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JUNE 2019

INSIDE:
THE CIRCULAR ECONOMY

NIGERIA'S NEW RETAIL MANTRA

The BIG BANK Theory

BANKERS OF THE FUTURE, SANDILE SHABALALA, BASANI MALULEKE AND PETER MATLARE, AND THEIR FOCUS ON BIG DATA FOR THE GROWTH OF FINANCIAL SERVICES IN AFRICA

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RWANDA'S TOP 5 DESTINATIONS

VOLCANOES NATIONAL PARK
Two and a half hours north of Kigali you will find Volcanoes National Park, home to most of the world's remaining mountain gorillas. Rwanda is among only three countries in the world where you can trek to see the majestic gorillas up close – a truly once in a lifetime experience.

LAKE KIVU
Kivu is one of Africa's Great Lakes, with deep emerald-green waters and a shoreline of magnificent mountains and fishing villages. The lake is dotted with uninhabited islands that can be explored by boat and provide the perfect location to relax and enjoy the peace of Rwanda's countryside.

NYUNGWE NATIONAL PARK
Nyungwe is one of the oldest rainforests found anywhere on the continent. The lush, green forest is home to over 300 bird species and 13 primate species including chimpanzees and colobus monkeys. Take a stroll through the canopy along a 70m high walkway for exhilarating views of the rainforest.

AKAGERA NATIONAL PARK
Rwanda's largest national park is home to a diverse array of plant and animal life. The lakes, papyrus swamps, savannah plains and rolling highlands make Akagera an incredibly scenic reserve. The park is home to the elusive Shoebill stork, seven newly introduced lions, elephant, leopard and the shy but stunning roan antelope.

KIGALI
Rwanda's capital provides the perfect backdrop for a weekend getaway. As one of the safest cities in Africa, Kigali is quickly becoming a favourite for East African and international tourists. Savour the tastes of international cuisine at the city's best restaurants and enjoy live music at the many clubs and bars in Kigali.

CONTENTS – JUNE 2019

VOLUME 9 NUMBER 5

24

Cover image by Motlabana Monnakgotla

COVER STORY

FOCUS


48


70

LEVERAGING TECHNOLOGY
TO MAKE FINANCIAL INCLUSION COUNT

Renmoney's Chief Executive Officer, Oluwatobi Boshoro, discusses how the company is betting on technology to drive access to credit for underbanked individuals and small businesses in Nigeria.

The focus on Africa's unbanked population in recent years has been encouraging. However, financial inclusion remains a huge challenge as 66% of the Sub-Saharan African population remain unbanked. In 2012, the Central Bank of Nigeria launched its National Financial Inclusion Strategy with the aim of increasing the financial inclusion rate to 80% by 2020. This strategy has delivered significant gains and at the end of 2018, the inclusion rate in Nigeria had climbed to 64%, up from 45% in 2016.

The basic metric of financial inclusion - having a bank account - is just the first step on the path to financial freedom for Nigerians. The vast majority of individuals and small business owners who have been included into the financial system are still underbanked. For these communities, financial inclusion means little if they cannot access credit from the financial systems they have been included into.

Renmoney is a fintech lending company with a clear focus on improving the availability and accessibility of credit to underbanked Nigerians. We understand the social and economic impact of access to credit on emerging economies such as Nigeria. However, factors such as low levels of financial literacy, poor-and-often ambiguous traditional credit-scoring data, and a predominantly cash-based economy, make lending to underserved individuals a challenge.

At Renmoney, we are leveraging technology to solve for this challenge. We have spent the last 6 years developing localised fintech capabilities along the lending value chain— from on-boarding, to loan recovery. We employ the best technology and partnerships to reach qualified individuals, build learning algorithms that rely on both traditional and alternative sources of data to make credit decisions in seconds, and partner with world-class fintech payments companies to disburse loans and collect repayments. Our fintech model has allowed us to scale efficiently and by the end of 2019, we would have provided loans to over 250,000 individuals.

Since we began building our technology, we've always been aware of the need to solve for credit challenges faced by small business owners. Micro, Small and Medium Enterprises contribute 48% of Nigeria's GDP and employ over two-thirds of the workforce. However, the lack of formal employment or a history of regular salary payments reduces the already-limited data available to make lending decisions and exacerbates the challenges associated with providing credit to this community. These small business owners largely rely on friends, family and informal money lenders for their credit needs.

This year, we launched the Renmoney Micro-Business Loans to make financial inclusion count for small business owners in Nigeria. These small business owners can now access timely, convenient credit to grow their businesses and ease the pressure from personal needs such as rent, school fees and household improvements, all from the convenience of their mobile phones. Since we began the pilot of this product, we have reviewed thousands of applications and granted over 11,000 loans to small business owners in Nigeria.

As a business, we continuously listen to feedback, to learn more about the needs of the different communities we serve.

Oluwatobi Boshoro, CEO, Renmoney

We're very confident that as we refine the algorithms and science behind our decision engine and explore the numerous possibilities of alternative credit scoring data, we will be able to scale our solutions to make financial inclusion truly count for even more underserved individuals and small business owners in Nigeria.

ABOUT RENMONEY
Renmoney is a fintech lending company operating in Lagos, Nigeria. The company provides loans to individuals and small businesses via its website - **www.renmoney.com.**

Renmoney also offers market leading rates on Fixed Deposit and Savings accounts, is regulated by the Central Bank of Nigeria and insured by the Nigeria Deposit Insurance Corporation.

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THE CHEMIST WHO EMPOWERED NIGERIAN WOMEN TO EXPRESS THEIR UNIQUE SENSE OF STYLE

Chika Ikenga is the Group Managing Director of Recare, manufacturers of Natures Gentle Touch, the leading personal style brand in Nigeria; and Hairsavvy, competing successfully in South Africa's natural hair care market.

By infusing plant-based chemistry with natural elements from the organically-rich African environment, a unique set of solutions for African women's hair, skin, cosmetics and personal care was created.

Chika Ikenga reflects on how the business began in 1997, the focus of the firm and what the company is doing to enable African women to wear their natural hair with pride.

What inspired you to become involved with women's personal beauty and style

It began at the University of Nigeria, Nsukka, where I studied industrial chemistry and developed an interest in the chemistry of natural products. My fascination with the subject was influenced by my earlier discovery that chemistry is life. In 1997, I noticed that Nigerian women were plagued by hair challenges, ranging from hair breakage, dryness, slow-growth and scalp-itch. I knew instinctively that chemistry, using natural ingredients, could provide the solution. Further research confirmed that our women's hair was directly affected by climate and diet. I observed that the unique texture of African hair made it drier, requiring a constant balance of moisturising and conditioning. This realisation inspired the creation of Natures Gentle Touch.

How did you compete against the imported brands?

We provided Nigerian women with a new set of values - different to what the imported brands were proposing. We used our brand as a social vehicle, empowering women to express themselves and their individuality. First, we realised that Nigerian women required superior hair care solutions that the imported brands were unable to deliver. Second, Nigerian women's hair care went beyond functionality and western aspirations, so we focused on higher order benefits, offering a way to self-discovery. We did not compete. While they expected our women to be like their home consumers, we empowered Nigerian women to express their sense of personal style. We also took ownership of being proud to be Nigerian and created a new generation of consumers, who used their hair to project who they were and to express their unique sense of style and origin. We had created a new space that we owned. To the Nigerian woman, Natures Gentle Touch became a statement of individuality, youth, and personal style. With forty-five products in our portfolio, we have solved the broad spectrum of problems that Nigerian women face, with additional innovations on the way.

So Natures Gentle Touch effectively repositioned the market dynamic?

Yes. We questioned the way the market was structured, and what constituted the Nigerian beauty narrative. Stylists and product companies were not asking the consumer what she wanted. We acted on this, and created the trend of Nigerian women understanding and embracing their unique sense of style. From the beginning, our most valuable asset was the knowledge we gained by listening to the consumer.

What was the thinking behind The Natures Gentle Touch Hair Institute and Hair Clinic?

The quality of hair care services then was poor, and we wanted to change the perception of hair styling in Nigeria. We set out to create a new generation of professionally-trained and certified stylists. Also, to provide a high level of technical skills to young people, enabling them to find employment in the beauty, fashion and entertainment industry – And, to set up their own businesses.

Where do you source the ingredients for Natures Gentle Touch?

We buy local. Nigeria has a bountiful supply of natural ingredients including shea butter, ginger, coconut oil, palm kernel oil, moringa and many others.

What is your assessment of the Nigerian beauty industry?

We have noticed that more people are getting involved. Consumers are more aware. There are more choices. Technology and the modern trade are providing increased access to products and beauty solutions. Consumers are demanding more information in order to make better informed decisions. The growing middle class is expanding the market. More women are opting to wear their natural hair and the demand for natural hair solutions is real.

Chika Ikenga , Group Managing Director of Recare

Have you achieved your aim of starting the business?

Yes. Nigerians are using products made for them locally and helping them to express who they are. It is our unique understanding of the spirit of Nigeria that puts us at the forefront of our industry. We have been able to reveal the sophistication of Nigerian elegance to the world. We inspired the Nigerian natural hair care movement and we have been able to make Nigerian women believe that 'taking care of yourself and projecting your desired image in your own way, is what makes you truly unique'. By sharing our knowledge and expertise in hair care, we have enabled Nigerian consumers to make their own choices intelligently.

In the next 10 years, where will the company be?

We want to have empowered every woman in Africa through knowledge. Also, to reveal the beauty within, by embracing their unique sense of style.

NOSTALGIA TO TAKE YOU FORWARD

I WAS OVERCOME with some powerful emotions when editing this issue of FORBES AFRICA.

In part, it had to do with a train journey I recently undertook, from South Africa's capital Pretoria to Cape Town. It was a two-day luxury rail trip that took the 40 guests aboard back in time, to a colonial past when the world was a less complicated place, a world without the technological tedium of today.

Seated in the well-appointed vintage coaches, as the pretty South African landscape rolled by gloriously outside the windows, and with nowhere to go but the dining cars, I had the time to indulge in the one activity we as a modern race have almost forgotten: the art of face-to-face, interpersonal communication.

The conversations were as fascinating as the train we were on, and at one point, I even sought out the train's manager for small talk. She has been a manager for over two decades, she said, and has practically spent most of her life, happily, in a time warp in this colonial world, so much so, that when she is home with family, she needs to constantly remind herself that the world has moved on.

As we spoke, the images outside the windows often changed from scenic to sordid as the train also wove through crowded informal settlements on the way, and the compelling disparity unfolded in front of our eyes. Some of the young people smiled and waved at us; this train, with all its curious trappings and passengers, must be a familiar sight.

There was serious nostalgia on offer inside, but flashes of the stark reality of our present times outside: poverty, inequality and an idling, jobless youth population.

In May, an outbreak of more nostalgia, as South Africa went to the polls for the sixth time since the advent of democracy, and the country unwittingly harked back to 1994, Nelson Mandela, and reminisced what could have been.

In the alphabet soup of the politics of the state, there was much debate and disagreement preluding the polls. The African National Congress won, and hope now is for a nation that is open to business and development and is corruption-free.

History bears important lessons and nostalgia is always a good way to stoke them to life. Especially in these times of forward-thinking technologies, perhaps it's pertinent to transcend back in time, at least sometimes, to revisit the reassurance and promises of democracy on the path to progress.

The futurists may reiterate the benefits of technology that will change our lives and even make us live forever, but it's a nostalgist, much like discerning art collectors, who preserves the values of a bygone era, values that actually propel transformative growth.

"Knowing who you are is important," says a veteran bookstore owner in a story in this issue. "You can't know where you are or who you are in a particular context unless you know what has come before you… Nostalgia is a big part of it."

And that collective realization, in turn, will hopefully lead to a politics of compassion and a world that will ensure no one is left behind, on the wrong side of the tracks.

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Photo by Motlabana Monnakgotla

PUBLISHER'S NOTE

OUR BEAUTIFUL CONTINENT

BY RAKESH WAHI, FOUNDER AND PUBLISHER, FORBES AFRICA

THOSE THAT KNOW ME WILL FIND IT HARD TO believe that I am actually writing about leisure; guess it is very circumstantial but it is about two incredibly wonderful side trips I undertook recently that were extremely defining. More than anything else, along with my wife Saloni, I got to witness first hand the beauty of two amazing wonders of our continent I recommend should be on everyone's bucket list.

The first was a visit to Victoria Falls, from the Zimbabwe side. The complete experience, from the time we took the flight from Johannesburg to the stay at the majestic The Victoria Falls Hotel, was unique in every way. The falls are an experience of a lifetime. Having been to the Niagara Falls in the United States, I was expecting to see the falls from the Zambezi River but Vic Falls plunges into a narrow gorge forming what is locally called *Mosi-oa-Tunya* or the "Smoke That Thunders". Seeing the waterfalls from a helicopter is even more magical as the falls create mystical rainbows.

As I turn 60, I seem to be getting adventurous; perhaps the last flicker of the proverbial candle in the wind and so I went zip-lining down the 110-meter gorge across the Zambezi. Most people spend two days at Vic Falls; we spent five days captivated by a spell I personally did not want to come out of.

A week later, on the sidelines of a thought leadership summit, unique in its design as a Majlis, organized by Dubai Expo 2020 in Rwanda on the importance of cross-border skills development, I was able to go and see the gorillas in Rwanda. There are just 1,004 gorillas left in the world and to be able to spend a few hours with these magnificent beasts was simply divine. A lesser-known fact is that humans share 97% of their DNA with gorillas, who come a close second to chimpanzees.

There are only 10 groups of eight – 80 people in all – allowed to visit the gorillas each day. Ours was a very small group that included David Beasley, head of the United Nations World Food Programme, his wife Mary, a businesswoman from Singapore, Saloni and I.

The scenic drive from Kigali to the Volcanoes National Park in the rainforests of the Virunga conservation area took us a little over two hours. The area has been preserved through the conscientious efforts of the Rwandan government via the Rwanda Development Board.

There are 10 gorilla families in Rwanda and they move around the forest at leisure. Spotters are assigned to locate them and relay information back to the guides. It took us about two hours to get to the Umubano Gorilla Family and since the expedition is uphill through the slush of the rainforest, the walk, depending on fitness, would test your endurance.

But once we reached the nomadic gorilla family, the weariness simply disappeared. We spent two hours with the family that continued their business without bothering about their cellphone-laden cousins. The silverback was 225kg and his mere presence five meters away was daunting but he simply demanded reverence each time he passed us; look away and get on your knees – nothing less than what would be demanded by royalty. Our guides and trackers ensured we got the best views while unobtrusively being mindful of our safety. We walked back in reflective silence for a while before sharing our thoughts and the intense feeling of having experienced something unique.

Each one of us had a moment of introspection in the forest; for me, there were two thoughts. The first was the brutality of our race that has brought about the extinction of this great species. The gentle giants have harmed no one but are a reflection our very being.

The second thought was around the beauty of the African continent and how the magnificence of these wonders is overshadowed by the noise of the unnecessary and misguided sensationalism of negativity.

On the flight from Johannesburg to Vic Falls, 90% of our flight constituted western tourists who had flown in from thousands of miles to come face-to-face with these wonders. They came despite these noises but how much more can be done if we just begin to portray the right messages to the world?

We should all ponder to think about how we can spread messages of positivity of a land we call home.

Wahi (*left, standing*) with his wife Saloni (*front*), the guides and David Beasley (*center*) and his wife Mary

Photo supplied

BRIEF 360

CASTER SEMENYA'S APPEAL REJECTED

Last month, the Court of Arbitration for Sport rejected an appeal by South African middle-distance runner Caster Semenya against new athletics regulations that set an upper limit for testosterone in certain women's events, The Wire reported.

From now on, women who want to compete in international competitions at distances of between 400 meters and one mile will have to reduce their blood testosterone level to below five nanomoles per liter for at least six months before the event, and then keep it there. For Semenya, the double Olympic and triple World 800m champion, it is a crushing blow.

The decision made by CAS was a majority one. In a statement released by the group admitted the rules "are discriminatory". It said: "Such discrimination is a necessary, reasonable and proportionate means of achieving the IAAF's aim of preserving the integrity of female athletics in the Restricted Events."

In her home country, there continues to be a massive wave of support for the sporting hero.

SARAY KHUMALO MAKES IT TO THE TOP OF THE WORLD

South African Saray Khumalo has reached the highest point on the planet becoming the first black African woman to scale Mount Everest.

The business executive reportedly reached the summit in mid-May. This was her fourth attempt at climbing Mount Everest.

In a previous attempt in May 2017, Khumalo had to be rescued from the mountain by helicopter.

An Irish professor who was part of the team that summited with Khumalo has gone missing after slipping on the way down.

Seamus Lawless, who was part of an eight-member team expedition, reportedly slipped on the balcony area of the mountain during descent after reaching the top.

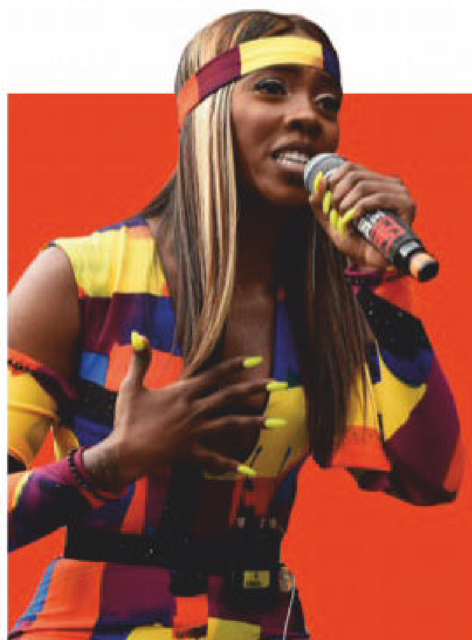
Search-and-rescue teams were still looking for Lawless when this edition was going to press.

WHO SITS ON THE IRON THRONE?

After eight seasons and 73 episodes, *Game of Thrones* (GOT) has came to an end last month, with the finale, *The Iron Throne*. Diehard fans around the world indulged in the final episode of *GOT* — a brand which some analysts estimate is worth over $1 billion. It was broadcast in 207 countries and territories and simulcast in 194 countries.

In the US, 9.3 million viewers tuned in for season one; 11.6 million watched season two; 14.4 million viewed season three; 19.1 million tuned in for season four, 20.2 million viewers watched season five; 25.7 million people viewed season six, and a whopping 32.8 million watched the penultimate season.

And the final season smashed all previous records. An estimated 17.4 million viewers watched the premiere episode on April 14, and thus HBO had its biggest night for streaming ever.



TIWA SAVAGE BAGS GLOBAL DEAL

Universal Music Group (UMG), last month, announced an exclusive global recording agreement with acclaimed Nigerian singer songwriter Tiwa Savage, one of Africa's biggest stars and an artist whose success spans music, fashion, film and television. Under the agreement, her future music will be released internationally through UMG's operations in more than 60 countries worldwide, IOL reported.

Savage says there's a "revolution going on" in African music and she is "very humbled and excited" to take her music to a worldwide audience.

Last year was her most successful year to date, which saw the singer-songwriter, philanthropist, entrepreneur and fashion icon crowned Best African Act by the MTV European Music Awards, making history as the first female to win the accolade.

In the same year, she also became the first African female to sell out London's IndigO2. In December, she was handpicked by Coldplay's lead singer Chris Martin to perform alongside Beyoncé, Ed Sheeran and Jay Z live at the Global Citizen Festival in Johannesburg to a 70,000 strong audience and millions across the globe in celebration of the centenary of Nelson Mandela's birth.

SCIENCE SUBCULTURE THE BIG BANG THEORY COMES TO AN END

May 16 marked the end of *The Big Bang Theory* after 12 seasons. Its series finale was bookended by the series finales of Veep a few days earlier and Game of Thrones a few days later.

An average of 18 million people watched the 279th and final episode of the history-making hit CBS comedy.

The longest-running multi-cam comedy series in US TV history ended its run as the top entertainment series in its final year in total viewers. It's the first series able to make that claim since NBC's *Seinfeld* did so, 21 years ago.

