions to be asked. They become a springboard for ideas and thoughts.'

That was certainly the experience of Dr Jerry Gule. As former general manager of HR & Transformation at Total South Africa, Gule has experienced executive coaching from both sides. 'When I was in executive management I called on a coach to help improve my performance by exploring ways for personal effectiveness on particular matters,' he says. 'For example, we'd look at how best to influence others – peers and superiors – to drive company-wide cultural or behavioural change. A coach in this instance becomes an objective sounding board through asking robust, challenging, exploratory and uncomfortable questions.'

Now that he is a business and executive coach, Gule finds himself on the other end of that conversation: 'Some clients look for a sounding board when dealing with issues they need to clear their heads on, or to reassure themselves that their

thinking is on track,' he says. 'Sometimes executives set up coaching meetings simply to have someone listen to them as they relate challenges in their business and personal life. My role is to help them reflect on and explore the options available in whatever they're dealing with – through asking powerful questions that unleash their creative juices.'

Where you are... and where you're going

'We run our coaching processes with corporate clients by determining where the gaps are at that particular level or role, or within a certain context. Then we design the coaching objects and coach towards filling those gaps,' says Helga Landis, CEO at Saraswati Executive Coaching.

At some organisations, Landis will be asked to prepare a coachee to take up the CEO role a year hence. 'In which case, I'll uncover the gaps, determine where they're at and where they need to be, and coach towards that,' she says.

The process is four-fold, looking at the organisation and the coachee. Helga explains: 'First I have to understand the level of maturity of the organisation, the level of maturity of the exco this individual is required to lead, the roles within the exco, the various functions within the business, the strategy of the business in the short and longer term, and finally what the organisation is good and not so good at. Then



'Clients see that integrity is the most important area. Not moral integrity – such as not taking bribes – but personal integrity... honouring our word.'
Simon Ekin,
business coach,
facilitator, speaker

I assess the person: their current competence and what competencies are lacking for the CEO role. If you don't look at the organisation and the individual, you can't benchmark them against where they need to be. You can't just prepare a new CEO against where the organisation is currently; you also need to prepare them for where the business is going.'

Good or bad

On the types of calls her agency gets for executive coaching, Michelle Moss, founding member of Talent Africa, says, 'The worst are those where the company has an executive or senior manager who is not performing and can't work with

people in the company. It seems as if the problems the company is experiencing are a direct result of that individual and they want us to coach the person to fix them.'

Moss dreads this call because, she says, coaching is not punitive – and it's not a quick solution for mending poor performers. 'The trust relationship between a coach and a coachee is critical for success,' she says, 'and if the executive comes into the coaching session knowing the coach is there to fix them, the intervention has likely already failed.'

'We love calls where a company wants to support high-performing, high-potential individuals in getting "from good to great". These individuals are focused on their future and want to gain insight into their current situation, challenge their current thinking, attitudes and behaviours, and explore options of how to be more effective. In this case, coaching is a reward and is aimed at helping leaders realise their potential and be the best they can be. As an added bonus for companies, this approach helps them attract and retain the best talent.'

But – to return to Lesley Harris' sporting analogy – those 'best-case' calls typically come from companies or executives who're at the top of their game already.

And organisations or people who are struggling to perform? Well, you'll notice something that the teams at the bottom of the Premier League have in common: they all have coaches but the teams that turn losing streaks into winning performances tend to be the ones with the most effective coaches. **M**



'You can't just prepare a new CEO against where the organisation is currently; you also need to prepare them for where the business is going'
Helga Landis, CEO
Saraswati Executive Coaching

WHAT DO YOU GET?

Alain Willem of Path Coaching lists the benefits of coaching for people at all levels of business.

Deeper self-understanding, including how you're perceived and where you can improve.

Faster action, to advance things more speedily and with greater precision.

Space to hear your own voice, to more effectively think (or self-talk) something through and gain perspective.

Awareness of blind spots, providing ideas for ways to improve that you may not have seen.

Support for improving specific skills, such as communication, delegation, conflict management, team building and persuasion.



A smart move

CHANGE IS OFTEN CHALLENGING, BUT FOR BUSINESSES THAT TRANSITION FROM A STANDALONE TO AN UMBRELLA RETIREMENT FUND, IT'S WORTH IT ON MULTIPLE LEVELS. WE LOOK AT HOW (AND WHY) A REAL COMPANY MADE THE CHANGE...

by Norma Young

WHETHER IT'S A START-UP, an established business or a massive corporate, taking good care of all employees helps organisations stand out. A plethora of benefits are on offer to lure top talent; from flexible working hours to complimentary on-site gyms and restaurants. Some of these are fun add-ons to the working environment; some are practical forward-thinking assurances that the company cares. Though they may not impact day-to-day office enjoyment, retirement funds are most certainly the latter.