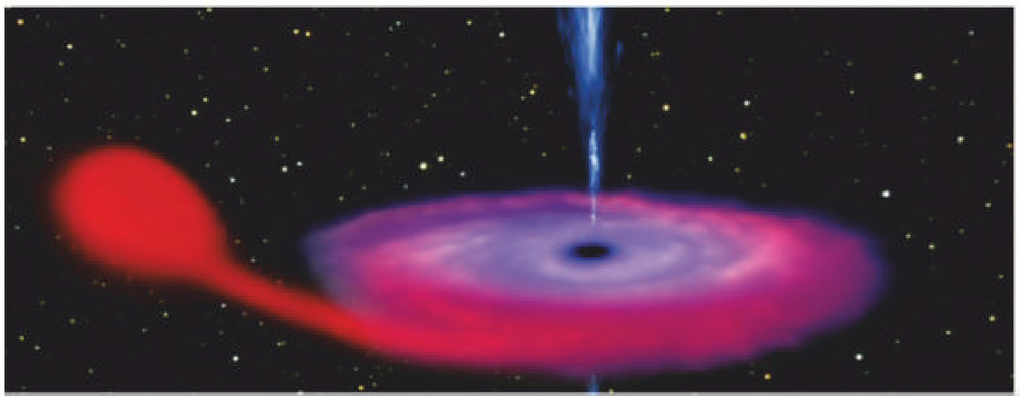
WHATSAPP UNDER ATTACK

Facebook's WhatsApp, last month, urged users to upgrade to the latest version of its popular messaging app following a report that users could be vulnerable to having malicious spyware installed on phones without their knowledge.

WhatsApp, one of the most popular messaging tools, is used by 1.5 billion people monthly and it has touted its high level of security and privacy, with messages on its platform being encrypted end to end.

A vulnerability in the service was discovered that allowed hackers to install spyware through an infected WhatsApp voice call.

The spyware is reported to be capable of trawling through calls, texts and other data, activating the phone's camera and microphone and performing other malicious activities.



An artist's impression of a black hole feasting on matter from its companion star in a binary system

PLASMA-SPEWING BLACK HOLE DRAGGING SPACETIME

Astronomers have discovered a black hole, almost 8,000 light-years from Earth, pumping rapidly swinging plasma jets into the surrounding universe at a speed so fast that it is dragging spacetime, Express Tech reported.

The research, published in the journal Nature, shows jets from V404 Cygni's black hole behaving in a way never seen before on such short timescales. The jets appear to be rapidly rotating with high-speed clouds of plasma — potentially just minutes apart — shooting out of the black hole in different directions.

"This is one of the most extraordinary black hole systems I have ever come across," said Associate Professor James Miller-Jones, from the Australia's Curtin University node of the International Centre for Radio Astronomy Research.

Like many black holes, it is feeding on a nearby star, pulling gas away from the star and forming a disk of material that encircles the black hole and spirals towards it under gravity.

"What is different in V404 Cygni is that we think the disk of material and the black hole are misaligned," Miller-Jones said in a statement. "This appears to be causing the inner part of the disk to wobble like a spinning top and fire jets out in different directions as it changes orientation," he said.

ZIMBABWEAN STANDS TALL

Zimbabwean scholar, humanitarian and author Tererai Trent will be honored with a life-size statue in New York for her role in the fight for gender equality and women's rights, reported CNN.

Her bronze statue will be erected at Rockefeller Centre in August during the launch of Statues of Equality, a project established by renowned Australian artists Gillie and Marc Schattner.

The aim of the project is to increase the number of statues of women in New York, a city where only five of 150 statues depict non-fictional women, according to She Built NYC, an initiative expanding representation of women in public monuments.

Tererai, who is 54 years old, announced the exciting news on Twitter, saying: "Statues of Equality is set to launch in NYC this summer. I am incredibly honored to be standing among the world's Top 10 most inspiring women 'sculpted for equal rights'!"

*– Compiled by Unathi Sholog*u

Photo by ESA / ATG medialab via Sci-news.com; Photo by David Livingston/Getty Images; Photo by Francois Nel/Getty Images; Photo via Getty Images;Photo sourced from Entertainment.com ; Photo by Kevin Mazur/Getty Images for Global Citizen Festival: Mandela 100

THE BIG BANK THEORY

Three bankers who are shaping how banking will look in the next five years – one runs the new kid on the block; the other a bank that has risen from the ashes; the third is spearheading a traditional bank's transformation in 11 African countries. A glimpse into the future of banking.

BY MONIQUE VANEK

Sandile Shabalala,
Basani Maluleke and
Peter Matlare

PHOTOGRAPHY: MOTLABANA
MONNAKGOTLA | GYPSEENIA LION
ART DIRECTION: LUCY NKOSI
MAKE-UP ARTIST: THANDEKILE MASEKO

THEY ARE THE bankers of the future. They toss around words like simplicity, invisible banking, personalization, customer centricity, data analytics, digital banking, fintech, distribution, partnerships and seamless banking.

This is the future they are reimagining and creating.

New kid on the block

TymeBank, owned by Africa's eighth richest billionaire Patrice Motsepe's African Rainbow Capital (ARC) Financial Services Holdings, launched its EveryDay transactional account in February that has a savings tool called GoalSave, a MoneyTransfer solution and the TymeCoach App.

Its entry into the market has turned banking on its head. The bank has no branches and its core banking system is hosted in the cloud, reducing overheads that allowed it to undercut the other players in the market. The bank's transactional account has no monthly fees and charges among the lowest bank fees in the market.

Through a distribution partnership with retailers Pick n Pay [a South African supermarket chain] and Boxer Superstores, TymeBank has kiosks located in stores across South Africa.

TymeBank's CEO Sandile Shabalala reveals this 10-year partnership has given it approximately 730 physical points of presence.

He says: "It gives us roughly about 10,000 cash till points where people can deposit and withdraw money, which is way ahead of what the current players have in terms of reach."

The relationship, he reveals, allows TymeBank to cover about 80% of its target segment, ie, the underserved customer and provides access to data, which is a differentiator from a digital banking point of view.

It also points to where the future of banking is headed. The banker visualizes that banking will be an everyday kind of thing, "you will be

"YOU WILL BE DOING BANKING WHEREVER YOU ARE, IN ENVIRONMENTS THAT YOU NEVER THOUGHT YOU WOULD DO BANKING.

– SANDILE SHABALALA

doing banking wherever you are, in environments that you never thought you would do banking, like in a Pick n Pay store".

The newcomer plans to replicate its partnership model with Pick n Pay and Boxer with other retailers.

The kiosks allow customers to open a Financial Intelligence Centre Act compliant bank account in under five minutes. No documentation required. Once signed-up, customers can automatically become members of Pick n Pay's rewards program – Smart Shopper.

Shabalala believes these partnerships are the way of the future.

"We are very clear that there are things we want to do ourselves and there are things that we will never want to do, we will then partner with competent partners to provide those services. For instance, the Smart Shopper program."

Shabalala believes the bank's back-end technology is what has given it the edge in forming such partnerships.

"We've got technology… APIs [application program interfaces] which allows us to interface with any other platforms out there."

The relationship with Pick n Pay has an added benefit; it allows TymeBank to access Smart Shopper data to understand its customers better.

The more data the bank has access to, reveals Shabalala, it's better able to offer propositions that speak to what its customers want. Since launching in February, TymeBank, "South Africa's first digital bank", has signed over 330,000 customers. Of that, 26% are between the ages of 36 and 45, and 14% aged 46 to 55.

Shabalala believes this is an indication these people already have an existing bank account and see value in the bank's offerings.

The bank's utilization/activity rates are at about 37%. The fledging bank's CEO enthuses that it was not expecting those figures at this stage.

"We thought we would reach those figures five years on, the fact that we are currently sitting at that level is good and a testament that people are finding value in the proposition," says the banker.

By 2022, the bank wants to break even and have 2.3 million customers.

But the self-driven banker says the newcomer has big ambitions to grow its customer base beyond that figure. "We didn't come into banking to be a second-tier player," he says. "We have ambitions to take this business banking model outside of South Africa five years from now."

STARTING FROM SCRATCH

In 2016, when Sandile Shabalala was at the height of his career, as managing executive of business banking at Nedbank, he decided to walk away.

It wasn't to take a cushy job at another large traditional African financial services company but rather to join TymeDigital, to build a bank from scratch.

The main reason he joined, says the banker, "was because I really felt banking was evolving, there were more discussions around digital banks and what they would do to transform banking, but I also felt banks could play a bigger role in empowering communities and bringing more people into the economic sector, so the vision that was presented to me of Tyme, appealed to me from that perspective".

When Shabalala was headhunted to work at Tyme, it was called TymeDigital and predominately owned by the Commonwealth Bank of Australia (CBA) with South African billionaire Patrice Motsepe's African Rainbow Capital (ARC) Financial Services Holdings owning the balance. Its main focus was operating money transfer services in partnership with Africa's telecommunications multinational, MTN, retailers Pick n Pay and Boxer Superstores.

In September 2017, CBA secured a banking licence from the South African Reserve Bank, less than a year later, it decided to dispose of its stake in TymeDigital to ARC Financial Services Holdings. With a new owner and Shabalala at the helm, it changed its name to TymeBank.

The vision of the bank, says the open-minded entrepreneur, who likes to look at things differently, is about empowering communities and financial inclusion.

Elaborating on the journey from his office with a stunning view of one of the most wooded cities in the world, Johannesburg, the 52-year old with an infectious laugh, says, "I think you will find very few bank executives who will say they have built a bank from scratch. That for me has been very enriching, to be part of that experience and with my team here to actually start the bank from scratch, roll out the bank and then move from building the bank to running the bank. It has been fantastic from that perspective, from a growth perspective, and also just from an exposure perspective."

The jazz pianist, wearing a light blue shirt with jeans, reveals that by the end of the year the digital bank will enter the business banking space, starting with a sole proprietorship offering and then complex entities next year.

To avoid the trap of complexity, the banker says TymeBank has made a conscious decision to focus its energy on emerging entrepreneurs and early mid-sized small and medium enterprises.

KwaZulu-Natal-born Shabalala, who plays golf in his spare time with his wife, started his life in banking in 1984 and has been in financial services his entire working career. He has a master's degree in business leadership from the University of South Africa.

Where does Shabalala see banking in five years?

He reckons traditional banks will still be there but become more digital.

"It definitely won't be easy because of the investment needed and the costs, and risks associated with that, but you will see banks actually responding."

In fact, in March, Nedbank opened its API to partners, and Capitec lowered its digital banking fees.

Shabalala imagines that you will see more partnerships. One that he foresees is a possible tie up with ARC's insurance arm. Also the newcomer is currently doing a pilot with data-network Rain, around distributing SIM cards.

Phoenix from the ashes

African Bank's CEO Basani Maluleke is overseeing the rebirth of a bank that went into administration in 2014.

The revival will allow the bank to start conversations on an exit strategy with its shareholders, the South African Reserve Bank, the Government Employees Pension Fund and six of South Africa's biggest lenders.

Under Maluleke's leadership, African

Bank is venturing into digital banking. In May, it launched its very first transactional product MyWORLD, offering "the cheapest transactional banking fees in South Africa's market".

MyWORLD operates across African Bank's Omni-channel digital infrastructure. The bank partnered with Direct Transact, a provider of electronic banking and independent payment processing products, and ebankIT, a Portuguese company that develops Omnichannel digital banking platforms.

The bank took this route, explains the self-aware leader, as it wants "to be able to tap into fintechs and into people who do one thing really well, because there's no way that we can do everything really well, so we identified the bank in Portugal, as a fintech that's doing really great work around customer interfaces and as a result, they are a really strong partner of ours and assisting us with the app as well as our online channels".

Omni will provide the bank's customers with convenience and seamlessness, reckons Maluleke.

"We know for a fact that one of the things that irritate customers is when you go to a bank and they ask you for the same information over and over. You are giving them your KYC [know your customer] documents five times in three years and the key becomes how do you make sure that irrespective of which channel you engage with us on, you are able to continue seamlessly from one to the end without having to give exactly the same information over and over?"

Maluleke believes the product will be a winner because African Bank doesn't have the "same legacy issues of the larger banks, we are not protecting massive cost infrastructure that the other banks have and I think it puts us in a very, very good position to be successful. We're all playing a very similar game and we are all chasing very similar customers, the key to success is going to be who's going to be able to deliver the best value proposition and right now we think we definitely are well-positioned to do that". With the change, African Bank hopes to lock in its existing customer base,

THE CRUSADER IN BANKING

Basani Maluleke (41) is a firm believer in social justice. It is a passion that led her to African Bank, where she is currently CEO, and it has manifested throughout her career.

It is a philosophy she is instilling in her management team and the bank.

"It's my world view that we must leave the world better than how we found it and a big consideration in how you do that is how do you invest in understanding the world so that you are better able to make a positive impact," says the banker, warmly.

Maluleke, casually dressed in a flared skirt and sky-blue jersey, says her belief in social justice was instilled into her from an early age.

Growing up in Soshanguve, north of South Africa's capital city, Pretoria, in the 1980s, during the prime of apartheid, her father, a lawyer, would bring his work and colleagues home.

Their conversations would turn to asking "how do we make the country a better place, overthrow apartheid, make sure that black people have a stronger sense of self… and have meaningful work etc.", Maluleke reveals.

Those conversations led her to her first profession as a lawyer at Edward Nathan.

From law, she transitioned into banking, working for RMB Finance, traveled to the United States to do an MBA at Kellogg and returned to South Africa to join FNB, as Head of Private Clients.

Convinced she wasn't having the impact on society she would like, the deep thinker with an entrepreneurial edge left FNB to find a few small organizations and dabbled in private equity.

On that journey, she felt a calling to work for a large corporate, where she could have the greatest impact.

Serendipitously in 2015, Louis von Zeuner, who had just been appointed as Chairman of African Bank to assist it to come out of curatorship, following the bank's collapse a year before, contacted Maluleke to join the board as a non-executive.

She agreed.

Less than three years later, she was South Africa's first black woman CEO to head a commercial bank.

But without the help of her father, maths teacher and doyens of South Africa's banking scene, such as Herman Bosman, Paul Harris, and Sizwe Nxasana, Maluleke doesn't believe she would be where she is today.

"We get to where we are in life because of everyone who supports us," she reckons.

"The reality is that no one does this alone. It's too hard," adds Maluleke, seated in a meeting room with bright green and orange chairs at her offices in Midrand, South Africa.

The athlete, who has done about four marathons and runs every week to stay in touch with herself and process things that happen during the day, is working on turning African Bank into a bank of the future.

Her vision is to leverage technology to reach people who otherwise would not have access to banking and find creative ways to make customers lives better and in so doing, improve the profitability of bank.

With this in mind, the bank recently launched its first transactional product MyWORLD, as the first phase of its digital journey.

Maluleke sees MyWORLD as the chassis for why people are going to continue to come back to the bank to buy more and more products.

The product will underpin how the bank is going to become successful in the future, she enthuses.

It is a stepping stone to ensuring the bank moves away from being just a loan provider and increase its non-interest revenue to over $34 million by 2021. Maluleke also wants to turn African Bank into a leader in customer satisfaction.

"We are driving to be able to be a leader in customer satisfaction and we believe if we do that really well, we will be better able to retain the customers we have, it will lower our cost of acquiring new customers and it will enable us to sell more and more things to that customer base, which over time, will make us more profitable. But I think more importantly, it means that if those customers are staying and buying more and more things from you, you have a happier customer."

who predominately earn between $300 and $1,400 and target people on the higher end of the spectrum.

Where does Maluleke see banking in the next five years?

The entrepreneur envisions that banks will move out of their traditional offerings, using data to decide what those should be.

She elaborates: "Investec talks a lot about its travel program because it knows that its customers want more travel but we know that our customers are much more focused on… how do you help me to access education in ways that make sense to me? So, for us it is about understanding what your customers need and being able to provide it to them in a way that is seamless and affordable."

She imagines that ChatBanking will grow, "everybody wants to be able to bank on WhatsApp or on social media".

The social-justice advocate also sees the rise of invisible banking.

"You want to be able to wake up and not really have to bank, so you want to be able to wake up and talk to your virtual assistant, say Siri, Alexa or whoever else comes up over the course of the next five years... Banking must come to you as opposed to you having to go to it, that's where this idea is going. We were talking about the idea of the invisible bank that banking kind of happens between everything else and it's the glue that holds everything that you do together without you having to deliberately go and log into this thing and move on..."

The rebranding strategy

Peter Matlare, deputy CEO of Absa, unlike Shabalala and Maluleke, works for a traditional bank. But one that is repositioning itself for the future as it prepares to complete its managed separation from Barclays, in Botswana, Zambia, Namibia, Seychelles, Mauritius, Kenya, Ghana, Tanzania, Mozambique, Nigeria and Uganda, by June 2020. This follows the British parent bank's decision in 2016 to dispose of its African operation post strategic review (*see box-out on the following page for more*).

Once the separation is complete, Matlare believes that the bank's ability to compete will be strengthened.

"We have absolutely no doubt that we have the capabilities and the people, and the strategy to truly become a great financial services group across the continent, having separated from Barclays PLC," says Matlare.

Absa is one of those traditional banks delving deeper into digital banking.

The offering Absa foresees will be beyond an app, reveals the critical thinker. The technology architecture it is putting in place through the separation will allow it to do things in a more efficient and

"IT'S ABOUT DEEP, DEEP DATA ANALYTICS, IT'S ABOUT ENSURING THAT CUSTOMER DATA IS PROTECTED.
– PETER MATLARE

GUIDING THE SEPARATION

Peter Matlare's career has spanned media, banking, telecommunications, mining and fast-moving consumer goods (FMCG). He has run the South African state broadcaster, the SABC, and FMCG group, Tiger Brands. He is a product of South Africa, Botswana and Britain. The 59-year-old classical trained pianist, who moves his hands like one when he talks, was mentored and shaped by corporate heavyweights and entrepreneurs, such as Bobby Godsell, Issie Kirsh, Wendy Lucas-Bull, Reuel Khoza and Alan Knott-Craig. But all of that pales in comparison to what the highly self-aware raconteur is tasked with in his current role as deputy CEO of Absa.

I have come to see Matlare at his makeshift office with a panoramic view of some of Africa's corporate giants, in Sandton, Johannesburg, to hear what makes the ambitious banker, who is not afraid to own up to his mistakes, tick.

He and his team are overseeing the managed separation of Absa from Barclays, in the 11 African countries it operates outside of South Africa.

This follows the British bank's decision in 2016 to dispose of its African operation post strategic review.

The banker, in deep thought, reckons this separation is probably going to be one of the most defining periods of not just his working career, but his life.

The family man who speaks highly of his wife, Nomvula, and four daughters, puts into perspective the gravity of what has to be achieved by June 2020.

The Barclays brand has a 100-year history on the continent, he says, so one of the things Absa plans to do is "take along that heritage, all of those disciplines, all of the great things that Barclays did in those markets," and blend it with Absa's brand.

"There is a tech and a people part to that as well so it's this combination of not just becoming a digital bank from a technology perspective but becoming an agile bank in terms of how we do things, how we serve our customers in a way that makes sense and that's relevant to their lives," the York University educated banker, elaborates.

In addition to blending the branding, the bank had over 130,000 conversations across the continent before it decided that the Absa brand ought to be the brand on the balance of the countries it operates in, reveals Matlare.

Once the decision was taken, Absa had to speak to customers, other stakeholders and the regulators.

The Absa Group, he states, is now in the process of converting all its branches to Absa, changing the thousands of billboards across the continent that have the Barclays' logo, its 10,000 ATMs and almost 1,000 branches and staff uniforms.

Along this journey, its staff are being reassured and explained the changes. A team dedicated to doing just this has been set up.

Durban-born Matlare draws an analogy with a car in describing this process.

"It's not like putting go-faster stripes on the car, we are changing the engine and the seats in order to make sure it's sustainable."

effective manner, he says.

"Whether it's where we have had manual processing, we put in automated processing which allows us not only to take costs out but to be more efficient and effective. The other is whether you are creating what we call digital channels so whichever touch channel you are using, whether it is a mobile channel, whether it's an internet channel being able to have those seamlessly...

"It is critical for us to get there and the important part is that we're doing that which means you got to take out legacy systems and replace them with these transformative new processes and along that path, you are going to have lots of challenges, " the realist acknowledges.

Realizing that, when Absa started its separation program from Barclays, dedicated teams were put in place to execute the changes, reveals Matlare.

"The foresight that the board and Maria [Ramos, former Absa CEO] had, that we negotiated in our separation from Barclays, a very good separation settlement which has allowed us to use that 1.2 odd-billion dollars in order to drive that transformation and change."

Matlare also recognizes that this path to digital banking won't stop after June 2020. "As part of this change, this digitization is about what should be in your toolbox and how do we change culturally how people interact a) with each other and b) with a customer out there in order to become this agile, digitally-enabled bank that will hopefully succeed."

Similar to TymeBank and African Bank, Absa is not looking at entering the future alone but with fintech or technology platforms that allow it to compete in the areas it wants to, for example, in Kenya, it has a platform called Timiza.