As an employer you need to decide whether to offer employees a basic salary alone or a full set of employee benefits, including retirement savings.

'A good decision that makes sense for members is always a fine balance between quality of service, flexibility of options and cost.'

Although good retirement savings can give your business an edge in attracting talent, it's easy to be put off by the combination of a complex retirement fund industry, reams of regulations, and concerns that you (or your HR team) may spend too much time on fund administration.

The Sasol Negotiated Provident Fund might have faced these concerns but, when they made the move from a standalone option to the Old Mutual SuperFund – an umbrella fund – the transition benefited both the organisation and its staff.

The difference is simple: a standalone fund serves one company while an umbrella fund serves many within one structure. This means umbrella funds can work well for companies that aren't quite large enough to extract scale benefits from a standalone; they do bring benefits to companies of larger scales too.

In late 2014, the Sasol Negotiated Provident Fund was administered by Old Mutual. In line with a growing trend of transitioning to umbrella funds, Lidia Visser, Chairman of the



understanding UMBRELLA FUNDS

There are two types of umbrella funds, each with a distinct structure.

TYPE A

- Managed by an independent management board.
- General rules can be set up at fund level to guide benefit structures, investments, etc, but each employer decides on their own benefit structure within these guidelines, which are usually recorded in special rules for the employer's sub-fund.
- Administration, accounting and actuarial services take place at the main fund level and are usually provided by the sponsor.

TYPE B

- Main rules set up at the fund level and outline the benefit structure for all participating employees.
- All participating employees are linked in some way – such as at industry or union level. Only employers who are eligible due to such links can participate.
- Fund rules clearly outline how trustees are appointed and elected to ensure members and employees are well represented.

Sasol Negotiated Provident Fund, says it seemed sensible for Sasol to follow suit. While the biggest advantage has been having a really well-managed fund, Visser admits there were some challenges in the early stages. 'Two of the biggest we faced were getting the benefits moved across; and getting the whole SuperFund administration team onto the same page,' says Visser. But Freddy Beukes, Head of Wellness and Benefits – Human Resources at Sasol,



TAKE COVER

If you've decided to make the switch, here are two important guidelines to bear in mind:

DO

consider customising your fund.

In order to maximise member retirement outcomes, you might find it beneficial to combine two or more types of charging methods in an umbrella fund structure.

This customisation will allow

flexibility that meets the needs of various members. 'A fund with a mixture of low- and high-income earners might choose to have a fee as a percentage of payroll with higher earners effectively cross-subsidising lower-income earners – this is quite common in South African umbrella funds,' says Michelle Acton, principal consultant at Old Mutual Corporate Consultants. 'While charging a fixed rand fee per member per month is generally quite benign in terms of impact on retirement savings, the fees charged as a percentage of payroll are helpful to avoid lower-income members from carrying a relatively heavier burden in terms of fees.'

DON'T

presume the lowest fee is the best option.

While costs do matter, it's not as easy as just choosing the lowest or simplest fee. Remember that some fees are more transparent than others. So you must dig into the detail of each fee and look into what fees might not be disclosed, such as investment management fees, advises Acton. 'Employers need to tread carefully when assessing fees and doing comparisons, as cheap is not always best. Rather select the fund that best suits the company and benefit structures, and provides the best chance of achieving the long-term objectives of employees.'

says the benefits have been marked. 'We now have a lower administrative fee and our management committee has no fiduciary responsibility. In addition, a professional board of trustees was appointed to manage the fund,' he explains. 'Our members also have better risk benefits.'

Cost saving is one of the key reasons companies are increasingly choosing umbrella funds over managing employees' retirement savings themselves. But before making the move, it's wise to fully assess the merits for and impact on employee retirement savings by looking into the various umbrella funds' benefits, fees, charges and other costs.

Principal consultant at Old Mutual Corporate Consultants, Michelle Acton, says there are a couple of considerations to keep in mind to ensure you choose the best and right type of umbrella fund for your business. 'A good decision that makes sense for members is always a fine balance between quality of service, flexibility of options and cost,' says Acton. 'It's imperative the employer gains a thorough understanding of the services being offered, along with their associated costs. This is to ensure they get value for money and that the solution they select has the best chance of delivering the maximum retirement benefits for all of their members.' **M**



Understanding
disability cover
options
p36

Old Mutual
news and
insights
p38

‘We managed to convince his new employer that the inefficient HR process had unfairly prejudiced him and they undertook to pay the insurer his disability benefit until retirement.’

**– Michelle Acton,
Principal Consultant,
Old Mutual Corporate
Consultants**

expertsSPACE

The nuts and bolts of
Old Mutual products

Disability cover demystified

IT'S EASY TO UNDERESTIMATE THE FINANCIAL IMPACT OF DISABILITY – FOR BOTH THE PERSON AFFECTED AND THE BUSINESS EMPLOYING THEM. OLD MUTUAL DISABILITY BENEFIT EXPERT MICHELLE ACTON TELLS US HOW TO MAKE POLICIES WORK BEST FOR EMPLOYEES.

By Gillian Warren-Brown

W

hen she was in her twenties, Thandi*, who had recently become a mother, was involved in a car accident that left her paralysed from the neck down. Unfortunately, her employer did not have disability cover for their employees. This means that almost 20 years later, Thandi is not receiving any income (except for some support from the Road Accident Fund) and uses the assistance and support of friends and family to employ two full-time carers to help her and keep the household running.

We often think that employees should take ownership of their own disability cover, which is true, but in practice this does not happen – especially young employees who believe 'it will never happen to them'. If employers provide the cover for their employees



it is more cost effective and they can ensure that all employees have some level of protection.

Types of policies

The disability cover that the

employer could have had is one of two main types of policies – a disability income benefit or a lump sum disability benefit, says Michelle Acton, Principal Consultant, Old Mutual Corporate Consultants.



Michelle Acton, Principal Consultant, Old Mutual Corporate Consultants, qualified as an actuary in 2002, working in the healthcare environment and general management. Since moving into the retirement fund industry, she has worked as a retirement fund valuator, a consultant and an advisor. She is also a member of a number of industry and company-related committees.

Consultants, qualified as an actuary in 2002, working in the healthcare environment and general management. Since moving into the retirement fund industry, she has worked as a retirement fund valuator, a consultant and an advisor. She is also a member of a number of industry and company-related committees.

DISABILITY INCOME BENEFIT

If the employer had provided a disability income benefit, it would have provided a monthly income for the period for which the employee was disabled up to retirement age. The standard benefit amount is 75% of pensionable salary, with increases. This would have gone a long way towards providing financial support for someone in Thandi's position.

LUMP SUM DISABILITY BENEFIT

If Thandi's employer had chosen the Lump Sum



DISABILITY GLOSSARY

- **Eligibility** The criteria for a member to be included under a group policy, for example, permanent employment with the company.
- **Conversion option** When a member is no longer eligible for group cover, a conversion option may apply but it has to be requested and negotiated between the policyholder and the insurer. It enables a member to get the same cover as under the group policy, but with no (or limited) underwriting. The premium changes too.
- **Waiting period** The employer selects a continuous length of time (usually three to six months) from the first day the member is unable to perform their work.
- **Initial period** Immediately following the waiting period (typically 12–24 months) during which a member is incapable of performing their own occupation.
- **Extended period** Begins after the Initial Period and ends when the Disability Income Benefit payments stop or continue (that is, if the member is unable to perform his/her own or other occupation with any employer).
- **Unapproved – for example, Disability Income Benefit** The premium is taxed but the monthly disability payouts are tax-free.
- **Approved – for example, Lump Sum Disability Benefit** The premium is not taxed but the lump sum pay-out is.
- **Exclusions** Events or circumstances where an insurance benefit will not be paid out, for example, pre-existing conditions.
- **Territorial limits** Countries in which a member will still be covered by the policy.

Disability Benefit cover, she would have received a once-off lump sum pay-out amounting to a multiple of her annual pensionable salary, minus tax (if it's an approved benefit – see Glossary). If her accident hadn't resulted in permanent disability, the Lump Sum benefit would not have paid out.

'It's up to employers to communicate with employees so they're aware of the implication and level of cover they would be provided and, ideally, the individual should top up their cover with a personal Disability policy.'

Definitions of disability

Acton says, when choosing a policy, an employer decides what disability

definition to apply, depending on the type of work employees do. Definitions are also linked to various time frames. For example, when Rafique*, a financial advisor who usually drove to his clients for consultations, was injured in a car accident, he started receiving Disability Income Benefit payments after the Waiting Period. Typically, during this Initial Period (12–24 months), the definition of disability is more relaxed. It may be that you are unable to perform your occupation with your own or another employer. However, once the Extended Period kicks in, the definition of disability becomes more stringent and could be 'own or similar occupation'. This means that a permanent disability claim will be approved only if you can't perform your own or a similar occupation.

Although Rafique was no longer able to drive, the insurer deemed his recovery good enough to work as a financial advisor at, for example, a call centre (which did not involve driving but was similar to his current job), so his disability payment stopped.

Ts & Cs – employer responsibility

The employer will usually be involved in setting up the company's disability benefits and, says Acton, it is important for the employer and HR to be clear about the policy conditions and to communicate them to all members.