"Timiza is a saving and lending and payment platform that allows you to get an instant unsecured loan or to make a bill payment or to get an insurance product, you can get all of those. We partnered with a company called Craft Silicon, on the one side, and they're the kind of tech partner in getting this product up and running but we also partnered Safaricom that owns the M-Pesa [ecosystem], so that we can do the credit vetting and screening, the screening of the individuals who come on to look for that loan and, of course, we use the national credit bureau data. When you put all of those together… you have got to be able to manage all of these partners in this venture in order to deliver this capability so if you are an old-fashioned thinker, who thinks in a linear manner you're not going to get that right, you have got to be able to think in a distributed fashion."

Matlare reckons that as these partnerships evolve, "you're going to find an ability to work together in order to create these opportunities for value and different partners bringing different capabilities to the market so it's not just about the brand, it's about deep, deep data analytics, it's about ensuring that customer data is protected… and it is making sure that the product continues to deliver what the product needs to deliver and when you have to course-correct that this partnership understands you have got to course-correct and it is going to evolve like that for a while".

Where does Matlare see banking going in the next five years?

"We ultimately have to be an entity that provides a service to customers so that service will have many elements to it, the enablers of that service will change but ultimately we are there to provide great service to customers and add value to the communities we operate in, obviously but also to our shareholders," foresees Matlare.

The punctilious dressed banker imagines that "whilst technology might change, whilst the enablers might change, the central function of providing capability, enabling customers to effect that which they need to is absolutely where banking will be. Does that mean you will have investment-banking? Absolutely yes. Does that mean you will have retail banking? Absolutely yes, but it may no longer be bricks-and-mortar retail banking, it could be a combination of bricks-and-mortar and something else".

Matlare, like his banking counterparts, believes costs will come down.

"I've no doubt in my head that as you continue to move away from bricks-and-mortar as a primary area for delivery, you ought to see the cost of providing that service come down…"

He warns however, "that if you do move from manual processing to straight-through-processing and costs come down, there is a human cost to that in the sense that warm bodies no longer do what they used to do. So, you then have to think very carefully about how you repurpose, how you invest in the people who provide those services so they provide a different set of services".

Like Shabalala and Maluleke, Matlare believes the insights you get from data will be gold. With aplomb, Matlare sees the bank expanding in the next five years, either on its own or with partners.

For example, with Société Générale, which it has just signed a memorandum of understanding with, or partnering a payment platform that is very successful in a particular market, such as Angola or Nigeria.

Who will win the race?

Ultimately, it will be the bank that gives customers what they want. But how the banks do that will differ.

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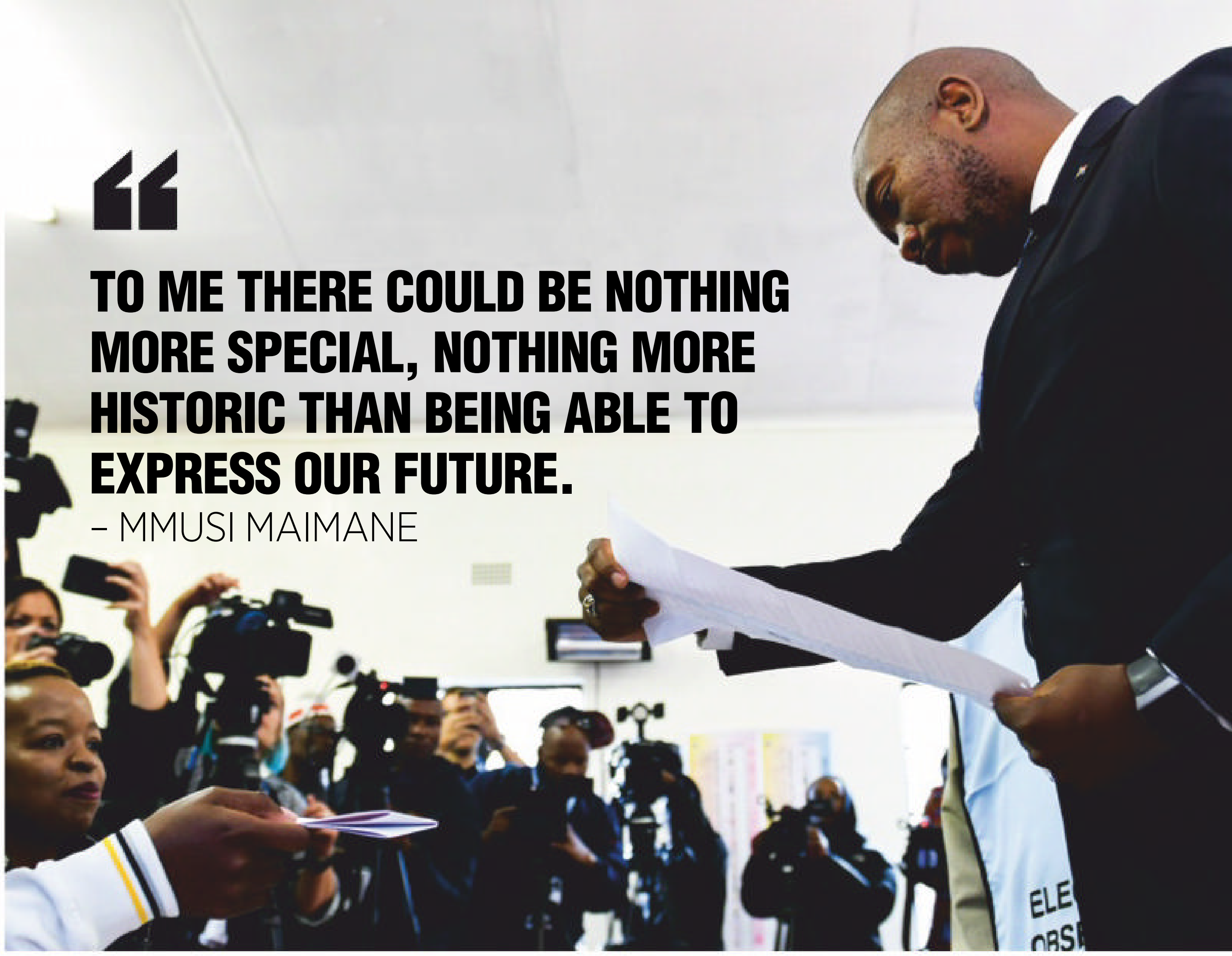
THE 'X' FACTOR:
THE VIBE OF DEMOCRACY

WORDS AND PHOTOGRAPHS BY MOTLABANA MONNAKGOTLA

On these pages, FORBES AFRICA's photojournalists immortalize the tension and elation of the South African elections in May that saw the African National Congress win for the sixth time since 1994.



> **TO ME THERE COULD BE NOTHING MORE SPECIAL, NOTHING MORE HISTORIC THAN BEING ABLE TO EXPRESS OUR FUTURE.**
> – MMUSI MAIMANE

Kwenzi Gwala standing outside what is left of his shack

IN WHAT WAS A LANDMARK 25 years since the first democratic elections, South Africa registered, voted and elected the African National Congress (ANC) for the sixth time to govern the nation again for the next five years. The 2019 elections saw many surprises and plenty more political action compared to the previous polls.

In the run-up to election day, political parties (48 in all) emphasized the country's socio-economic challenges such as unemployment, education, housing and the contentious issue of land expropriation.

On May 8, the day the country cast its vote, voters woke early to congregate and line up at the 22,924 voting stations strewn across the country.

I was among them, a citizen also doubling as a photojournalist on the quest to document this historic election, my camera strapped around my neck and my constant companion.

This Wednesday morning was particularly cold but voters were in sweaters and armed with their identity books to have a say in South African politics with an 'X' mark on the ballot paper.

Mmusi Maimane, the leader of the opposition party, the Democratic Alliance (DA), was among those at the Presbyterian Church in Dobsonville, Soweto; the township where he was born.

His arrival created a frenzy as international and local media wrestled with each other for the perfect shot.

After casting his vote and walking out of the church, he addressed the public.

"On such a historic day, it is important to vote in Soweto with the people of Soweto to express hope and a future for our country. Soweto, to me, represents the home of where the struggle is and now we're entering into a new struggle for jobs for many South Africans. I remember, vividly and well, when I played in these streets and I remember too well the release of Nelson Mandela, therefore today, I urge that we come and cast our votes," Maimane said.

He spoke about the new struggle.

"To me, there could be nothing more special, nothing more historic than being able to express our future. Vote for the future of this country and for the unemployed South Africans; it's a new struggle and we are fighting for the protection of freedom and advancement of freedom."

Post the election results, Maimane was the first DA leader to not have grown more supporters, whereas the Economic Freedom Fighters (EFF), with the third highest number of votes, gained more in all South African provinces except the Northern Cape.

A few kilometers from Dobsonville is Mzimhlophe Hostel. A hostel among many others in Soweto that erupted with service delivery protests prior to the elections. On election day, it was more peaceful and locals were going about their daily lives.

In the same vicinity is a squatter camp (informal settlement) allegedly set on fire weeks before the elections.

Residents and brothers Mduduzi (32) and Kwenzi Gwala (22) came to Johannesburg looking for employment.

"This is my first time voting this year; I wish the economy could strengthen so we can

Voters standing in line to cast their votes in May

move out of the squatter camps and live in houses. Our camp burned around the Easter holidays while we were at church. We used to sell African beer and our stock got burned along with the money and clothes that were inside. All we have is what we are wearing now," Kwenzi says.

About 12 kilometers away was where national president and president of the ANC Cyril Ramaphosa cast his vote in his hometown of Chiawelo, at a local primary school.

The supporters of various parties, the media and voters were out in full force to witness their president in Soweto.

"The nation and the people are energized. They can see their votes are heralding a new dawn. This is a vote that reminds me of 1994 when the people were just as excited as this because they were heralding a new period, a new future for our country," said Ramaphosa.

"Today, this is what I am picking up, our people are excited about what lies tomorrow and they want to vote for a government that is going to serve them, that is going to address their needs and aspirations. So, I am truly humbled by the turnout that I've seen here.

"There is a great vibe and it's a vibe for democracy, it's a vote also for our democratic system that we've been building over the last 25 years. So, 25 years later, we still have a nation that is breathing confidence and excitement casting their vote. Today, I will go home to sleep very peacefully like I did last night.

"This vote is about confidence, it is about the future and it is about us that are going to be elected to work a lot harder, much harder than we have in the past to realize the ideals, wishes and hopes of our people, so this, to me, is like a rocket booster for democracy and we are going to build a great country because we will be doing so standing on the shoulders of our people," Ramaphosa said.

Like the DA, the ANC lost more supporters nationally; Gauteng province was the gold prize, for the first time since 1999, the ANC had to battle to remain above 50% to secure the province.

"WE ARE GOING TO BUILD A GREAT COUNTRY BECAUSE WE WILL BE DOING SO STANDING ON THE SHOULDERS OF OUR PEOPLE.

– CYRIL RAMAPHOSA

The family of missing South African photojournalist Shiraaz Mohamed raising placards as president Cyril Ramaphosa casts his vote

A Yeoville resident representing all South African citizens undecided about the party they will vote for

Even as political parties fight for power, members of the governing party, ANC, and the two opposition parties, the EFF and DA, show that there is unity in Yeoville

THUMBS UP IN VIBRANT YEOVILLE

WORDS AND PHOTOGRAPHS BY GYPSEENIA LION

Bafana Sibiya holds an African National Congress placard as voters move in and out of the voting station

THE GREY, GLOOMY WEATHER did not dampen the excitement as South African citizens, young and old, made their way to their respective voting booths on May 8.

First-time voters enthusiastically posted images of their thumbs on social media after their turn polling. Twenty five years post-apartheid, they did what voters in 1994 could not – flaunt their inky fingers to the world.

This year marked the sixth democratic elections since the fall of racial segregation.

When former President Nelson Mandela's handcuffs were removed, a nation was freed from years of brutal laws that marginalized people of color in South Africa.

As a young 'colored' woman born in 1995, there's another layer to my identity as a 'born-free' citizen.

I use the terms 'colored' and 'born-free' loosely, only because of the numerous socio-cultural connotations attached to my identity.

On May 8, I joined the scores of people from the lively Yeoville suburb, once a cosmopolitan source of pride, but now largely associated with crime and discord in Johannesburg.

As a lone female photojournalist in one

Lively banter between the top three political parties at Yeoville on election day


The ANC command assuring an officer of the South African national police that there is no dispute between the political parties on the day

A Yeoville resident and informal food stall owner operating at the corner of the Yeoville recreation center, feeding the frenzied masses of the notorious parts of the inner city, I found myself in the cold with a groveling stomach, and without a cent to my name.

The 1970s had seen Yeoville come alive as night clubs and art and music galleries opened up along the neighbourhood's main commercial strip of Rocky Raleigh Street.

This was before the tightening of segregation policies. Under apartheid, members of the community were strong supporters of the ANC and mobilized around the organization when it had been officially banned.

ANC stalwart Joe Slovo has his political roots in the community.

Yeoville's political scene, just like the culture, was one of the most vibrant in South Africa in the 1980s.

It still is today, and on election day, it was even more apparent as the top three contesting parties gathered outside the Yeoville Recreation Center.

The ANC, EFF and the DA were set up in front of the voting station.

The corner was filled with people singing and dancing to struggle songs.

Laughter and playful disputes broke out between party members, and when a passer-by showed concern, an ANC comrade responded with a trite: "We are a family here, no one is fighting."

As voting came to an end, light peeked through the clouds, even as the crowd continued to sing, this time, more enthusiastically.

The light, for them, was the ray of hope that their 'X' marks brought.

On this day, there was no crime or chaos. The community showed me unrivalled hospitality and fed me the whole day.

Water, a chair or anything I needed for comfort was only a request away.

My camera loved them and they returned the love.

The future is questionable but for the people of Yeoville, tomorrow is just another day filled with struggle.

I returned to the office with a full stomach and a newfound love for a place I was initially apprehensive about. F

SHOPPING FOR IDEAS

Players, big and small, in Nigeria's retail industry have no option but to adopt a raft of disruptive technologies to stay relevant in the big, booming demography.

BY PEACE HYDE

ONE WOULD THINK THAT IN the constantly variable world of retail consumption, where products on demand fly off the shelves in the blink of an eye, the founder of a fast-moving consumer goods (FMCG) company of considerable repute might also be constantly on the edge, surrounded by MIS reports and product presentations.

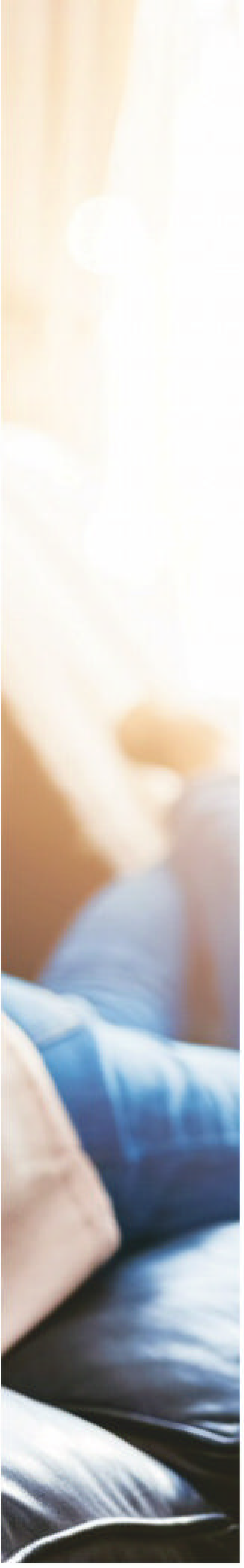
Yet, there is an air of calmness when one steps into the office of Peeyush B. Garg, the founder and chairman of Daraju Industries. Daraju, whose flagship products MYMY and Extreme brands of toothpaste are patronized by millions of Nigerians every day, has built a reputation of being the product of choice for the country's low-income consumers as well as the middle class. It augurs well for a company that started trading less than a decade ago with a vision to become a leading household and personal care manufacturing company.

From his office in the bustling business district of Ladipo, Garg has built his company, brick by brick, from the ground up, in Africa's most populous economy. After recently closing a round of capex investment with African Capital Alliance (ACA), to expand its portfolio of products, the company is set to continue its growth across Nigeria and beyond. In an uncertain economic climate, Garg is looking to capitalize on the booming population growth in Nigeria.

"The FMCG market in Nigeria is very competitive especially in the home and personal care space where you have so many competing products. We are at the early stages of what we seek to achieve," says Garg.

According to the Nigerian Economic Outlook 2019 report by PricewaterhouseCoopers (PWC) in Nigeria, the country is projected to add another 200 million to its 190 million population, and expected to surpass the United States, currently the world's third most populous country, by 2050.

It is expected that depressed oil demand,



along with a reduction in production supply and variations in price, will impact the Nigerian economy's growth trajectory.

Add to this the short-term uncertainty usually associated with the pre and post-election cycles in the country, and you have a retail industry that is currently marred by a number of challenges. Changing consumer preferences, with increased competition from agile new entrants and a spurt in e-commerce trends, have all led to a transformation in the way consumers buy and companies, now more than ever, need to stay abreast of the shift if they want to remain relevant in the foreseeable future.

"We have seen a change in the retail space over the past couple of years. The growing shift to e-commerce is expected to trigger a slide in physical retail footprint in terms of the number of stores and their sheer size and that is an area we are also investing in for the future," says Garg.

The disruption Garg alludes to in the retail industry is all-pervasive.

The challenge now is how retailers differentiate themselves in the marketplace, causing the metric for success in retail to move from brand-centric to customer experience per square foot.

One retail entrepreneur who understands this new trend quite well is Adewunmi Williams, a self-proclaimed retail specialist, with a fervent belief in developing the retail industry in Nigeria.

After studying retail management at the University of Surrey, United Kingdom, she joined retail giant, Nordstrom, in Atlanta, US, where she worked her way up from an intern to team-leader and finally to location manager of the prestigious brand. In 2015, she launched Nakenohs Boulevard, a fashion and lifestyle mall situated in the heart of Ikoyi, a wealthy suburb in Lagos.

"Over the next couple of years, I believe success in the retail sector will be driven by a deep understanding of and connection to the empowered customer. The retailer's ability to adopt disruptive technologies and business models, both offline and online, will determine how successful retail brands are," says Williams.

The challenges in the retail sector was also bolstered by the foreign exchange (forex) crisis, which was largely the result of the falling demand for the naira from foreign buyers of Nigerian oil and gas, which accounts for a significant balance of payment for the government.

In 2017, the Central Bank of Nigeria (CBN), proceeded to cut about 680 categories of items from the list of those it would provide forex at the official rate, forcing retailers to secure US dollars through the black market at a much higher exchange rate. That coupled with declining sales meant a number of international retail brands no longer saw Nigeria as an attractive market.

"Woolworths exited the Nigerian economy. Reason: high cost of rent, taxes and supply-chain management. Then, clothing retailer Truworths International of South Africa followed in February 2016, citing a struggle to stock its outlets and manage the forex challenge.

"Many of the items subject to the CBN's import controls like textiles, clothes and woven fabrics as well as glassware and utensils, affect the retail sector making it more expensive to stock these products," says Bismarck Rewane, a renowned economist in Lagos.

Furthermore, the Nigerian economic environment post the February 2019 elections has led to further uncertainties in the retail sector.

As digital becomes increasingly important, the connected consumer today demands instant gratification, leading to a number of technological innovations that retail brands need to adopt in order to meet this change in demand.

"Technologies like the Internet of Things, drones, 3D-printing and blockchain will disrupt the industry in the next 10 years," says Steve Harris, a Lagos-based business coach and consultant.

Subsequently, the traditional brick-and-mortar retail system, which accounts for almost 90% of retail activity in Nigeria, has continued to decline due mainly to the growth of e-commerce platforms. Jumia is a unique illustration of how Nigerian consumers are increasingly preferring online shopping over visiting physical stores.

Founded in 2012, Jumia leveraged technology to deliver innovative, convenient

THE RETAILER'S ABILITY TO ADOPT DISRUPTIVE TECHNOLOGIES AND BUSINESS MODELS, BOTH OFFLINE AND ONLINE, WILL DETERMINE HOW SUCCESSFUL RETAIL BRANDS ARE.
– ADEWUNMI WILLIAMS

Photos supplied; Photo by Peopleimages via Getty Images; Photo by Peeterv via Getty Images and affordable online services to consumers. The company is currently present in 14 African countries with more than 81,000 active sellers transacting online businesses with millions of consumers.

In April this year, the company listed on the New York Stock Exchange (NYSE) with many hailing them as the first African tech startup to list on the platform.