PRE-EXISTING CONDITION

When the company James* worked for (Employer A) was bought out by another (Employer B), the staff had to be transferred to the new company's benefits. Acton

says, 'When we asked Employer A if any employees had medical conditions, they said no. However, two months later, James, a high-income earner, went off sick with a medical condition he'd had for a year prior to the move. Employer A should have picked this up by checking with all the managers.' If they had known, Employer B could have asked the insurer to waive the pre-existing condition exclusion or not transferred James until the claims process was finalised. Instead, his disability claim was declined.

'We managed to convince his new employer that the inefficient HR process had prejudiced him and they undertook to pay the insurer approximately R8 million – the cost of his disability pay-out until retirement,' says Acton.

Pre-existing condition is one of a range of circumstances known as exclusions in which an insurance benefit will normally not be paid out. This was a very unusual situation and serves to illustrate just how essential it is for employers to be familiar with the fine print of their policy. **M**



KEY QUESTIONS TO ASK YOUR BROKER

1. What are the benefits of group cover?
2. What is the difference between permanent and temporary cover?
3. What is the most appropriate type of policy for our company?
4. What are the exclusions?
5. What are the territorial limits?
6. What is best practice for adhering to claim notification periods?
7. Can a conversion option be built into the policy?
8. What other small-print should we be aware of?
9. What is the most effective way of communicating this benefit to members?

*Names have been changed.

Note: The policy options, as well as terms and conditions mentioned in this article are not an exhaustive list.

What you need to know

A ROUND-UP OF SMART SOLUTIONS FOR SAVVY BUSINESSES

by Old Mutual Corporate Consultants

Whether you're a small start-up or an established company, making sure your employees are well looked after is key to your success. Retirement and investment funds are a good place to start and the Old Mutual SuperFund, with its countless awards for Good Governance and Membership Communication, is a top choice.

The Old Mutual SuperFund doesn't take a one-size-fits-all approach. With three solutions, employers can choose an investment package that suits their company's and staff's needs. In addition, SuperFund provides simplified payroll systems and value-add offerings like the Financial Wellbeing Programme, which gives members the help and insight they need to better manage their finances. In fact, every member has access to their own financial adviser and financial plan, making managing money a stress-free affair – that's a job perk for you and for them.

1. SUPERFUND EASY

SuperFund Easy gives small-to-medium-size companies access to big company benefits without the hassle of setting up retirement funds or employee benefit structures. If you have over five employees and want a fully pre-packaged solution that offers entry-level benefits such as disability, death, dread disease, funeral cover and retirement, this is the best option.

2. SUPERFUND CHOICE

SuperFund Choice is more flexible, offering more freedom to tailor benefits to suit employers' needs within a range of offerings.

PICK A TIER

SUPERFUND IS, AS THE NAME SUGGESTS, SUPER-EASY. DEPENDING ON THE SIZE OF YOUR BUSINESS, THERE ARE THREE OPTIONS TO CHOOSE FROM.

3. SUPERFUND CUSTOMISED

For very large employers, SuperFund Customised is a solution that allows extensive customisation of the risk and retirement benefits for employees. Plus this option comes with myriad added benefits including the SuperFund Preserver, which allows members to continue with Old Mutual SuperFund even if they leave their job.

Did you know?

SuperFund negotiates the same lower investment portfolio fee for all members investing in that portfolio – no more sliding scales.

R50 BILLION

INVESTED IN THE ABSOLUTE GROWTH PORTFOLIOS

RANDS & CENTS

Old Mutual is showing up its competitors with impressive stats, most notably:

OVER R75 BILLION

INVESTED IN PASSIVE INVESTMENTS



DIGITAL DOMINATION

Old Mutual is ahead of the game when it comes to digital solutions for clients. In fact, the web capabilities when it comes to making claims and getting quotes are so good that they now boast 35 000 registered, active online users.



SuperFund by numbers

What to do about deglobalisation

ANTI-GLOBALISATION SENTIMENT IS TAKING HOLD INTERNATIONALLY AND HAVING AN EFFECT ON THE RETIREMENT FUNDING INDUSTRY LOCALLY.

by Clement Chinaka, Managing Director, Old Mutual Corporate

The old adage, 'change is the only constant' rings true when we look at the state of the global economy. The rising anti-globalisation sentiment, which arguably led to Brexit and the election of Donald Trump, is proof that globalisation is undergoing a transformation of its own. But, while change is good and we need to embrace it, this new trend may have damaging effects on the world economy and South Africa in particular.

Without strong global economic growth, South Africa's economy is likely to remain in a low-growth mode, with recession still a distinct possibility. In Africa, globalisation brings capital in the form of foreign investment, which in turn brings expert know-how, technology and more jobs. However, if this anti-globalisation sentiment takes hold, domestic economic growth will slow and where we will feel this most is in the retirement funding industry.

Because most South Africans are saving for retirement through defined contribution funds, not defined benefit funds, members carry the

investment risk. As a result, the amount they receive on retirement depends on how much they invest and on the performance of the underlying investments in their fund portfolios. In our current economic climate, in order to retire comfortably,

you either need to invest more or settle for less.

But what can be done to achieve a decent retirement in the face of low economic growth?

In short: review

investment strategy. While there is growing interest in passive investments (Old Mutual is the largest passive investor in the country), tough economic times call for active managers who show their value. In uncertain times, it's crucial that retirement fund trustees and advisers manage members' expectations – clear and constant communication is key to making smart decisions.

Some members may choose to defer retirement for more time to save. Others may opt to contribute more – now a tax-free option thanks to new laws. Either way, we all need to take strategic steps to ensure we help our members achieve their retirement goals.





A closer look at
the entrepreneurs
igniting Africa

p42

Responsible
business stories
worth sharing

p44

**'It is now generally
accepted that the
job creators of the
next generation
will not be
big business
but SMEs.'**

**– Babusi Sibanda,
entrepreneur and SME
development lecturer**

Legacy SPACE

Thoughts on
sustainability and
business with purpose

TOWNSHIP MICRO-ENTERPRISES AND ENTREPRENEURS ARE A POWERFUL FORCE FOR UPLIFTING AFRICA. DISCOVER HOW YOU AND YOUR BUSINESS CAN BOOST THESE ENTREPRENEURS.

by Babusi Sibanda

The entrepreneur effect



VISION. PASSION. RESOURCEFULNESS. TENACITY. The will to work hard and succeed. An eye for opportunity. These are some of the hallmarks of successful entrepreneurs. And they are not in short supply in Africa. In many parts of the continent, these characteristics have ensured the survival and success of communities as national states break down, the formal economy collapses, political conflict displaces people or traditional, land-based livelihoods fail.

There is no better environment to observe entrepreneurship in action than in Africa's townships. Here, increased human density and myriad opportunities and needs drive commerce. But, curiously, you can also see glaring differences in the willingness, ability and level of success of different township communities to grab these opportunities, create sustainable small enterprises and provide one another with much-needed employment. What are these differences and what

can local authorities, social entrepreneurs and others do to encourage their success?

Africa is a continent of young people. Africa's median age – the age that divides a population into two numerically equal groups; half the people are younger than this age and half are older – is 20.1 (en.worldstat.info). In some of the continent's most populous countries (Democratic Republic of Congo, Ethiopia, Kenya, Nigeria, Sudan and Uganda – each with a population of



Babusi Sibanda is a Cape Town-based entrepreneur-

ship and SME development lecturer and practitioner. A serial entrepreneur and freelance writer, he has been published widely in the fields of entrepreneurship, African social issues. He is currently completing a PhD in entrepreneurship studies at the Graduate School of Business, University of Cape Town.



suggests that by 2030, 90% of new jobs will be created by this sector.

Increasingly many African governments, both at national and local levels (and with private and non-governmental sector involvement in some countries) are establishing dedicated agencies and concerted schemes and initiatives to identify, develop and fund urban and peri-urban entrepreneurship. However, if you look at the vast amounts of money budgeted for these efforts and the bureaucracies set up to manage and

assess their effectiveness, it's easy to believe the criticisms calling the resultant entrepreneurial and SME development industries self-serving and self-supporting. The truth is, more targeted business incubation and enterprise development efforts by large corporations, aimed at diversifying the supply chain and developing future suppliers, have fared better – such as Anglo American's Zimele in South Africa.

Considering these efforts, as well as the energy and need in townships, why would an organisation such as Seed Academy, which runs an annual start-up survey in South Africa, conclude that there is a disconnect between funders or available funding and high-potential, funding-ready entrepreneurs – particularly black citizens, women and the youth? As a result, Seed Academy recommends enhancing

the funding system and its accessibility, and fast-tracking and preparing budding entrepreneurs to be funding-ready. They also recommend a culture of entrepreneurship be embedded into the education system and that the fear associated with entrepreneurial failure be addressed.

But what must first be acknowledged is that throughout the continent entrepreneurship is alive and well – facilitated by affordable information and communication technologies (in particular the ubiquitous cellphone) and driven by necessity.

In Lagos, entrepreneurs have provided services and filled gaps where government has failed. In Kenya, Nairobi's Maasai market is a roving commercial space that enables hundreds of

shortage problems in Zimbabwean cities.