"Jumia is an exception in the e-commerce space where we have seen several brands like Gloo.ng, Efritin and OLX close down over the past couple of years. The problems here are two-fold, partly due to the recent recession in Nigeria and secondly, logistical challenges that exist in the country," says Kwame Opoku,

A busy market in Ikorodu in Lagos

WE PLAN TO CONTINUE TO TAKE ADVANTAGE OF THE DIGITAL TRANSFORMATION THAT IS TAKING OVER THE NIGERIAN RETAIL SECTOR AT THE MOMENT.
– GBEMI OLATERU-OLAGBEGI

an award-winning futurist.

"Most e-commerce platforms operate a payment-on-delivery model where customers only pay for their goods once it is delivered to them. The problem is, most of these platforms spend a lot of money hiring drivers who end up not being able to deliver the products because customers refuse to pick up their calls or they simply cannot find the address."

Inspite of all these logistical challenges, some experts believe the Nigerian e-commerce industry is still the way forward. With a valuation of about $16 billion, there is certainly a reason to keep striving for a more efficient logistics solution.

Leo Stan Ekeh, founder of Zinox Technologies, which recently acquired e-commerce giant Konga, is hoping his experience building the first Nigerian indigenous computer company will help him to succeed where his predecessors failed.

"We hope to combine forces through this merger with Yudala [e-commerce site owned by Ekeh] and Konga in order to help us achieve our accelerated growth projections and transform the retail ecosystem in Nigeria through technology.

""I think companies that adopt the right technology in their value chain will ultimately stand a greater chance of success and that is a key area we are investing in," says Ekeh.

Then we have the influx of new entrants who are taking advantage of social media platforms to build their retail brands.

"We sell online because we believe it is the most efficient way of reaching our customers.

"Social media platforms like Instagram have really helped to break down the traditional barriers like a physical store which means you are paying about two years rent up front in Nigeria before you even begin to make a sale," says Gbemi Olateru-Olagbegi, founder of Gbemisoke Shoes.

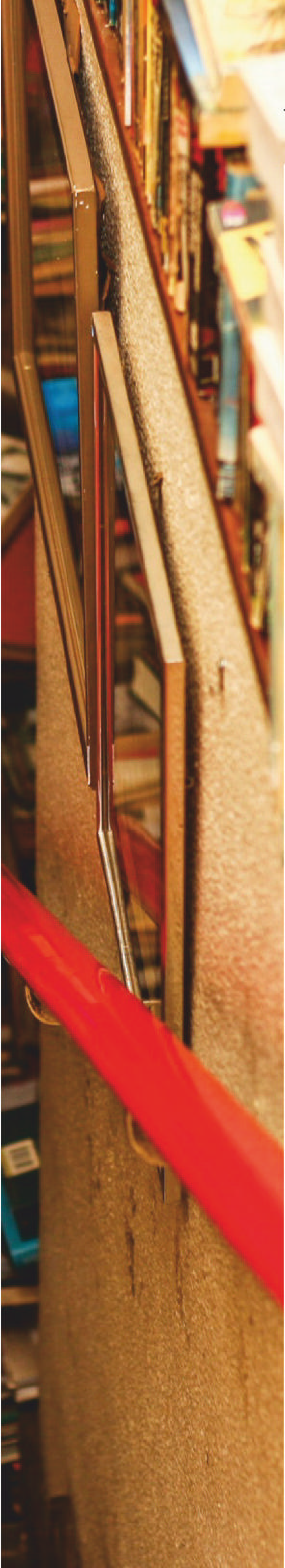
The company carved a niche in the competitive footwear market by providing shoes for women with big feet.

"We plan to continue to take advantage of the digital transformation that is taking over the Nigerian retail sector at the moment.

"The country's middle class is at scale and fuelled by rapid expansion in banking and telecommunications, the retail sector has a lot of opportunities for brands like mine that are willing to be innovative to succeed," says Olateru-Olagbegi.

For now, technology and innovation are clearly the buzzwords for retail in Africa's biggest and most populous economy.


CELIA SANDYS



THE BOOKSTORE THAT ERUPTED LIKE A VOLCANO

A gargantuan eight-storey second-hand bookstore in the heart of downtown Johannesburg, not far from the city's hipster havens, has for over four decades stocked nostalgia and hidden treasures on its shelves. FORBES AFRICA stepped into the time capsule that is the Collectors Treasury.

WORDS AND PHOTOGRAPHS BY GYPSEENIA LION

IN THE MID-1970s, RISSIK STREET IN downtown Johannesburg was a tranquil road featuring an important landmark – a second-hand bookstore that offered an escape from the city's orchestrated chaos. It was a true literary world in a period devoid of the sensory overload of today's technology.

Books were the only source of knowledge for the young intellectuals in bell-bottoms and halter dresses that trickled in to spend hours pouring over the treasures in this bookstore called Collectors Treasury. It has since moved shop from Rissik Street, and today, 45 years on, a little over a kilometer away, the same wonders, and much, much more can be found at 223 Commissioner Street. The 3,000 books, records and antiques collected since 1974 have now grown to over two million items.

All the vintage collectables are housed in an eight-storey building bursting at the seams with the sheer volume of material in it.

Brothers Geoffrey and Jonathan Klass, the co-owners of Collectors Treasury, have come to this realization, that the books are literally everywhere. From the entrance to the office where the men have to walk around them with caution, and from there, to the elevator, the staircase, the passages and even the restroom that has been turned into an impromptu storage space.

"People are definitely reading, and they are

reading more.," offers Geoffrey.

"We are at a stage where reading is not for pleasure. Reading is for utilitarian purposes because it is something that we seek to learn, something we have to know in order to advance."

Also a recording engineer and musician, his brother Jonathan remarks that growing up with a doctor for a father, and a mother who collected antiques, inspired them to start the business.

Jonathan shies away from talking about his own personal collection of antiques because people always end up bargaining for him to sell it.

Their upbringing taught the men the value of history. This is the backbone of their business.

"Whenever we get anything into the shop, the first thing we want to know is what its origins are and where it comes from," Jonathan says.

"You can't know where you are or who you are in a particular context unless you know what has come before you. It is becoming part of a culture amongst the youngsters now, the so-called 'hipsters'; they are the population coming in a lot."

Young, inquisitive minds, in search of a deeper understanding of the world, feed their curiosity here while others walk in to simply explore the massive bookstore. Jonathan says it provides a much-needed alternative and relief to today's smartphone-obsessed world.

"People are stuck in an electronic loop and they can't get out of it. They haven't studied the people who are the masters of their craft to know where they should go. I absorbed as much material as I could, and I still do it all the time.

"That is what our shop is about. You can't come in here for five minutes and expect to absorb what is in here.

"It doesn't matter what you read, so long as you read because ultimately the book is the theater of the mind."

Geoffrey argues that despite the vast amount of information shared on the internet, it won't ever replace the simplicity of a book.

"People's knowledge is not as in-depth as it used to be, which is why this particular generation of youngsters is more enthusiastic about older stuff than the generation that came 15 years ago," he says.

Books on African history are the top-sellers at the store because people are looking to make sense of their place in society.

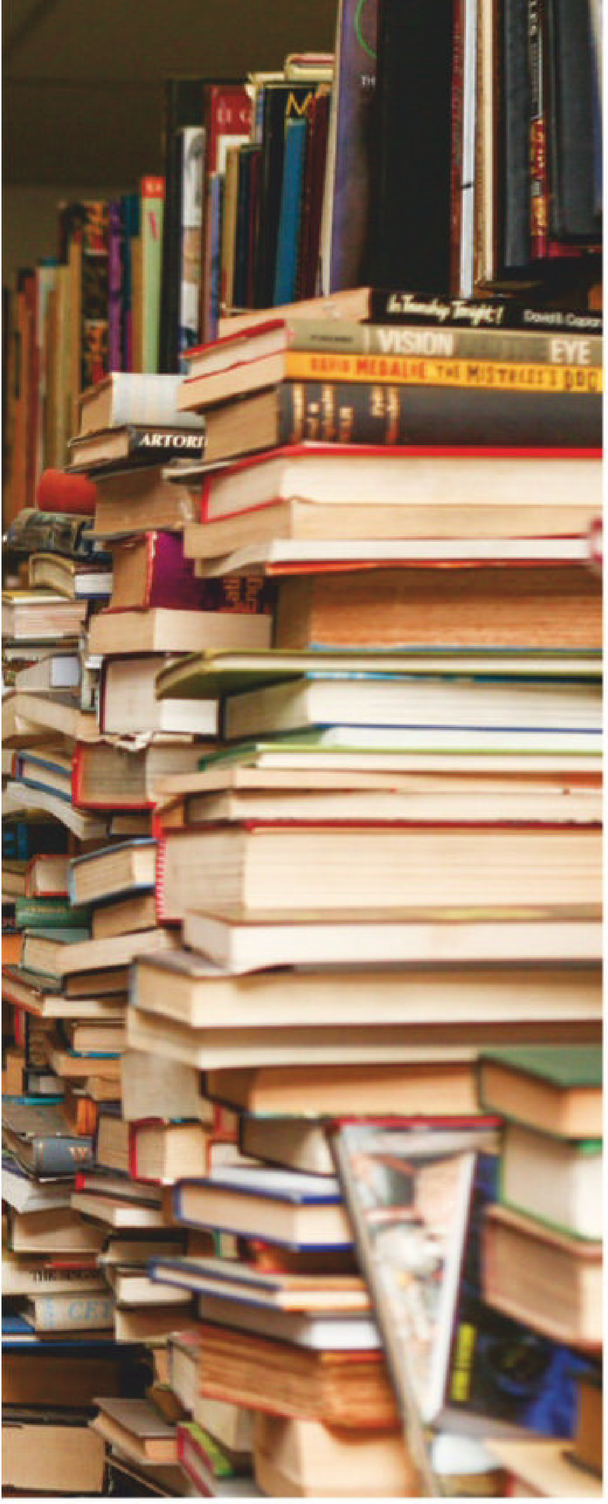
By preserving what is often discarded, the store can become a repository of tradition while it allows the bookseller to determine what to sell.

"If I banned half the books, I'd be cutting out half the cultural influencers that someone could be exposed to. We cast our net widely, and limit it simply because of the volume of material there is. We make our own choices," Geoffrey says.

Although digital innovations continue to grow in popularity, the culture of reading for the brothers will never be substituted for the sensory experience provided by a book.

"The world does not stand still. What we often think is the beginning of the revolution is the end. I think in a lot of ways the digital experience is in the decline. It goes back to the hipsters wanting to know what came before because they want to be hands-on. They want to feel, touch and see it.

"They don't want the black box effect. Nobody is going to come



Geoffrey and Jonathan Klass, the co-owners of Collectors Treasury

in here with something the size of a cellphone with 7,000 books loaded on it and say, 'I want to sell my library'. No one else will buy it," Geoffrey says.

Jonathan says the shop has hidden treasures in the form of collectables that aren't sold by regular retailers.

"As a toy collector, when I see the tin toys I used to have and played with as a child, it just brings back all those memories."

"Nostalgia is a big part of it. So many times when I am in a market stall [selling goods], somebody will come along and say, 'this is so nice, I remember it from when I was five years old'. It may be a vase or a piece of furniture or a gramophone. It could be anything and people will remember it," Jonathan says.

Going out on Sundays for window-shopping at any time of the day is an activity the brothers certainly miss.

Since the early 1990s, the inner city changed from being an upmarket commercial space to an area rife with crime and dilapidated buildings. But the high levels of crime and population density have not hindered the brothers' love for the inner city and the time capsule they step into daily.

When asked how the business survived the advent of the internet, an excited Jonathan explains the exclusivity of the store and its organic growth that few can imitate.

"Nobody can start Collectors Treasury if they wanted to. It developed on its own like a chemical reaction. We started collecting some stuff and it developed into what it is now, rather like a volcano. You can't create a volcano," he says.

A unique passion for selling second-hand books and understanding collectables is needed to stand the test of time. For Jonathan, the online model is not feasible because it is expensive on the one side, and on the other, it minimizes the effort it takes to acquire knowledge or a skill.

"It has got to be an educated thing. There are people trading from their homes, making it look easy. The same way people who write a book using spellcheck, or musicians using apps to write music who think they are musicians and they are not.

"The online experience is that anybody who can use a computer can become an instant 'expert', at times, they steal descriptions off the net, they steal inventory and market it. They do this to make out more than they know. They sound like they have a bookshop where, in fact, they have a garden shed," Jonathan explains.

Understanding how the internet works helps buyers and sellers spot scammers from a mile away. With about 85,000 books up for sale on the internet, the brothers have expert knowledge on how to identify a legitimate seller.

"THIS PARTICULAR GENERATION OF YOUNGSTERS IS MORE ENTHUSIASTIC ABOUT OLDER STUFF THAN THE GENERATION THAT CAME 15 YEARS AGO.
– GEOFFREY KLAAS

Over the years, the few dealers and buyers have increased to over a million since the duo began selling online.

"You need to build a business, and not just sell. We buy what people want, and sometimes we reject books. People usually ask why we reject, but we need to check the market and know what they will buy," Jonathan adds.

Geoffrey shares a different sentiment about their business model.

"There is a model; it is going with the flow. If someone wants to make money, they need to do something else. It is for the passion; as long as you are making enough to eat, the rest doesn't matter. The stock is appreciating. If you sell it, you make money. It appreciates in value if you buy correctly," he says.

He argues that people need to avoid the get-rich-quick syndrome as businesses differ.

"If I made a million, and I write a book on it, how many millionaires would there be? If Warren Buffet made a million, it is because the conditions at that particular time, plus his input, added up to making a million. You could give somebody the same amount of information now but time has passed and the river has flowed.

"You are not the same person that you were at the time that you made the million. I don't think Bill Gates could make a million today because it was [under] different circumstances," Geoffrey says.

The store houses items that are priceless from a bygone era. The brothers sell porcelain and antique figures from the early 1900s' fashionable movement; items rarely sold by local dealers.

"The markets for the antique porcelains have dropped so much. The classical antiques that were fashionable 50 years ago are not wanted by the modern collectors to the same extent as the generation before," Geoffrey says. "In a way, the subsequent generation tends to concentrate on buying back their youth. They buy the things that they couldn't afford when they were younger and didn't have any money.

"Collecting fashions shift so much. Modern collectors look for different things, but pretty is out!" The rustier and older the item, the more people want it. And they don't mind stepping into a bookstore bursting with nostalgia and with motifs and messages from an era that has been long gone.

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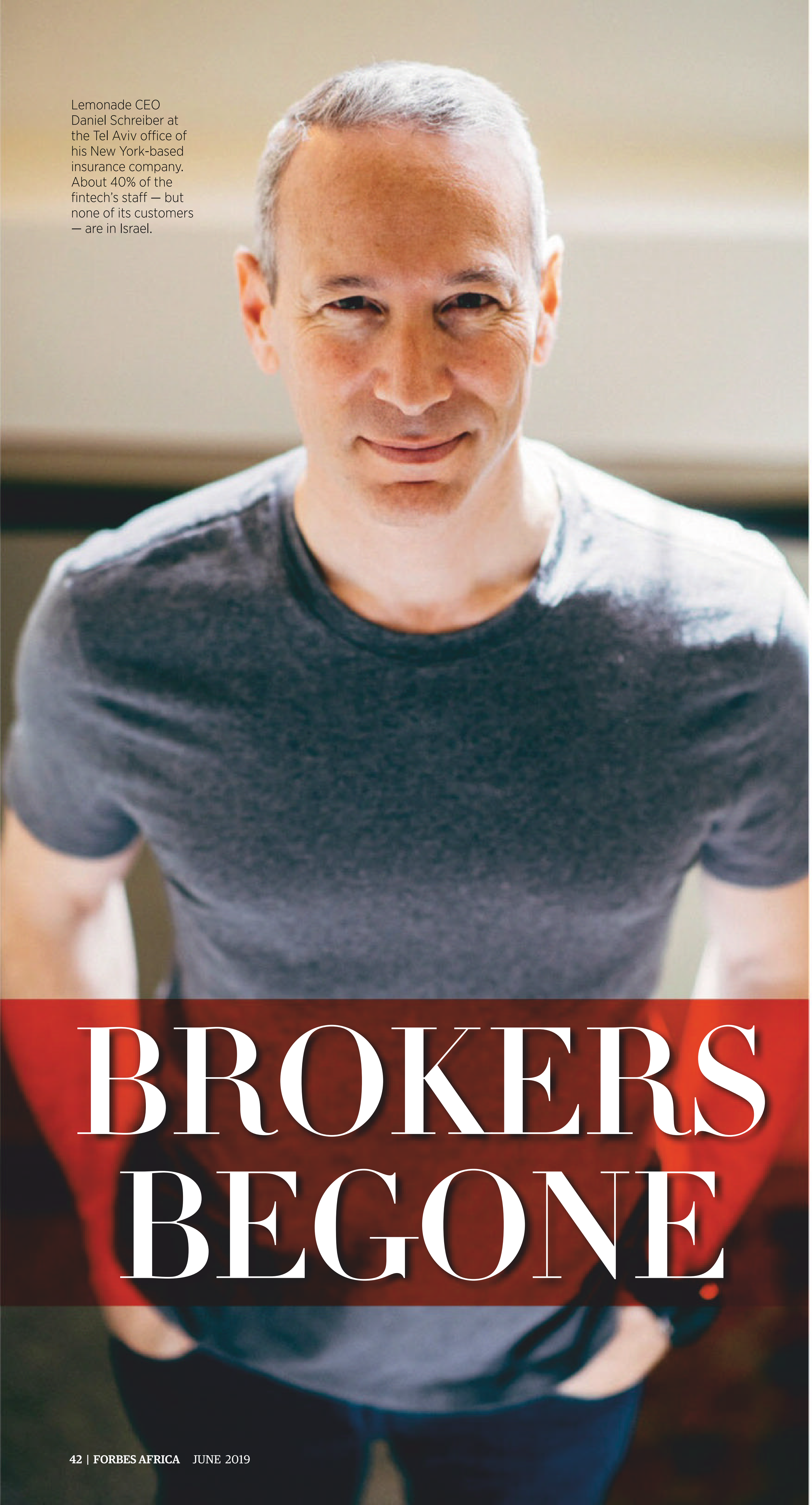

Lemonade CEO Daniel Schreiber at the Tel Aviv office of his New York-based insurance company. About 40% of the fintech's staff — but none of its customers — are in Israel.

BROKERS BEGONE

Two industry outsiders are using AI and do-good marketing to make the centuries-old property insurance business millennial-friendly – and make themselves rich.

BY JEFF KAUFLIN AND KRISTIN STOLLER

IN THE SUMMER OF 2017, a Los Angeles man in his mid-20s put on a necklace, blond wig and makeup and made a cellphone video describing how his camera and other electronics had been stolen. He submitted the video to his renters insurance provider, Lemonade, which paid the $677 claim in two days. Three months later, dressed in jeans and a T-shirt and using a different name, email address and phone number, the same man submitted a video claim for a stolen $5,000 camera. But this time, the algorithms that are a crucial part of Lemonade's highly automated systems flagged the claim as suspicious. Last year, the persistent fraudster, this time wearing a pink dress, tried again, only to be foiled once more by Lemonade's computers.

Using artificial intelligence, a mobile app and other tech-centric methods, Lemonade founders Daniel Schreiber and Shai Wininger are turning the centuries-old business of property insurance into a Millennial-friendly consumer product. In 2018, its second full year offering renters and homeowners insurance, Lemonade took in $57 million in premium revenue from 425,000 customers, 75% of them under 35 and 90% of them buying such insurance for the first time. Already operating in 22 states, the 170-employee New York-based startup expects to double revenue this year and expand to all 50 states and Europe. To fund that growth, Lemonade raised $300 million in April at a valuation, says a source, of more than $2 billion.

That would make the founders' combined 20% stake worth in excess of $400 million — not bad for two middle-aged guys who until 2015 knew almost nothing about the insurance business.

Not surprisingly, the founders cast their status as insurance industry outsiders as a plus, since it freed them to think differently. CEO Schreiber, 48, was born in Britain, raised in Israel, earned a law degree in London and started working on tech mergers at a Tel Aviv firm. At 26, he quit law to cofound an internet security company. While that startup wasn't a big success, Schreiber went on to hold senior marketing and management jobs in tech, most recently as president of Israeli wireless-charger maker Powermat.

But he wanted another go at his own startup and kept looking for a big idea. By 2015, he had concluded that insurance was ripe for tech disruption because, he says, "every person in the nation, in the world, needs insurance," and yet many distrust traditional insurers.

A VC introduced Schreiber to Wininger, a self-taught Israeli coding and design whiz who had already cofounded four businesses, including Fiverr, an Israel-based marketplace for freelance work. Wininger, now 45, quickly signed on as cofounder, heading up tech and product design.