I run entrepreneurship development workshops, including classes at the Tertiary School in Business Administration (TSIBA) in Cape Town where students are largely recruited from the city's townships. Over the years, I've developed a few pre-course 'tests' for course attendants. First, I ask them to list 10 successful entrepreneurs – I get the usual 'global suspects' (Zuckerberg, Gates) and hardly anyone from Africa, barring one or two national heroes.

I then ask for a show of hands of those students who have passports, or have travelled outside their province. Invariably the more travelled and the more exposed the student, the better the entrepreneurship project they will produce. So it seems to me that

travelling and exposure are key missing ingredients for our budding township entrepreneurs.

Exposure to different environments and cultures, as well as to Africa and its

entrepreneurial success stories is sorely lacking. The lack of familiar successful entrepreneurship role models is one of the many challenges. This means Africa's budding entrepreneurs and township youth need to learn to use digital technology to leapfrog their challenges and disadvantages, in order to solve real entrepreneurial challenges in local markets. They also need to see their world from as many perspectives as possible. **M**

'It seems to me, all things being equal, travelling and exposure is one of the key missing ingredients for our budding township entrepreneurs.'

traditional craftspeople to sell to tourists and one another. And Zimbabwe's white-robed 'Mapostori' (Apostolic Faith Church followers) are probably the most entrepreneurial in sub-Saharan Africa. Eschewing the formal education system for practical community craft, the men make and sell metal products while the women trade crocheted wares – these women are probably the cleverest currency street traders, solving many currency

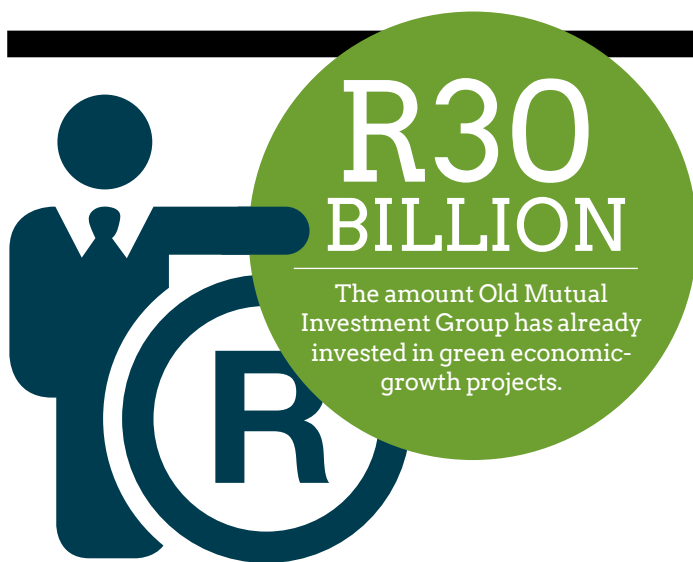
more than 30 million) the median age is less than 20 years. The implication is that in order to understand the continent's problems, challenges, hopes, potential and solutions, you have to target the youth. Entrepreneurship's success, failure and development on the continent therefore depends on the youth.

In South Africa, where unemployment sits at around 27%, it's worth noting (according to a 2016 report by Statistics South Africa) that about half of those unemployed are under the age of 35 and a hefty 60% live in the cities' townships and informal settlements.

It is now generally accepted that the job creators of the next generation will not be big business but rather SMEs. In fact, the country's development blueprint, the National Development Plan,

The Good Business Bulletin

OLD MUTUAL IS IN THE BUSINESS OF PLANNING FOR THE FUTURE, SO EVERYTHING THAT AFFECTS FUTURE GENERATIONS, RESOURCES AND THE ECONOMY IS OUR CONCERN TOO. THIS IS WHY WE'VE MADE SUSTAINABILITY AND SOCIAL DEVELOPMENT PART OF OUR BUSINESS.



PUT YOUR MONEY WHERE IT MATTERS

Green finance is a buzz phrase because it defines the zeitgeist and the priorities of our time. As consumers battle to reconcile overconsumption with a depleted planet and the widening socioeconomic gap, they are using their purchasing power to demand transparency, authenticity and ethical business practices. To this end, more than 1 200 asset owners, investment managers and professional service partners have become signatories of the UN-backed Principles for Responsible Investment (PRI).

Camden Research shows that the global market in sustainable investments – funds that are rated on environmental, social and governance (ESG) factors – is expected to grow at about 25% a year. In short, it really matters where you invest your money. But the good news is that profitability and low-carbon, socially inclusive and resource-efficient growth are not mutually exclusive.

The Old Mutual Investment Group participates in the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) via Old Mutual Alternative Investments; African Infrastructure Investment Managers (AIIM); Futuregrowth Asset Management; and Old Mutual Specialised Finance (OMSFIN).