"When you're an entrepreneur and you find something like that, it's a once-in-a-lifetime opportunity that you have to go after," he says. Holed up in a room with a whiteboard, the founders sketched out what an ideal insurer would look like — from a Millennial's point of view. It would be online only (no paper or insurance brokers), low-cost, easy to deal with and "trustworthy."

They weren't naïve about needing insurance expertise and, in May 2015, recruited Ty Sagalow, a 36-year industry veteran, naming him chief insurance officer. Together, the three made a crucial and gutsy decision: Rather than sell policies backed by established insurers (the way fintech competitors Hippo and Jetty do), Lemonade would become a licensed carrier itself, retaining claim liability on its own balance sheet. That meant Lemonade could pay claims faster and operate under a unique business model that has become a pillar of its marketing. The company takes 25% of insurance premium revenue for administrative costs and potential profits. The other 75% is used to fund customer claims, buy reinsurance (laying off some risk) and pay certain taxes and fees, with anything left going to charities that customers choose. The social-compact pitch: Lemonade can't profit from denying legit claims, and customers making bogus claims are cheating charity, not some greedy insurer.

"EVERY PERSON IN THE NATION, IN THE WORLD, NEEDS INSURANCE, AND YET MANY DISTRUST TRADITIONAL INSURERS.

Still, becoming a real, regulated insurance carrier meant Lemonade needed more time to launch and more capital to grow. (A carrier typically must maintain cash reserves equal to at least a third of revenue, Sagalow notes.) So far, the capital has flowed — and from some big names.

Through 2017, Lemonade raised $180 million in four rounds. In 2019, it raised $300 million, led by billionaire Masayoshi Son's SoftBank with participation from GV (Alphabet's venture arm), Josh Kushner's Thrive Capital, German insurer Allianz, General Catalyst and OurCrowd. Lemonade issued its first policies in September 2016 in New York. By January, marketing man Schreiber was boasting in a press release and blog post that Lemonade had set a world record by paying one New Yorker's claim for his stolen Canada Goose parka in three seconds — the time it took Lemonade's claims bot to run 18 antifraud algorithms and send bank instructions to deposit $729 in the man's account. Automation also allows Lemonade to offer policies at a very low price: renters insurance starting at $5 a month and homeowners starting at $25. On the review site Clearsurance, Lemonade ranks second in customer satisfaction for renters insurance, behind only USAA.

While Lemonade's growth has been steep, so too has its learning curve. At the end of 2017, its loss ratio — the amount it pays in claims divided by the premiums it collects— was an unsustainable 166%, compared to 65% to 70% for large insurers. Part of the problem was that Lemonade had too little customer experience on which to train its algorithms, which it uses for approving applicants, pricing risk and determining whether a claim should be paid without humans getting involved (30% are). Indeed, by the first quarter of 2019, its loss ratio had dropped to a healthier 86%. Schreiber predicts it will continue to fall.

"What we're seeing here is something that is going to be very traumatic for the whole insurance space," he says. "Data is overtaking expertise."

So far, Lemonade is only a bit player, with a 0.1% share of the homeowners and renters insurance markets combined, compared with 19% for State Farm and 10% for Allstate, according to data from 17 states collected by the Insurance Information Institute.

But the big guys have taken note. In October 2018, State Farm released a star-studded ad spoofing budget insurance bots and suggesting they couldn't compete with human agents. Lemonade's cheeky response? It tweeted the ad and paid to promote it on YouTube.

"This is 2019," Schreiber scoffs. "You don't produce ads mocking the power of technology." F

Photoby Ben Kelmer

REWRITING THE NEWS ON AFRICA

African media can reverse the downward spiral affecting newsrooms across the continent, says APO Group chairman, Nicolas Pompigne-Mognard.

BY UNATHI SHOLOGU

THE MEDIA LANDSCAPE HAS changed dramatically over the last decade. As a result, newsrooms have been forced to make monumental changes such as reducing the staff complement to keep up with the demands, or they have simply had to shut down. With some African newsrooms being written out of history, there has been an emergence of international media setting up shop on the continent. This interest serves as a double-edged sword for African media that often finds itself under-resourced.

Nicolas Pompigne-Mognard, the founder and chairman of the APO Group, is of the view that the African media landscape has faced challenges that precede digital migration, which have compounded existing problems. An incident that stands out for him, before the digitizing of media, was a lack of access to information for African reporters, and that propelled him to start one of the foremost media relations firms on the continent.

When he was a journalist for online publication, *Gabonews*, and the deputy president of the Pan-African Press Organisation in France, between 2005 and 2007, Pompigne-Mognard says this was a recurring problem hampering the productivity of African reporters.

"If you wanted the right to attend an international press conference, you would need an official card.

"As an African correspondent, the only way for you to have that card and get access was to prove that you were getting at least €1,000 ($1,121) of earnings, and most of them didn't have that," says Pompigne-Mognard.

"It was rooted in disparity. If you have two journalists and one of them has the right card and the other doesn't, then of course, the other one cannot do his job. He cannot earn money or write articles.

"More than that, it reinforced the dependence of African media on international media. They had no other choice but to rely on the information provided by the biggest media."

To remedy the circumstances that seemed to disempower his peers on the continent, Pompigne-Mognard founded APO from his living room, using $11,000 in savings.

APO has grown since its inception as it provides a variety of media offerings such as press releases, videos, photos, documents and audio-files.

The company has sources such as global Fortune 1,000 companies, reputable international and Africa-based PR agencies, governments and international institutions.

"I didn't start it to make money. I didn't start it as a business. I wasn't an entrepreneur at the time. I was a journalist and I wanted to address a problem. At the beginning, I wasn't even aware that companies were paid to distribute press releases."

Pompigne-Mognard has since realized many things through the medium of his company as APO delivered growth of 60% in 2018, representing a turnover that has more than doubled in two years.

As a correspondent of *Gabonews*, before the inception of his company, Pompigne-Mognard was covering Europe, and he had to report Africa-related news and needed information. As a result, he would ensure he was receiving as many press releases as possible; however, this came with its own logistic challenges.

"That's when I realized it was extremely difficult to actually ensure I received all the press releases from institutions like the United Nations, as an example. There was not one point where I could get all the African information issued by the international system.

"Journalists had to rely on information that was on websites. It was very time-consuming to get access to all the content...

"It got me thinking about how if international media was not receiving information from our most important institutions, then what does that say about our voices in the world?"

A single conversation propelled him to make decisive change, Pompigne-Mognard says.

"I had a serious meeting with the president of the African Development Bank at the time, Donald Kaberuka, and he told me something that was instrumental because that's when I decided I wanted to do something about it.

"What he told me is that the destination of information about African economies contributes to the growth of the continent, because at the time everybody was talking about poverty, war and struggle."

Over the years, Pompigne-Mognard has observed a similar trend in the way press releases are compiled and disseminated.

He feels this has contributed in transforming the narrative on Africa.

> **"IT HAS BECOME VERY DIFFICULT TO FINANCE CONTENT AND FIND NEW WAYS TO MAKE MONEY.**

"Something that is specific with press releases is that 95 percent of them convey good news. Usually, when a company issues one, it is to say that they are appointing a new CEO, they are opening a new branch, or they are expanding into new markets.

"We (APO) have been participating, for several years now, in changing the African narrative. We are in a unique place where we have a chance to influence the narrative and make sure that Africa has its own voice and is not influenced by the bias of international media.

Although information is accessible to those who seek it, he says there is currently another challenge that African media needs to resolve in order to maintain autonomy and make money to sustain itself.

"I think there is a big problem coming towards us and it is coming fast," says a concerned Pompigne-Mognard.

"Nigeria is starting to watch more international media than the local media. Think about the international companies which are willing to expand on the continent. What if 10 years from now, the conclusion is that in the most developed economies on the continent, the nationals are watching more international media? Where exactly do we think the international companies are going to spend on advertisements?

"As an international company, why would I deal with five national TV stations in different countries, if I can approach a single international station and get, not only those five countries, but also better coverage?"

Pompigne-Mognard says the continent is ripe with potential and international media companies, which have observed the budding possibilities, are striking while the iron is hot.

"They know the population is going to grow, the middle class is growing and that purchasing power is growing."

Finances remain a colossal inhibiter to the growth of newsrooms, as many have had to retrench to make ends meet.

The ripple effect is that the quality of the content produced eventually suffers.

"On a global scale, the media landscape is in a challenging position. It has become very difficult to finance content and to find new ways to make money. Africans also have the same challenges, but often they don't have the same means or resources.

"I would prefer to be wrong on this matter, but if I'm right, in 15 years' time, the media landscape in Africa will be completely different – in a bad way.

"I want Africa to have a strong media landscape. But in order to do that, people need to understand that media companies need to be run as businesses."

But it's not all doom and gloom for African media; Pompigne-Mognard sees hope. He says the status quo can be reversed if there is a joint effort to curb the problem.

"One of the solutions is to create pan-African media," he says. "The person who is going to crack the code and make it happen could be extremely rich. It doesn't have to be [entirely] pan-African, even 30-35 countries are more than enough.

"There's a thing about Africa which is a strength and a weakness; it's that doing something here will always be more difficult. But the good news is that for those who manage to do that thing in Africa, they can do it anywhere."

Photo supplied

CONTENT IS QUEEN

Linda Ikeji is raking in millions as a blogger. Next up: to create the Netflix of Africa.

BY PEACE HYDE

WHEN LINDA IKEJI started her eponymous blog over a decade ago, she didn't know anything about blogging or that one day she would be making millions online.

"When I was growing up, blogging was never the plan, I wanted to be a TV journalist, a presenter or producer," Ikeji says to FORBES AFRICA.

Since then, Ikeji has learned so much, not only about writing engaging content, but also monetizing her talent.

She lives in a $2 million mansion in one of the most expensive neighborhoods in Lagos, drives a $300,000 Bentley Mulsanne and most importantly, does exactly what she wants. And that includes creating her own social network, Linda Ikeji Social (LIS), a one-stop shop for everything people need when they go online.

"Instagram pays you more when you are a celebrity but our community was more for the everyday people. LIS was a small community for everybody. It is not just a social network but a combination of blogging with a social network in one package."

The site attracted some 200,000 subscribers in the first week of launch and is currently undergoing an upgrade. She was inspired to start the network after she met fans who said they only visited two sites, the Linda Ikeji blog and Facebook. And she is not wrong in believing their claims.

This year, Google ranked Ikeji one of the most searched personalities in the last decade, in Africa's most populous economy. Ikeji has managed to reinvent herself over the years, establishing a brand as a successful businesswoman making telephone-digit figures per month blogging.

Blogs make money by selling ads. Each website gets paid on the number of ad impressions you get depending on the number of page views. To get more page views, you need content that will attract more clicks. And this is the arena Ikeji has managed to dominate for years. Ikeji knows her audience's appetite. And this year, she is serving them a new menu of scandal, drama and even more controversy via her latest venture, a subscription video on demand (SVOD) platform, called Linda Ikeji TV.

She says she has invested about $2 million of her own money into the platform she hopes will be the Netflix of Africa.

But only if she is able to retain the high volume of paying subscribers. To do this, she needs a high volume of content which in turn means huge capital investment.

For the last quarter of 2018 alone, Netflix said its free cash flow deficit swelled to $1.32 billion, compared with the deficit of $524 million in 2017. That accounted for about $3 billion in cash burn for all of 2018.

"Since the platform [LIS] was launched in June 2018, 162,000 people have passed through it and out of that 80,000 paid a N1,000 ($3) one-month subscription but not all of them renewed and we were not able to retain them. That was 100% our fault. We were not updating the site with new content because I had spent so much money creating the content we put on the site," Ikeji says.

"Netflix puts about four new shows a day on their platform but we couldn't keep up with that and by the third month, subscribers wanted something new and if there is nothing new, you will stop paying. So, this is very capital-intensive and we did research and realized in order to retain your subscribers, you have to give them new content every day."

IN ORDER TO RETAIN YOUR SUBSCRIBERS, YOU HAVE TO GIVE THEM NEW CONTENT EVERY DAY.

Lesson learned, Ikeji is now on full throttle.

The platform is also going through a site redesign and is launching in London in July and United States in August with new, original and licensed content as well. Her plan is to diversify her revenue stream by creating Nollywood movies for cinema release and reinvesting the proceeds back into her platform as well as looking for investors to scale the SVOD site.

But in the meantime, Ikeji is sticking to the content that has made her blog one of the most visited on the continent.

The hit show on the platform is *Oyinbo Wives of Lagos,* a reality TV series following the lives of women married to white men in Lagos.

"Some of the wives are friends but they fight and argue and then come back together. We are going to be doing a lot more ratchet reality shows.

"We call them ratchet but they are very different and engaging and that's what we know our audience wants," says one of Nigeria's most successful digital entrepreneurs.

Photo supplied

MAKING UP FOR MILLIONS

While a growing number of influencers are dictating what brands sell, beauty entrepreneur Jackie Aina is of the view they have the duty to use their platforms responsibly.

BY PEACE HYDE

MIXING UP THE inspirational with informative, the thought-provoking with tongue-in-cheek, and sarcasm with calling out brands for not being inclusive, Jackie Aina is influencing the beauty industry one product at a time.

With over three million YouTube followers and 1.2 million on Instagram, Aina is one of the stand-out digital influencers cashing in on online followings to broadcast messages to millennials, lifestyle brands and billion-dollar cosmetic conglomerates.

Although Aina does all of this with a dose of humor, the journey to YouTube stardom started some 10 years ago for the 31-year-old beauty entrepreneur, when she was desperately searching for a way to escape loneliness and unfulfillment.

"I had gone on to marry the guy who inspired me to join the military. We were stationed in Hawaii and we were very unhappily married. I didn't have a job and YouTube was buzzing in 2009. We had a lot of Asian faces who were really the faces of beauty on YouTube and I didn't really see anyone like me. So, my best friend, literally every day, said 'why don't you put your makeup looks on YouTube' and I always said no."

Her friend's unrelenting pursuit finally paid off.

"So, one day, I decided I wasn't doing anything, and being bored and not being fulfilled emotionally and I didn't have a lot of positive things going on for me at the time, so that left me a lot of time to consume content and then I started creating it.

"I truly tapped into something that I needed at the time mentally and that was great. People didn't know me but they would just gas me up; they were so nice and would always give me positive encouragement which I really needed at the time," Aina says.

That was a lifetime ago. These days, the Los Angeles-born influencer, who was called 'beauty influencer of the year' by Women's Wear Daily last year, is short-listed among the top beauty influencers in the United States, with lucrative brand collaborations behind her.

Most notably is her collaboration with the Estée Lauder-owned brand, Too Faced, as part of the Born This Way foundation range, which she helped to create.

Celebrities and influencers are increasingly being paid several thousands of dollars per tweet or Instagram post to promote products, services and even social causes.

With most millennials avoiding posts that look like sponsored ads, brands are now increasingly interested in ads that appear organic. And that is where influencers come in.

Remuneration for such posts is usually decided after considering factors like number of followers, popularity, engagement, frequency of posts, as well as the format of the post.

Furthermore, influencer accounts with massive follower counts can leverage their social media clout to showcase brands to their followers and perhaps, most importantly, use their brand voice to fight against injustice in the industry, something Aina is passionate about.

"A lot of years on YouTube were spent seeing comments from people who say things. It is easy to sit and complain but what are you doing to change the industry?"

In response, Aina decided to use her platform to fight for the change she wanted to see in the industry. She holds other influencers accountable for offensive remarks and joins controversial and tough discussions about issues like colorism in the beauty industry. And brands are starting to listen.

It was her outspoken voice in the beauty space that caught the attention of the beauty conglomerate, Too Faced, which short-listed Aina to help expand its foundation range and ensure the makeup undertones would also compliment women of color.

"That was a testament to brands actually listening. Just because you think someone is not watching, doesn't mean they are not watching. They are definitely watching. Sometimes all you really need is that one opportunity and that can be leveraged over and over again," Aina says.

As brands increasingly turn away from traditional marketing, towards social influencers, young, connected digital natives like Aina, will continue to play an important role in the success of beauty brands for the foreseeable trend-obsessed digital future. F

Checked double-breasted linen-blend blazer, Haider Ackermann, **R18,725.26 ($1,312)**

Checked cotton-flannel shirt jacket, Fear of God, **Price on request**

Tapered-leg checked wool trousers, Paul Smith, **Price on request**

PLAID SAILING

The new favorite way of adding a little edge to your work wardrobe - plaid pants.

COMPILED BY: JULIA RICE

Plaid wool-blend trousers, Gucci, **Price on request**

According to Pinterest, searches for 'plaid pants' are up 267% — so if you thought this trend would have little clout, guess again. They can be worn as high-end edgy or as subtly as you want them, and you have a wide range of options to choose from.

TB Monogram leather-trim backpack, Burberry, **R21,169.85 ($1,483)**

MC3 leather cross-body bag, Givenchy, **Price on request**

Thomaso suede derby shoes, Christian Louboutin, **R12,902.03 ($904)**

Dollar prices are approximate figures as per the exchange rate at the time of going to press.

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Steve Harris

PAIN, POISON AND POTENTIAL

For a man who wanted to end his life at one time, it is quite ironic that Steve Harris is today one of Nigeria's most successful life and business strategists.

BY PEACE HYDE

BEING BORN INTO A lower middle class family is one thing; trying to make a name for yourself after dropping out of university twice is another. That is what Steve Harris, a life and business strategist and motivational speaker, fondly known as 'Mr. Ruthless Execution', has accomplished.

Harris learned the sinusoidal motions of the entrepreneurship journey very early in life.

At 40, he is the Chief Executive Officer of EdgeEcution, an organization that helps high performance individuals and institutions bridge the gap between their performance and potential.

Today, he is among one of the most downloaded, quoted and followed personal development trainers in Nigeria, a feat that is outstanding when you consider that he almost committed suicide before this journey even began.

The events leading up to his worst day began to unfold when Harris gained admission into the University of Benin in Nigeria.

His parents wanted him to become an engineer but his failure to attain the required grades meant he had to take the Industrial Maths class instead. That is when his emotional saga began.

"I had altercations with my lecturers and I was flunking because I was not cut out for math. I had issues with my lecturers because at the time, my department was the most corrupt department in the university and if you wanted to pass, you needed to bribe your lecturers. So they were pretty much a cartel and if you didn't pay, you wouldn't pass, so someone like me who at best was a C student became an F student."

As a result, he scored 4% or 11% in his exams even when he had prepared well enough.

"I eventually got kicked out [of university] in 2004."

Harris managed to get into a private university but this time, he was required to start all over again.

"I couldn't go the distance and I dropped out in my seventh month. I couldn't handle it because my mates were already working. My younger sister was also already working and I was going back to my first year of university. I started having suicidal thoughts and I couldn't handle it anymore so I dropped out."

Those suicidal thoughts would come back to haunt him later.

Being the first-born of three children, Harris was the one most likely to succeed. As fate would have it, his two failed attempts at university made him the black sheep of the family.

"I remember coming back home and my younger sister had graduated and my parents were super stoked, and here I am, the first child and I didn't even get it together. Very quickly, she got a job and started earning money. She began buying things for the house and taking care of responsibilities and started

> **"I COULDN'T EVEN AFFORD TO BUY A CHRISTMAS CARD.**

giving me an allowance. I remember she gave me N10,000 ($28) and I was very grateful because I didn't have any money," says Harris.

"Like all African parents, my parents started complaining and reminding me about how I wasted their money and how I failed. How the children of others were working in [companies like] Shell and I was just at home. I would hide from friends and family members when they visited so I wouldn't have to tell them my situation. The next month, my sister gave me N5,000 ($14) and I couldn't ask her where the other N5,000 had gone. She was such a high-flyer that within six months, she moved into her own place and bought a car and here I am, first-born and I couldn't even afford to buy a Christmas card," avers Harris.

Then came the straw that broke the camel's back.

"One day, my sister asked me to come over to her house for my monthly allowance. I went in and she had everything I wanted, she had a flat-screen TV, the whole nine yards, and I was just sitting there comparing my little sister with myself and I was thinking 'there is no way I was ever going to catch up with her'. We were talking and in the middle of the conversation, I pissed her off and she said, 'I am not even going to give you any more money' and she kicked me out of her house.

"I felt so embarrassed and ashamed and here I was, the one who everyone thought was most likely to succeed and I was being kicked out of my younger sister's house because I didn't have money. That messed with my mind. I remember sitting at home and I had bought rat poison. I kept thinking that it would be so much better to die than being alive and subjected to the misery I was giving my parents," says Harris.

As he sat down with the box of poison, mentally preparing himself to end the pain and embarrassment he had brought to his family, one of his siblings walked into the house, in the nick of time.

"That is what stopped me. Then, I also found out that if you commit suicide, you will go to hell and here I am, living my own hell on earth and if I died, you are telling me I am going to be in hell forever?"

That was the wakeup call Harris so desperately needed.

He began to work his way up, starting off with volunteer jobs such as being a church driver for his pastor and also working as an office assistant with Fela Durotoye, a management consultant and recent presidential candidate of the Nigerian elections.

Harris grew through the ranks until he became a management consultant before starting off on his own entrepreneurial journey. Amid the challenges of finding his true purpose, certain thoughts came to his mind that changed his outlook towards life forever. He began asking himself: 'why am I on this earth?', 'how can I make enough money to take care of myself and my family?' and 'how do I use my talent to help others?'

He found the answers in books on business written by authors such as Tom Peters and Michael Porter. That is when Harris first discovered he had a penchant for success.

And with his ability to overcome failure, Harris is now on a mission to empower millennials to look inward at their strengths and inner power, and with his able guidance, build brands that can beat the odds and survive, just as he did. F

Photo supplied

DOING MORE WITH LESS

From waste to wealth, circular economic models go beyond the 'take-make-dispose' principle to ensure more sustainable supply chains and products that have a second life.

BY TIANA CLINE

THE TRADITIONAL ECONOMY is built on the idea of "take, make, dispose". It's linear, economically inefficient and unsustainable. But in a circular economy, companies look to take end-of-life products and push them back into the economy as a resource.

It's a circular economic model that aims to keep resources in use for as long as possible, to extract the maximum value from them while in use, and to recover and regenerate products and materials at the end of their service life.

"So you're continually using these resources and not using the planet's finite resources," explains Kirstie McIntyre, Global Director for HP Inc.'s social and environmental responsibility operations. McIntyre is also a founding member of the Ellen MacArthur Foundation, a global organization focused on promoting the concept of a circular economy.

"There are some big challenges in sustainability. There are challenges now, and they will be more acute in the

“

I DON’T THINK WE CAN AFFORD TO WAIT FOR ELON MUSK TO FIND ANOTHER PLANET FOR US TO PULL RESOURCES FROM.
– KIRSTIE MCINTYRE

future,” McIntyre says. “It also means companies need to question and innovate in fundamental ways. This isn’t just about a little bit of recycling.”

Circular economy theory questions how we can maintain a thriving economy within the limits of the planet, taking both resource depletion and climate change into account.

“When you work in sustainability, it can be quite depressing. There are plenty of smart people doing space exploration; Elon Musk is one of them. But I don’t think we can afford to wait for Elon Musk to find another planet for us to pull resources from, I think we’ve got to get on with this now, ourselves,” adds McIntyre.

HP’s framework revolves around doing more with less. It’s about moving away from simply recycling and into a functional circular economy. And it’s more than eco-printing for a “forest-friendly” future where more trees are planted than are cut down to enable printing operations.

“There are big sustainability issues in front of us. We have a large responsibility because we’re leaders in our industry. It’s about ensuring our products, where possible, have a second life. When that’s not possible, they’re taken apart so we can

THE WAR ON PLASTIC STRAWS

Coffee shops are turning to glass and paper as alternative sipping options, with some restaurants even offering tubes of pasta as an alternative, more sustainable solution to the traditional plastic drinking straw. There’s a war on plastic straws, and it is the start of both companies and consumers becoming more conscious of the use, reuse, recyclability and disposal of plastics… but is our focus wrong?

“Customers rarely understand the relative environmental impact of different types of materials,” says Andrew Smith, the CEO and co-founder of Yuppiechef, the kitchen-focused e-commerce website. “They believe plastic is bad and paper is good, but this is not always true. Plastic is often recyclable and can have very little environmental impact.”

Moving away from single-use plastic – and applying the principles of the circular economy – the New Plastics Economy initiative was formed towards the end of 2018 with the over-arching goal that plastics never become waste. The organization believes that instead they should re-enter the economy as part of products made from recycled plastic material wherever possible.

THIS IS ABOUT COMPLETE VALUE CHAIN RE-ENGINEERING.

– CAROLINE LAURIE

use the components," says McIntyre.

Innovations that matter are innovations that have a positive impact. HP is just one of many companies working towards the idea of a circular economy; in 2018, trans-national consumer goods company Unilever revealed that its sustainable brands grew 46% faster than the rest of the business, delivering 70% of its sales growth.

Caroline Laurie is the Head of Sustainability at Kingfisher. In a digital-first world where transparency and provenance are becoming increasingly prevalent, Laurie believes that businesses can actually benefit from becoming more sustainable.

"Sustainability drives you to think differently about your business. Customers' expectations of big business are getting higher, yet their trust in big business is getting lower. You'll very rarely find consumers making a choice between two products. But what they want to know is that you've made that choice for them. It is often about range editing. Customers want to trust in brands to do the right thing," explains Laurie.

In other words, sustainability done right brings consumer trust, and with it business, commercial, social, and environmental benefits.

"None of us can solve these issues on our own in isolation. This is about complete value chain re-engineering. This isn't about philanthropy anymore, it's about real commercial sense," ends Laurie.

DIGITAL TWINS?

Technology has a massive role to play in creating a greener supply chain. For many, this means the use of artificial intelligence (AI), virtual reality (VR), and digital twins. A 'digital twin' is a 1:1 digital copy of a product, process or service, used to provide deep technical training on a device or service without requiring a physical representation of said device or service. According to research and advisory company Gartner, 50% of large industrial companies will use digital twins by 2021.

Jason Ried is the Founder and Managing Director of Fuzzy Logic, an innovative software development company based in South Africa's Western Cape province that has created digital twins of large machinery for mines and automotive and healthcare companies.

"Using augmented reality solutions on mobile devices or headsets (like Microsoft HoloLens), we allow users to 'see' a digital representation of the machinery they're being trained on as if it was really there," explains Ried.

"Users can get a sense of the scale and design without needing the real thing in front of them. They are able to assemble and disassemble the machine as many times as required to fully learn its intricacies, while each action is digitally tracked and stored, allowing management to understand how well each user performed."

From a sustainability point of view, there are major benefits in the creation and use of 'digital twins' in business: not only do digital twins save time and money, they enhance learning by increasing the quality of training and retained knowledge.

Once digital twins are integrated into business workflows, companies like Fuzzy Logic can further enhance productivity by overlaying digital data onto physical objects.

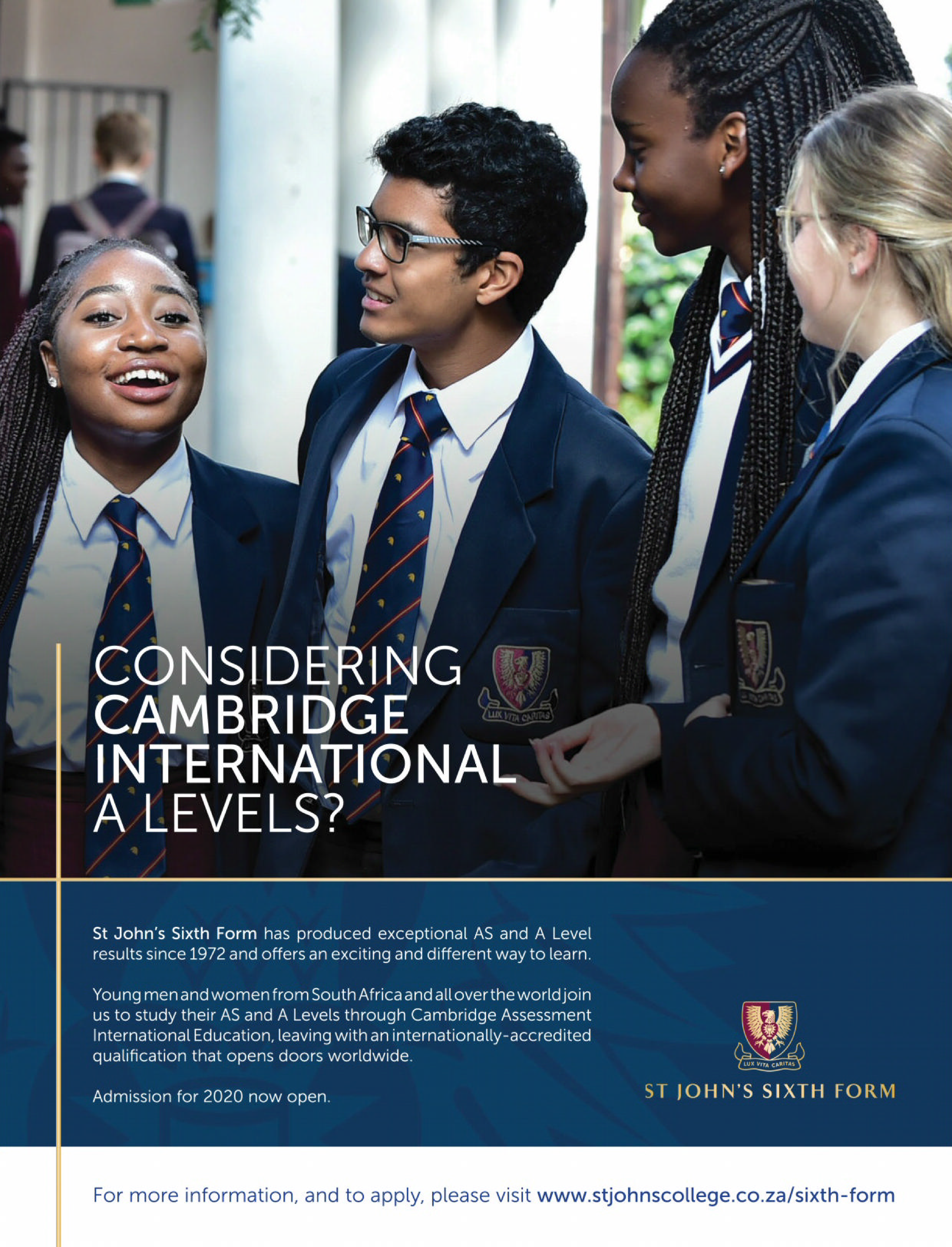
"Users might, for instance, see steps to repair a part, while info like current temperature and pressure display alongside the machine, updating in real time as users interact with it. This strengthens the link between digital and physical objects," he says.

Ultimately, the concept of a circular economy is about doing more, with less. Gartner's Managing Vice President, Steven Steutermann, says it best:

"The goal is to deliver customer value with minimal waste," Steutermann says. "For such a system to be efficient, it must be automated, and this is where the previous factors come into play. Using technologies such as digital twins and AI in an automated fashion enables the supply chain to execute against circular economy principles by acting on its own and ultimately becoming its own ecosystem."

Jason Reid

Photos supplied; Photo by Lighthousebay via Getty Images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THE NEXT BIG MARKET

The growth of Nigeria as a funding destination can be attributed to fintech, with huge swathes of the population unbanked or at least underbanked, and investors seeing opportunities in tech-based payments.

BY TOM JACKSON

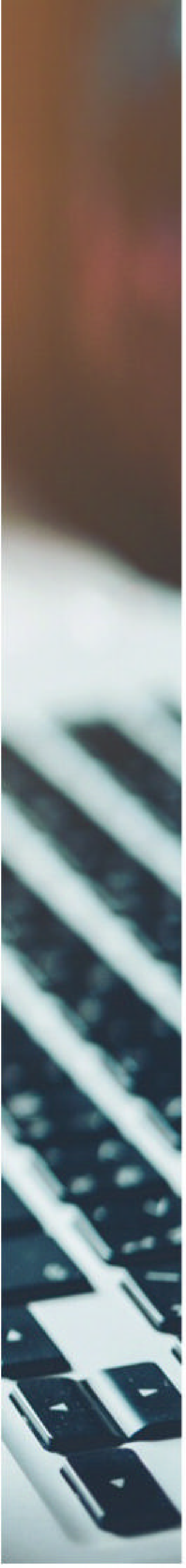
AS OUTGOING NIGERIAN Minister of Communication Technology, and before that, country managing director for Accenture, Dr Omobola Johnson presumably had her pick of jobs when she left office in 2015. That she embarked on a new career as a venture capitalist speaks volumes.

Johnson joined TLcom, a venture capital (VC) firm founded in 1999 and now extremely active in Africa, with investments in, among others, Nigerian startups like Kobo360 and Andela. She speaks of the major opportunity that exists in the Nigerian tech space, and one that has not gone unnoticed.

"The country is at a point whereby the population is set to reach 400 million by 2050 and youth unemployment still poses a huge problem. This means entrepreneurs are set to play a crucial role in providing jobs for the next generation," she says.

Increasingly, these entrepreneurs are on the receiving end of investor backing, and not just from Johnson's TLcom. According to the latest annual

> **HAVING LOCAL INVESTORS ON THE GROUND, WHO ACT AS STRATEGIC PARTNERS AS WELL AS INVESTORS, IS CRITICAL.**
> – OBI OZOR, KOBO360



African Tech Startups Funding Report released by Disrupt Africa, funding for tech companies on the continent reached record levels in 2018, with 210 startups raising over $330 million.

Another major development of the year was the ascendance of Nigeria to the top of the pile. South Africa has led the way in terms of investments for a number of years, but fell behind Nigeria for the first time in 2018. In all, 58 Nigerian tech startups raised $95 million, almost one-third of the continent's total. The number of startups raising funding increased by over 90% from 2017, and total investment leaped 50%.

Undisputedly, Nigeria is now a continental leader when it comes to attracting investment into tech businesses. But why?

Much of the growth of Nigeria as a funding destination can be attributed to the financial technologies space. With the size of the Nigerian market, and the huge swathes of the population that are unbanked or at least underbanked, entrepreneurs and investors alike, are seeing the opportunities in building tech-based payments, lending and savings platforms to service a huge addressable market.

Last year saw huge, multi-million dollar payments for startups Flutterwave, Paga and Paystack, as well as credit platform MINES, but the attraction to fintech went further than that. In all, 22 Nigerian fintech startups secured investment worth over $60 million.

Ngozi Dozie is co-founder of the Lagos-based fintech Carbon, which began life as a payments company but is now scaling to become a full-service digital bank. He says fintech companies in Nigeria are solving major problems, which makes them attractive to all kinds of investors.

"In this area, there's a real understanding of the issues which customers face and you can see that in the nature of the solutions provided," Dozie says.

"Understanding your customers is a key recipe for success and even more so in a market as big as Nigeria. Demonstrating this really stands out to investors."

Much of this funding is coming from overseas, from VC firms like TLcom, with Africa increasingly seen as the next big market for tech growth – Nigeria especially.

"I think with growth rates in so many other parts of the world beginning to ease up, there's an acknowledgement of not only Africa as the next region to focus on, but also tech as the next industry because it can help skip so many stages in the development cycle," says Dozie.

Fintech may hog the headlines, but other parts of the Nigerian tech space are also garnering interest. Obi Ozor is co-founder and CEO of tech-enabled logistics startup Kobo360, which raised over $7 million in funding last year across two rounds and counts TLcom and the IFC – a division of the World Bank Group – among its investors. He says investors are looking for where the next significant markets are regarding growth and scale, which is what Nigeria offers.

"Our startups are still not commanding Series A rounds that are commensurate to that of our European or US counterparts, but there's definitely an upward trajectory, and there's increasing interest from investors, the more they read about and see the opportunities and innovation here in Nigeria," Ozor says.

The amount of capital available to local tech startups will grow as local investors come to the party, while it is important investors in the country realize they have to think long-term.

"Having local investors on the ground, who act as strategic partners as well as investors, is critical," Ozor says.

"As startups and SMEs that are scaling, we need patient capital here in the Nigerian tech space. We haven't seen any significant exits or IPOs yet, which I believe may make investors more cautious and conservative with their investments. As a sector, as an ecosystem, we need to produce results that whet investors' appetites, and demonstrate the huge opportunities Nigeria, and the continent, presents us with." F

"THE COUNTRY IS AT A POINT WHEREBY THE POPULATION IS SET TO REACH 400 MILLION BY 2050 AND YOUTH UNEMPLOYMENT STILL POSES A HUGE PROBLEM.

– DR OMOBOLA JOHNSON, TLCOM

Photo by Sarinya Pinngam / EyeEm via Getty Images; Photos supplied

THREE HEAVY GRAMMYS AND A WORLD SINGING THEIR PRAISE

Songs of the struggle and music steeped in South Africa's apartheid past. The story of how the Soweto Gospel Choir captivated the world.

BY MOTLABANA MONNAKGOTLA

THREE GRAMMYS IN 12 YEARS. AND more global awards in their 17 years of existence.

In February this year, at the 61st annual Grammy awards in Los Angeles, South Africa's child and Africa's pride, the Soweto Gospel Choir (SGC) walked up to the stage to a rousing ovation.

They had won the Best World Music Album for *Freedom*. More than an album dedicated to Nelson Mandela, that word stood for triumph, it stood for the freedom where it all started – Soweto.

Since its inception, the gospel choir, hailing from South Africa's biggest township, Soweto (short for South West Townships), has been on more international stages than they can keep count of.

Its founders, Australian promoter Beverly Bryer and the late David Mulovhedzi, created something so monumental that the world had to sit up and listen. Bryer was born in South Africa, and lived and worked in the Australian music scene for a few years before moving back to South Africa in 1995.

During her stint in Australia, she connected with a number of music promoters who took talent from all over the world to Down Under.

Her love was always music but pop and rock rather than African gospel.

In 2001, Bryer received a call from one of the promoters she had met in Australia asking if there were any interesting South African artists he could showcase in Australia. She suggested *Umoja*, a South African theater production. Bryer knew the producer and the production was a huge global success.

The late David Mulovhedzi (*left*) after SGC won its first Grammy

After watching the cast on stage, the promoter was blown away and backed the production all the way to Australia.

In 2002, Bryer received another call saying the gospel aspect of *Umoja* was extremely popular and everyone loved it.

"I was asked to form a choir with Mulovhedzi and we had about three months to form one because they didn't want an existing choir but a new one. I asked Mulovhedzi to bring his choir director expertise and I learned very quickly about gospel music," she recalls.

THE ONLY THING THEY KNEW WAS SOWETO, NELSON MANDELA AND THE STRUGGLE. SO, WE MARKED IT WITH SOMETHING THAT PEOPLE KNEW, THE NAME.
– BEVERLY BRYER

That was the birth of the Soweto Gospel Choir.

"The name was a very important decision and it came quite naturally because most of the members were from Soweto, so that was giving the artists their location.

"We thought a lot of the languages the choir is going to be singing in, people around the world were not going to know or understand, but the only thing they knew was Soweto, Nelson Mandela and the struggle. So, we marked it with something that people knew, the name," Bryer says.

Through word-of-mouth, within the three months given to them, they had auditions, and went into studio and recorded their first album, *Voices From Heaven*, which shot up to number one on the Billboards World Music Chart within three weeks of release in 2002. Three months after that, the choir went on to tour Australia.

The six-week tour sold out and the milestones have not stopped since.

Bryer recalls promoters coming out for a show and one saying to the choir that they had something special.

"We said to her that 'we don't know how it's going to go, so if you want to take a chance with us, sure. If it doesn't work, everyone goes home'."

Bryer was advised the Edinburgh International Festival was where musicians cut their teeth and that was where promoters from around the world looked for talent.

There were thousands of acts and the SGC were ultimately among the most popular at the festival, and that's when other international promoters wanted to work with them.

Edinburgh got the ball rolling.

At the end of 2003, the choir was presented with a big local event in the form of the first 46664 concert; an AIDS benefit concert in honor of the late South Africa president Nelson Mandela.

That concert still gives Mandlenkosi Modawu the jitters when he thinks of its scale and magnitude. One of the older members in the choir, Modawu is the bass singer and drummer from Witbank, Mpumalanga, but moved to Mofolo, Soweto, shortly after joining the choir. He has been with the choir for over 15 years now.

"The drummer prior to me was troublesome, so it was easier for me to get into the choir after my auditions; fortunately, I am also a singer and that was a bonus for me," he says.

He speaks of the Edinburgh International Festival as though the performance was yesterday and keeps reiterating that among the 2,000 acts, they were the best.

In the ocean of experiences, Modawu has moments he will always treasure.

"I think our break came after Scotland (Edinburgh International Festival), and when I think about the 46664 concert in 2003, I get shivers even today, mainly because we were considered one of the smallest acts in that concert but we ended up backing a whole lot of artists like Aretha Franklin, Stevie Wonder, U2 and other big names," he says.

In 2007, SGC won their first Grammy.

South African gospel was recognized globally and their mantel was filling up.

"The second Grammy came as a surprise, I think it's because of the collaborations we did with big name artists around the world. They got us recognized in the global music fraternity.