HOW RESPONSIBLE ARE YOU?

Your asset manager should be able to provide details of their environmental, social and governance (ESG) analyses for your investments.

Finance 101

The Old Mutual Financial Wellbeing Programme provides free financial literacy education to help South Africans make the best financial decisions. The programme, taught in modules, can be offered to groups of employees. The learning component offers two main sections:

★★★ **ON THE MONEY** is a BANKSETA-accredited programme covering the key principles of good money management in an easy-to-understand way. The workshops are delivered to various groups such as stokvels, unions, SMEs and communities interested in empowering themselves with financial management skills.

★★★★★ **FIN360°** is a more advanced learning offering that covers financial planning principles such as buying a home; short-term insurance; investment planning; wills and estates planning; and retirement and risk planning.

400 000

The number of individuals directly impacted through our Financial Wellbeing Programme since it launched almost 10 years ago.

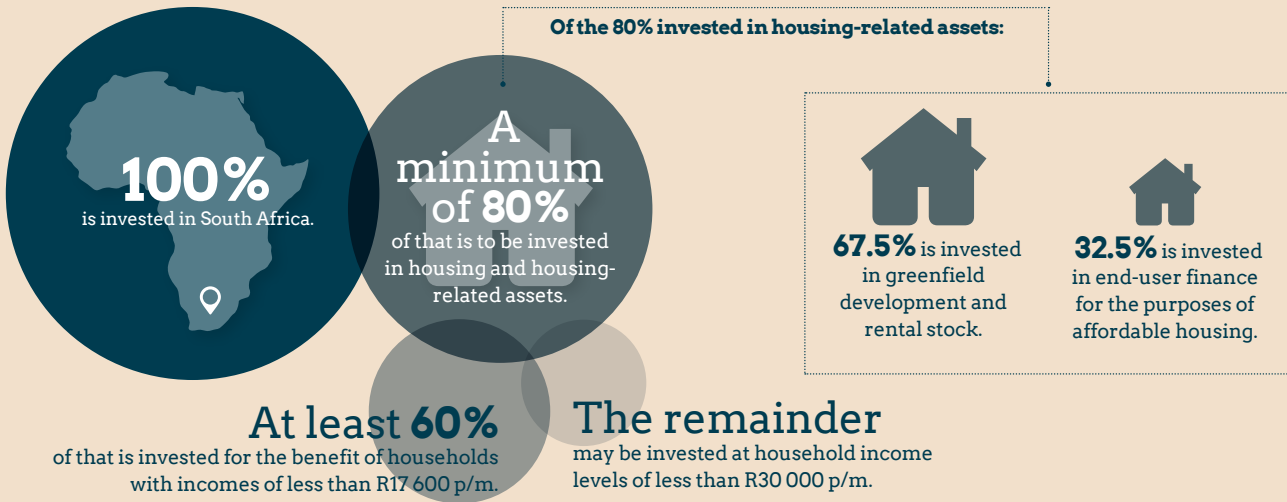




HOMING IN

The housing gap in South Africa remains one of the country's greatest challenges in terms of economic transformation. Many South Africans fall outside the qualifying parameters for government-subsidised housing, yet are unable to afford their own homes. The Housing Impact Fund for South Africa (HIFSA) is specifically aimed at bridging the housing gap through investments in housing and housing-related assets.

THE HOUSING IMPACT FUND FOR SOUTH AFRICA (HIFSA)



Clean and green

Old Mutual is a major participant in groundbreaking renewable-energy programmes that leverage private-sector capital to meet SA's growing energy demands using low-carbon alternatives. And, when a renewable-energy project uplifts a community in the process, all the better.

Umoya Energy was established in 2008 by AIIM to develop, own and operate the Hopefield Wind Farm in the Western Cape. It is one of the first wind farms in South Africa to feed power into the national grid, with 37 wind turbines generating 67MW of clean energy. Umoya Energy is also working in close partnership with the local community and has committed to supplying the turbines and project maintenance for the first 15 years. This has led to the establishment of the non-profit Hopefield Wind Farm Local Community Company. As a community-run 5% stakeholder in the wind farm, its profits will be used to channel funding into development projects within the local community, starting with providing solar geysers to economically disadvantaged families.

652 PERMANENT EMPLOYEES HAVE RESULTED FROM AGRICULTURE ASSETS AND INFRASTRUCTURE INVESTMENTS MADE ON BEHALF OF OUR CLIENTS.

Future leaders

The Schools and Education Investment Impact Fund South Africa (Schools Fund) has funded and operates 24 affordable independent schools in South Africa, working with education experts and providing educators with training and equipment.