"While working on the album that got us our third Grammy, we drew from the

Photos by Motlabana Monnakgotla; Photo supplied; Photo by Photo by Kevork Djansezian/Getty Images; Photo by Kevin Mazur/Getty Images for Global Citizen Festival: Mandela 100

SGC rehearse in Rosebank, Johannesburg

experiences we had from the struggle, stories told by our parents during apartheid and those songs really touched the world because of the emotions, and it moved people," Modawu says.

Sadly, Mulovhedzi could not share the excitement of their third Grammy.

"His passing was devastating because he was our founding father. It shocked us, but we had to accept and keep the legacy. One of his sons is the choir manager now," says Modawu.

"The first Grammy just came out of nowhere. It started with someone contacting us and asking what we think of this idea, we carried the idea and, sadly, in 2009, he (Mulovhedzi) passed."

And now 17 years later, they are the most successful choir in the world.

"I have watched my children grow up for 17 years, from the start, especially those coming from disadvantaged communities, very few had ever been on a plane.

"We had tried getting people who had never sung professionally before and we never thought they would be on stage with Celine Dion, Stevie Wonder or John Legend and through the years, artists wanted to collaborate with the choir.

"So, for them, it would be coming from Soweto and now on the stage in New York City with Aretha Franklin or recording with Peter Gabriel or doing shows with Johnny Clegg. To this day, it is an unreality for all of us."

Bryers still remembers Mulovhedzi as the most important man she had ever met in her dealings.

"He was absolutely super-special," she says, and that he was the kindest gentleman with an absolute love for music and a great knowledge of gospel.

He helped her with the knowledge of gospel and working with him was the most enriching experience, she adds.

"Regarding our latest Grammy, the album called *Freedom* was recorded in 2018. One group toured Europe and the other one did America. It was recorded for that tour, which was called *Songs of the Free* to celebrate Nelson Mandela's centenary. So, it was concentrating on freedom songs, and songs that come from the struggle, with a little bit of gospel in between...

"It was special because it's an album that included their (choir members') history; it was an extra special feel for them."

Bryer recalls previous accolades with fondness.

"The first Grammy had more attention because it came out of nowhere. I remember in 2007 looking at my email that we were nominated for a Grammy. It was special and we were there with David [Mulovhedzi].

"The second one was like, 'been there, done that'. The third one is as important as the first because of the history, it's more personal and dedicated to Madiba, and it also shows that even after 17 years, the Soweto Gospel Choir is on top of the music game."

At the beginning of their journey in 2002, the choir started with 24 members, but because of international travel, they had to form a second choir about 18 months later to stay and perform locally.

"WE DREW FROM THE EXPERIENCES WE HAD FROM THE STRUGGLE, STORIES TOLD BY OUR PARENTS DURING APARTHEID AND THOSE SONGS REALLY TOUCHED THE WORLD.

– MANDLENKOSI MODAWU

Last year, the choir formed a third group because both groups were traveling; now the choir has grown to 50 members.

Alto singer Cecelia Manyama from Diepkloof, Soweto, joined the group in 2016. She was spotted by Bryer at a charity event playing the violin for a classical group. She is one of the newer members.

"I met Beverly in the line to the loo. She had just heard me singing on stage and she called me aside and introduced herself and invited me for auditions that took place two weeks later. I was excited and couldn't sleep, the two weeks felt like two years," Manyama remembers.

A week after the auditions, she received a message with details of where the next rehearsals would be. She was in disbelief and told everyone.

This was a choir that she admired and a choir she used to watch on television.

Soweto Gospel Choir, the winners of Best World Music Album for *Freedom*, on stage at the premiere of the 61st annual Grammy awards

"

NOW I REALIZE THIS IS HUGE; BEING CALLED EVERYWHERE TO PERFORM, AND BEING IN THE SAME ROOM WITH THE PRESIDENT HOLDING THE GRAMMY.
– CECELIA MANYAMA

"I was told to lead a song I did at the charity event; I was terrified. I remember the late Portia Skosana when I froze, and she came next to me and sung the lead and let me continue.

"When I started singing, I immediately felt the connection and we were in sync and it didn't feel new. With just that rehearsal, I was blown away," she recalls.

Three months later, it was her first concert and performance in Vosloorus, east of Johannesburg, for the Clap N Tap concert with the choir.

"I will never forget that experience, I led with *Avulekile Amasango* (The Gates Have Opened). That was the first song I was given. I then felt there is no stranger there in the choir," she says, taking a deep breath.

"Being with a Grammy award-winning choir and performing with them for the first time, you have fear and excitement at the same time. We are in sync and I realized I was not alone.

"The backing behind me was speaking in volumes, it drove me, it pushed me and from that day onwards, I never looked back and wanted to learn more. It was an amazing experience."

For each new member who joins the group, the awards reawaken something within.

"I remember with my first Grammy with the group, we went to the airport to get it. I had never held a Grammy in my hand, but with Soweto Gospel Choir, I held it," laughs Manyama.

"It was amazing. At first, I didn't understand the kind of impact it has on the nation but now I realize this is huge; being called everywhere to perform, and being in the same room with the president holding the Grammy. That Grammy is heavy and after taking a picture with it, you just want to pass it on or put it down."

Although many have come and gone over the years, the choir have prioritized succession, as they make it a point to gradually hand over management to the younger generation, who no doubt have big shoes to fill – and the legacy of three very heavy gramophone trophies to uphold.

3378 of us
are working to
produce coal

MENAR

EXECUTING A WISE PIVOT TO BEAT DISRUPTION

BY: VUKANI MNGXATI, CEO, ACCENTURE, AFRICA

The findings of Accenture's Innovation Maturity Index, detailed in a previous piece, indicate that 76 percent of South African companies are struggling to release trapped value– i.e., they are finding it hard to convert potential opportunities, such as those presented by digital technologies, into actual value. This makes them vulnerable to disruption. A wise pivot could save them.

HOW LEADING COMPANIES MANAGE THEIR DISRUPTION JOURNEY BY EXECUTING A WISE PIVOT STRATEGY

Our research shows there is a small group of high-growth companies—we call them 'value releasers'—that consistently outperform the rest in the creation of both current and future value. Their advantage: these leaders focus on building innovation structures and practices that drive differentiation and shareholder value… and they know how to pivot their businesses wisely to the new.

For South African companies, the need for a dramatically different approach to strategy and execution is obvious. Yet, even as CEOs across industries see with clarity the need to change, most struggle to translate vision into action. Fewer still have the tools to steer their organisations decisively and sustainably.

Almost half of the South African executives we surveyed feel unsure or dissatisfied that their company's innovation efforts will position them well to overcome future disruption, and concede that their companies are not prepared for disruption. There is an answer – our guidance in terms of how executives can respond to disruption: execute a Wise Pivot strategy that is repeatable. In a Wise Pivot strategy, companies manage their core assets not as discrete resources with diminishing value from creation through to retirement, but as a dynamic investment portfolio, continuously balanced across three lifecycle stages—the old, the now and the new.

- The "old" are products and services that have reached the peak of their growth and either have or are soon likely to stall.
- The "now" are offerings in the middle of the development, growing rapidly but already shifting from a focus on innovation to one based on efficiency and eventual commoditisation.
- The "new", are emerging parts of the business just beginning their journey, whose speed and trajectory are largely unknown. To pivot wisely means embracing a constantly evolving strategy, one that integrates all three stages as executives manage their portfolios from one set of assets to the next, growing and reshaping their old core into a new one built with new technologies.

> **ACCENTURE SEES AN OPPORTUNITY TO EMPLOY THE 'WISE PIVOT' TO DRIVE GROWTH AND UNLOCK AFRICA'S ABUNDANCE FOR ALL.**
> – VUKANI MNGXATI, CEO OF ACCENTURE, AFRICA

COMPANIES NEED THE SKILL AND COURAGE TO RADICALLY SHAKE UP LEGACY BUSINESSES AND RAMP UP NEW INVESTMENTS AT THE RIGHT PACE AND SCALE.

In a recent survey of 100 executives from large companies in South Africa, 72 percent said that they generate less than a quarter of their revenues and profits from new business activities.

Even more concerning is the fact that these businesses also do not anticipate that they will be able to generate more than half of their revenues and profits from new business three years from now.

In comparison, Accenture's global survey, which spanned 11 industries and 12 countries, revealed that over 50 percent of large companies optimistically expect that new business will generate more than one half of their revenues and profits three years from now.

Several factors prevent South African companies from accelerating their journeys. These include capital-intensive infrastructures, contractual agreements, outdated technology and a relentless devotion to legacy products, services and brands. In short, they are tied to the past. It's a serious challenge they need to move quickly to overcome.

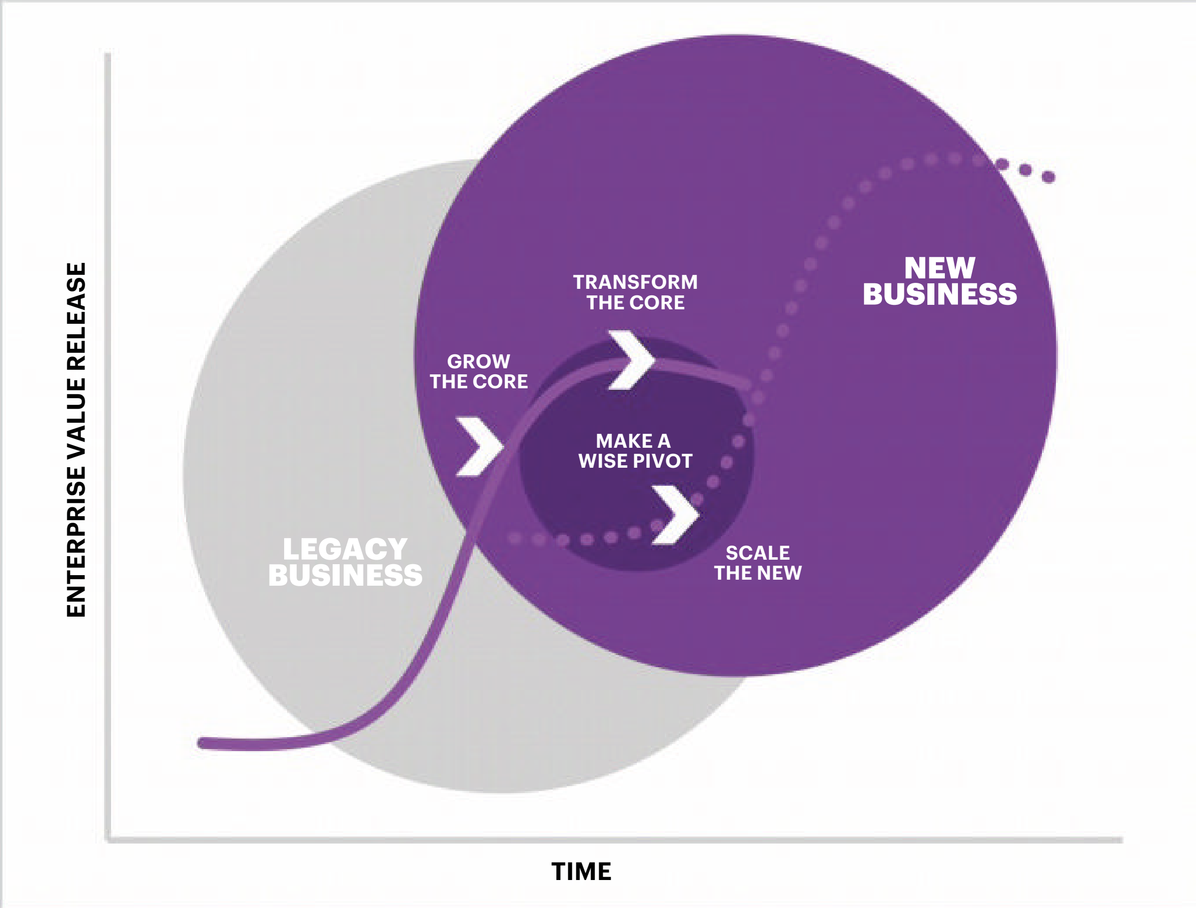
Companies that do survive disruption are constantly re-inventing themselves, making their businesses relevant to the future. If companies remain overly focused on their core business, they are unable to pursue new opportunities. If they neglect their core business in a dash to the new, they may find themselves short of the investment capacity they need. Finding the right balance between these extremes takes skill and courage.

To pivot successfully companies, need to adopt a new approach to organisational change. This involves making a series of decisions about how to transform and grow the existing businesses, and how to scale new businesses, continuously and synchronously.

A wise pivot also requires the right investment strategy to ensure the timing, scale and direction of investments are calibrated.

Making a wise pivot should be a matter of urgency among companies in South Africa where only 10 percent of the companies we surveyed have transformed their core business. Following the Wise Pivot model, companies can position themselves for the digital age in a steady, safe and balanced way by transforming the core (and generating funding for new investment), growing the core, and scaling the new—***see Figure 1.***

Figure 1:



Transform the core to generate investment capacity. This involves investing in processes and functions to increase efficiency and create value in the form of higher profits. This additional cash flow can help fund innovation and growth initiatives.

Grow the core to sustain the fuel for growth. The pursuit of accelerated growth should not overlook growth opportunities in the core business. This may involve finding new customers or markets for existing offerings or innovations that improve customer experience.

Scale the new to identify and scale new growth areas at pace. Innovations—whether new products or new business models—will not deliver the growth and impact the company expects if they are not commercialised and brought to a mass market.

> Companies that succeed in the wise pivot can protect their businesses from disruption and look forward to a new S-curve of growth. By carefully scaling and timing investments, they can build "the new" and continue to nurture and grow the core.

LESSONS FROM ROTATION MASTERS

Our global study comprised an online survey of 1,440 C-level executives from companies with revenues exceeding $500 million, across 11 industries and 12 countries.

One particular group in this study scored high in their ability to pivot their businesses to the new successfully. They are the top 6 percent of companies surveyed. We call them "Rotation Masters".

They differed substantially from other companies in terms of the high percentage of revenues—more than 75 percent—that they have generated from new business activities over the last three years, as well as in terms of their financial performance.

Rotation Masters also stood out because of the work they did to ready themselves for a perpetual change journey. Specifically, they create three preconditions to help them reinvent their organisation:

- They build sufficient investment capacity for change.
- They enable their organisations to innovate.
- They seek and create synergies between their old and the new businesses.

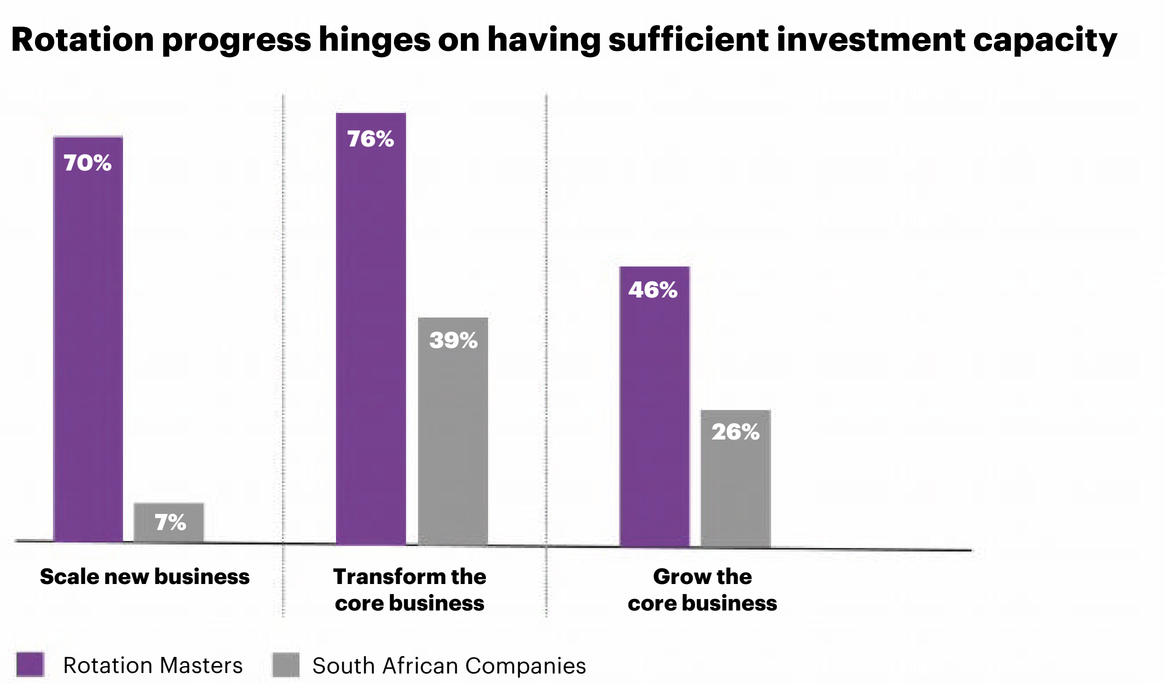
BUILDING INVESTMENT CAPACITY FOR CHANGE

Rotation Masters understand the level of investment required to drive change. They fine-tune their existing business activities by reducing costs, divesting non-core businesses and streamlining assets.

As a result, more than two-thirds of Rotation Masters were confident that they held sufficient investment capacity to scale new businesses as well as reinvigorate their existing core business.

In comparison, only 39 percent of South African respondents say that they have sufficient investment capacity to transform their legacy business and even fewer (7 percent) are confident about their ability to scale up new businesses – ***see Figure 2.***

Figure 2:



Percentage of respondents saying "definitely sufficient" on a scale of 1 to 4: excludes respondents who answered "don't know"

Source: Accenture C-level Survey

CASE IN POINT:

Consider UK-based home improvement retailer, Kingfisher. Increasing online product search and purchasing rapidly disrupted the company's traditional brick-and-mortar retail model.

In response, Kingfisher introduced a five-year transformation plan to infuse digital innovations into its customer experience and sales channels. It funded this plan through savings achieved through standardisation and cost-saving initiatives.

Rotation Masters are also more likely to make investment decisions that create a deep-seated readiness for change. In the past three years, they focused on improving internal efficiencies (e.g., through reducing strategic costs and increasing workforce efficiency) and by building external networks. Rotation Masters also view consolidation of tangible assets (cited by 71 percent of respondents) and divesting select business lines (67 percent) as important to build investment capacity for change. However, just 9 percent of South African companies hold the same view across both activities.

MASTERS SPOT PROMISING INNOVATIONS, PROTOTYPE AND TEST THEM EARLY. AS A RESULT, THEY ARE BETTER ABLE TO SEE INNOVATIONS WITH HIGHEST POTENTIAL AND TURN THEM INTO A COMMERCIAL REALITY AHEAD OF THE COMPETITION.

ENABLE THE ORGANISATION TO INNOVATE

Our research shows that leading companies leverage innovation to reposition their companies for the future. They build strong innovation capabilities to help them pivot their business successfully—95 percent of leaders in our survey say they use innovation strategically to unlock value in their legacy and new businesses.

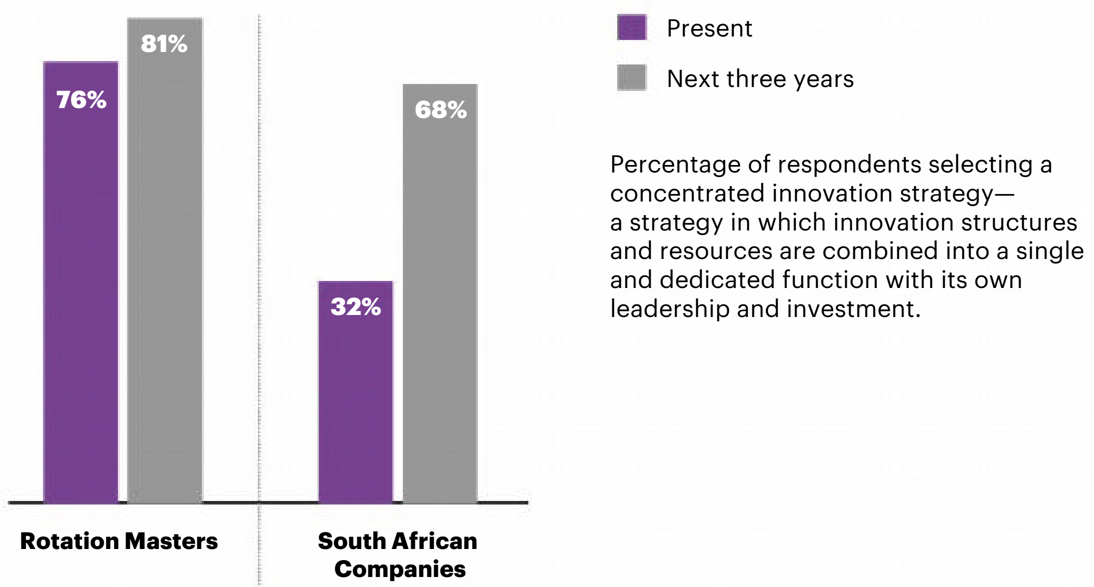
Most Rotation Masters (81 percent) indicate they will have adopted concentrated innovation strategies three years from now; 68 percent of South African companies will follow suit, up from 32 percent today—***see Figure 3.***

A concentrated strategy allows Rotation Masters to spot promising innovations, prototype and test them early. As a result, they are better able to see innovations with highest potential and turn them into a commercial reality ahead of the competition.