16 000

learners are currently enrolled in schools funded by the Schools Fund. The aim is to accommodate more than 50 000 learners by 2027.



R14 billion

THE AMOUNT INVESTED IN RENEWABLE ENERGY ON BEHALF OF OUR CLIENTS.

83%

of Old Mutual Investment Group's customers say it is a responsible investor (out of a group of 812 people surveyed).

“The world is not linear, it’s disruptive.
So what we need is disrupted,
disconnected thinking.” - Jason Drew

DO GREAT THINGS



OLD MUTUAL
CORPORATE

‘Try to think outside the box.’

The team-building facilitator said it with reverence. People murmured, awed. Yes, the late 1990s were a simpler time.

These days the only people who tell you to think outside the box are those whose career is busy climbing into a (pine) box. But back then the box was a state-of-the-art buzzword, much like ‘state-of-the-art’ and ‘buzzword’.

Even then, however, I had my doubts. I mean, what happened once you got out of the box? Surely you just found yourself on the shelf, or worse, the warehouse floor? You were no closer to a solution than when you were inside the box, except now you were in danger of being vacuumed up by the janitor.

As a writer, I’m naturally suspicious of business jargon and flimflam. And you have to admit that some of it verges on self-parody. I recently heard an entrepreneur urge a colleague to ‘eat the elephant one bite at a time’. The logistics of cooking, garnishing and plating an elephant aside, how else do you eat something, other than one bite at a time? Still, I suppose it sounds more inspiring than telling your team, ‘Chew your food, guys.’

Speaking of animal-based gibberish, some executives are demanding that their employees ‘roll the tortoise’ when they want them to speed up a slow project. I don’t know if any of them have ever actually tried to roll

a tortoise but I can tell you that it ends in tears, vet bills and prosecution by nature conservation agencies. In fact, when it comes to metaphors for speed and efficiency, ‘rolling the tortoise’ might be literally the worst idea in the world.

I must admit some of the more established proverbs and idioms can look a bit ropey when you examine them closely. For example, when start-ups face

headwinds their owners like to remind themselves that ‘what doesn’t kill you makes you stronger’. But what if the thing that doesn’t kill you is a non-fatal flesh-eating disease that dissolves muscles?

Likewise, corporate mentors tend to remind their rash, hubristic protégés that ‘there’s many a slip ‘twixt cup and lip’, which is palpably nonsensical: as every cricket fan knows,

there’s many a slip ‘twixt wicket keeper and gully, not cup and lip (okay, I might be reaching here...)

Unfortunately, some pieces of common-sense advice have been rendered idiotic by misuse. In the old days, business people launching a new product understood that the proof of the pudding was in the eating (because, obviously, you only know how good a pudding is once you’ve eaten it). These days they insist ‘the proof is in the pudding’, as if a mad scientist has scribbled down a theorem and stuffed it inside a crème caramel.

For the most part, however, there is real value to be found in the proverbs we learnt as children. We’re told to avoid clichés, but, as the saying goes, a cliché is a truth worn thin on the hearts of men: proverbs might sound like nursery rhymes best left in childhood but they still contain the wisdom of centuries. Which is why it might be worth going back to that box we were urged to think outside of and revisiting some of the basics. After all, if it ain’t broke, don’t fix it.

Some of my favourite pieces of advice are still incredibly pertinent to modern commerce. Actions speak louder than words. Measure a thousand times, cut once. A large chair does not make a king. Too many cooks (and committee meetings) spoil the broth.

Of course, you’re bound to face resistance. People are suckers for a flashy phrase and a buzzy buzzword. So if you are going to lay down some old-school wisdom, perhaps save the greatest proverb for last: ‘Speak the truth, but leave immediately afterwards.’ **M**



What’s inside the box?

IN THE WORLD OF BUSINESS LINGUISTICS AND EXECUTIVE FLIMFLAM, WHATEVER HAPPENED TO THE ART OF COMMON SENSE?

by *Tom Eaton*



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.

“The world is not linear, it’s disruptive. So what we need is disrupted, disconnected thinking.”

- Jason Drew

DO GREAT THINGS



OLDMUTUAL
CORPORATE

FUTUREFOCUS

South Africans who are in the appropriate investment fund are optimistic about their future

help

your

employees

retire

comfortably

FUTUREFOCUS YOUR RETIREMENT FUND INVESTMENT GOALS

With the ups and downs of the investment markets, you want to do the best to secure a comfortable retirement outcome for your members. At Old Mutual Multi-Managers, we use our proven investment process to help your members stay on track to reach their retirement goals, even through turbulent times.

For more information, visit us at www.oldmutual.co.za/multimanagers

OLD MUTUAL MULTI-MANAGERS

DO GREAT THINGS



OLDMUTUAL