Figure 3:

Concentrated innovation is key to rotation progress

In your opinion, how concentrated is your company's innovation strategy at present/three years from now?

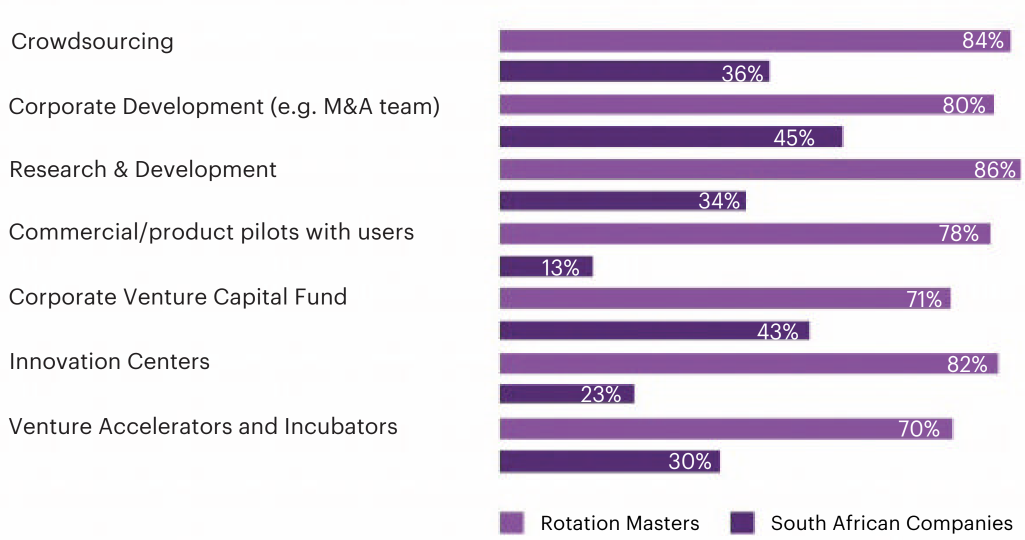


Source: Accenture C-level Survey

Figure 4:

Rotation Masters know how to put innovation capabilities to work

How much of a priority for your comapny are the following innovation capabilities for enabling transformation?



Source: Accenture C-level Survey

In addition, Rotation Masters employ a combination of internal and external innovation capabilities. Notably, they tend to prioritise the deployment of crowdsourcing strategies and in-house corporate development teams (who can identify and acquire the right innovation capabilities externally) more than other companies. They also have a strong preference for the use of innovation centres and research and development capabilities, and they seek opportunities to pilot and test product ideas with end users—***see Figure 4.***

CASE IN POINT:

US-based Ecolab provides a good example of enabling the organisation to innovate. It was an early pioneer in driving innovation through digital technology. Its business model, which combines chemistry, digital technology and on-site customer service, has enabled it to become a leading global provider of water, hygiene and energy technologies to the food, healthcare, hospitality, energy and industrial markets. For example, it introduced its 3D TRASAR™ Cooling Water Technology more than 30 years ago. This technology combines chemistry, remote services and sophisticated monitoring and control to improve a range of industrial operations.

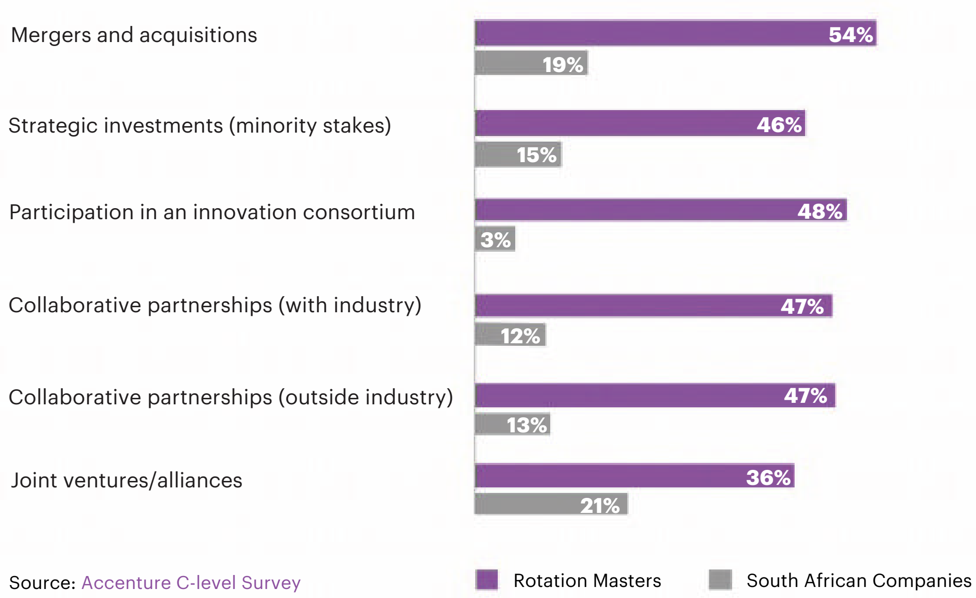
CREATING SYNERGIES BETWEEN OLD AND NEW BUSINESSES

Rotation Masters are explicitly looking for ways to update their legacy businesses and find synergies between the old and the new. We discovered that more Rotation Masters than others are focused on tapping into the potential to cross-sell between the new and legacy businesses. In addition, most Rotation Masters (60 percent) consider the potential to leverage new business in order to reshape the culture of the legacy business. Developing completely new business models is a high priority for companies well-advanced on their journey. Most of the Rotation Masters in our study (81 percent) consider moving beyond their existing business models vital to cementing future leadership positions in their industries. External networks are playing an important role in creating synergies between old and new businesses. While expanding into new businesses requires access to investment, a strong appetite for collaboration is important, particularly to find synergies to build on the strengths of a legacy business. Notably, Rotation Masters know how to leverage the power of external networks, such as innovation consortia, collaborative partnerships and joint ventures—*see Figure 5.* South African companies, by comparison, have been slow to leverage these expansion strategies. Such collaborations matter, because they enable Rotation Masters to innovate at a higher speed. Nearly 80 percent of Rotation Masters consider it essential to support innovation activities with a wide network of partners and customers.

Figure 5:

Expansion strategies adopted by Rotation Masters

How important are each of the following to your company's ability to expand into new businesses in the next three years?



Source: Accenture C-level Survey

CASE IN POINT:

US healthcare company CVS Health has a long history of pursuing growth strategies and building new businesses alongside its strong core pharmacy business. Established as a discount health and beauty store in 1963, it added in-store pharmacy departments four years later, and continued to pursue a steady transition of its business model. Today, CVS Health is one of the largest healthcare providers in the US, with over 9,800 retail pharmacy locations and over 1,100 MinuteClinics in 33 states.

MAKING A WISE PIVOT: KEY PRIORITIES

The leader that finds the right balance between the old and the new does not just rely on skills but demonstrates courage. Courage to radically and deliberately shake up legacy businesses, divesting some parts while revitalising others. Courage to scale new investments at the right pace and scale so that they neither miss the moment, nor overreach themselves. Rotation Masters are decisively expanding into new businesses while driving deep and continuous transformation of their legacy businesses. Companies in South Africa, depending on their current stage of progress, will need to prioritise key behaviours to move their organisations closer to a wise pivot and emulate Rotation Masters.

Which are you?

- **Rotation Master.** You have decisively expanded into new businesses while driving deep and continuous transformation of your legacy businesses. You generate 76 to 100 percent of your revenues from new business activities started in the past three years.
- **Rotation Driver.** You have a legacy business that is in full swing of transformation and have focused expansion into new businesses. You generate 51 to 75 percent of your revenues from new business activities started in the past three years.
- **Rotation Striver.** You have a partially transformed legacy business and recognise potential for expansion into new businesses. You generate 26 to 50 percent of your revenues from new business activities started in the past three years.
- **Rotation Starter.** You are in the early stages of legacy business transformation with high expectations from new businesses in the future. You generate 1 to 25 percent of your revenues from new business activities started in the past three years.

Figure 6:

	BUILD SUFFICIENT INVESTMENT CAPACITY FOR CHANGE	ENABLE THE ORGANISATION TO INNOVATE BY DESIGN	SEEK AND CREATE SYNERGIES BETWEEN THE OLD AND THE NEW
ROTATION DRIVERS	Drive **growth in the legacy** business to replenish inveatment capacity (e.g., via digital marketing)	Deliberately direct inveatment to **scale new business** activities (e.g., through serial acquisition of new assets)	Reinvigorate the **culture in the legacy** business using new capabilities and new talent. (e.g., recruitment of data scientists)
ROTATION STRIVERS	Develop a clear **expansion strategy** for new businesses and determine how much capital funding is needed	Create a core set of **innovation capabilities** to enable faster transformation of the core business	Invest in **upgrading the technology infrastructure** required to support new businesses
ROTATION STARTERS	Prepare to **drastically restructure** the legacy business (including divestment of underperforming activities	Establish the **essential innovation** capabilities (e.g., innovation labs and centres) to start incubating new ideas	Invest in **collaborative partnerships** to improve ability to test new commercial ideas, and access new markets early

AND DON'T FORGET THE WORKFORCE

An agile, innovative, digital age organisation will require an adaptive, innovation-led workforce. It will thus be critical to pivot the workforce to new business models, orienting teams to support new customer experiences and helping them to acquire the skills they need to function in the new.

To pivot the workforce:

- **Recognise the business case.** Use automation to fuel growth by reinvesting savings in the future workforce.
- **Organise for agility.** Create flexible processes; manage the workforce to support both the core business and the new.
- **Foster a new leadership DNA.** Cultivate leaders at all levels to help pivot the workforce to new growth models.

MAKE YOUR MOVE

To respond to disruption, companies need to understand where to focus their transformation efforts. Firstly, it is important to understand whether the initiatives your organisation is currently embarking on will collectively yield the best response to disruption.

Secondly, companies need to know how to build sufficient investment capacity, then deploy that capacity to scale new businesses while designing the organisation to innovate more pervasively. Companies also need to create synergies between the old and the new.

WE PARTNER WITH COMPANIES TO HELP THEM SHIFT WITH SPEED AND CONFIDENCE TO TRANSFORM EXISTING BUSINESSES WHILE EXPANDING INTO NEW AREAS OF GROWTH.

'GOING ONCE, GOING TWICE…!'

Online auctions are gaining popularity, but the traditionalists are still sold on the idea of live auctions that guarantee a good show, with emotions and bids running high.

WORDS AND PHOTOGRAPHS BY GYPSEENIA LION

An auctioneer chants at Aucor Aucor Auctions biggest commerciial auctions in Johanessburg

IN AN INDUSTRIALIZED AREA approximately 30 minutes from Sandton, the commercial hub of Johannesburg, is a shining fleet of trucks, parked and ready to be sold to the highest bidder.

The sun reflects off the windshields in the direction of the registered bidders as they sit under red outdoor umbrellas at the entrance of the property.

Some opt for refreshments, while others make small talk with their competition.

A man uses this time to make phone calls to a mechanic, who discourages him from making a regrettable bid on a "non-runner".

He runs towards the towering fleet of trucks, where he joins the eager buyers as they take a final peek before the auction begins.

We are at Aucor Auctioneers' popular commercial auction, at their head office in Midrand.

After spending four hours traveling to Johannesburg from Nelspruit (in South Africa's Mpumalanga Province), for the auction, Charles Malibe gets into a heated bidding war that lasts no longer than a minute but is packed with plenty of fervent action.

It is noon and an overjoyed Malibe has just won a R465,000 ($32,401) bid on a second-hand truck.

"I attended my first auction three years ago. Sometimes you get it wrong and sometimes you get the right stuff at the right price. It is good to be exposed to new things. I went to Durban once, but I did not get anything there. It was not a waste. It is not only about getting things, it gives you exposure," he says.

As Malibe heads back to Nelspruit, the auctioneer remains chanting until the last vehicle is sold, with the crowd getting smaller with each purchase.

Wasim Babamia, Aucor Auctioneers' multimedia consultant, manages the national marketing for the 51-year-old auctioneering company.

Digitalization has disrupted traditional norms of advertising, and has made the industry more accessible for both buyers and sellers.

A bidder places a bid for an item on auction


Charles Malibe in a heated bidding war for a truck

THE ADVANTAGE OF BUYING IN AN AUCTION IS CUTTING OUT THE MIDDLEMAN, SAVING THAT MONEY AND GETTING SOMETHING OF REAL TOP VALUE.
– WASIM BABAMIA

"Selling any asset boils down to supply and demand. The advantage of buying in an auction is cutting out the middleman, saving that money and getting something of real top value," he says.

Marketing the call to action remains a vital component for the business.

"Social media has to be on point when we market a particular auction," Babamia says.

Instagram, Twitter and LinkedIn are some of the biggest platforms, apart from the traditional pamphlets and website advertising strategies.

According to Babamia, online bidding has pulled in more numbers over the past four years.

He sees a rapid transformation in the auctions landscape in the foreseeable future.

According to a South African Institute of Auctioneers (SAIA) report, Gauteng is the highest province of interest with over 6,000 potential buyers (for all kinds of auctions including residential properties, retail vehicles, jewelry and collectables) on its website, while the Northern Cape is the lowest with just over 1,000 buyers.

The traditional means of auctioning have had to make way for digital platforms that have been steadily increasing over the last decade.

SAIA records close to 100,000 visitors to online auctions in 2010; the first half of 2019 is already at 400,000 visitors.

Last year's record 600,000 visitors reflect that the online market could be just as lucrative as the live auctions.

As the state of the South African economy remains uncertain, Babamia suggests that auctioneering will always provide a cheaper option to consumers.

An industry that has been in existence for more than 2,000 years continues to grow despite its many iterations over the years.

Ancient Greek records on auctions dating as far back as 500BC show women were auctioned off to become wives.

Auctions were popular for family estates and the selling of war plunder in Rome.

As a result of the great depression in the 1900s, the United States opened auction schools to generate income as businesses and individuals needed to liquidate assets to withstand the economic crisis.

In recent times, market trends have changed dramatically to adapt to socioeconomic norms.

A shift to online auctioneering has been a great development and contributor to the fluid industry.

Orbis Research reports that the global online auction market is expected to grow during the period 2018-2022 with a 7.2% compound annual growth rate.

"Another major trend witnessed in the online auction is the immense impact of artificial intelligence (AI). AI's main role in an online auction is to perform different tasks such as processing internal operations, customer-service inquiries, delivery and product packaging. In the last years, AI has instigated a gradual shift, from conventional auction to online auction," the report states.

The increase in sales of art-based goods through online auctions is a key market driver.

Traditional live auctions, however, are still a preferred option for bargain-hunters, despite the global steer towards digitalization.

This is according to fine art specialist Luke Crossley who manages Stephan Welz & Co. in the affluent northern suburb of Johannesburg, Houghton Estate.

Moving to simpler models will improve the industry by providing a greater competitive edge, he says.

"There is a growing interest and understanding of auctions across a broad section of people where, maybe, a couple of decades ago it was seen as just for the very rich people doing very rich things.

"People are realizing that it is a great way of finding weird and beautiful objects, artwork and furniture at quite reasonable

THERE IS A GROWING INTEREST AND UNDERSTANDING OF AUCTIONS ACROSS A BROAD SECTION OF PEOPLE WHERE, MAYBE, A COUPLE OF DECADES AGO IT WAS SEEN AS JUST FOR THE VERY RICH PEOPLE DOING VERY RICH THINGS.

– LUKE CROSSLEY

prices," he says.

The increase of auction houses in South Africa offers a variety to buyers and sellers, with SAIA having 80,546 members registered by April 2019. As a result, the art and design market is at an advantage.

"The South African art market on auction is always evolving and broadening. The importance to history and art history is being realized and there is a growing interest and demand for these. It is encouraging a lot of the younger artists working with galleries to look at the history and heritage of artistic practice in this country," Crossley says.

"With growing appreciation for South African and African art overseas, a couple of international houses based in England regularly do sales of more historical work. The audience overseas means a lot for the artists, the country and the future."

Selling or buying art on auction engages the audience as well as the creator.

"The gallery, thus, becomes the primary market where young artists can build their careers; whereas auctions and private individuals with a passion for art can sell work they own, re-invest in other artists, or buy.

"It creates a second life for an artist once they have had their exhibition. With an auction house, you can reach a broader audience. Auctioneering is a great way of indirectly promoting the artist," says the art specialist.

A mobile museum acts as a platform that simplifies the process and eases access to the market for artists and admirers.

A world of opportunity, at the click of a button, gives upcoming artists a chance to compete in the art market.

Art lovers can sit in the comfort of their homes, evaluate the work before-hand, request for condition reports and place a bid while monitoring the action on screen.

"Auction houses, historically, would work with physical catalogues. We still do catalogues but with the possibility now to create an app for the auction house to allow interaction directly with the audience.

"It seems simple now with email, but previously, you would write a letter and take a photograph and get it delivered. Now, there is an ease of communication," Crossley says.

On the other end, Jerry Horn from AuctionInc. argues that despite the digital migration in South Africa, live auctions are still the safest and simplest way for auctions to take place.

Online platforms also lack interpersonal interaction.

At the moment, live auctions are still more popular, he says.

"Online auctions are impersonal, you wait till the time is up and if you get it, you get it, if you don't, then you don't. There is no emotion attached to it. Live auctions still create the hype... humans are emotional creatures," Horn says.

We meet Horn and fellow broker Disa Smuts at a three-bedroom house which is being auctioned for R1.5 million ($105,301) at an upmarket security estate in Pretoria called The Wilds Security Estate.

Buyers meander in and out of the house as they assess the property. They pry further as they look through windows, open cupboards and check light fixtures, along with all the other fittings of the house.

Bidding begins as the amount crescendos to the millions.

Finally, a buyer who is pleased with the finishing of the house, makes the highest bid at R1.5 million and this bid concludes the auction for the home, as the final hammer drops.

This is a success for the auctioneer and a gloomy moment for latecomers who only have the luxury to dawdle in the empty rooms they could have owned.

Hennie Swart arrived at the double-storeyed home just after the conclusion of the auction, and he was not going to let this bargain slip through his fingers.

A counter bid amounting to R1.8 million ($130,654) makes him next in line if the first deal does not take place for any reason.

Swart, who is a property developer, says purchasing on auction offers a discount of 10% to 20% less than market value.

Today's offer is a cheaper buy than Swart's most expensive purchase of R2.1 million ($147,428) for a three-bedroom home.

"I have got a property portfolio and I try to expand my portfolio by buying property on auction. I normally look at simplexes that are normally safer because the possibility of getting a tenant is higher," he says.

Attending live auctions gives him a first-hand experience of the area, the property and the potential return on investment.

A common practice Horn encourages.

Online bidding may be convenient but competition on the floor is good for business, and it puts on a good show.

Bids increase by the second.

Four figures speedily turn into six figures.

The auctioneer chants vigorously while his focus is fixed on the audience.

Sweat drips from his nose, and all the attention is directed to a woman at the back of the room.

The room falls dead silent.

"And sold to the woman in the far right!"

The audience cheers on, as she graciously leaves the room.

It is this fervent excitement that people enjoy.

Time and competition are the most important factors to prioritize in this business.

The aim is to spend less while encouraging competitiveness.

"You don't have 'show days' that take up time, and with a six-week [administrative] process before the auction date, people come and bid and the property is sold on the day.

"People bid against each other to get what they want. Most of the time you get more money than what you are asking for," Horn says.

South Africa's market, promising as it is, has room for development.

"If you go to countries like Australia and New Zealand, there are no 'show days', there are no real estate agents, everything is done by the auction basis," Horn says.

This cuts out the middleman, and thus minimizing costs, making the purchase more lucrative for the buyer.

Whereas in South Africa, there are other factors to consider, such as real estate agent commissions, bonds and prime lending rates which make the process arduous and more expensive for the buyer.

Horn frequently travels to Angola, Tanzania, Zambia and Kenya for business.

"Property is a lot more expensive up there because it is dollar-related," he says.

The economic climate of a particular region or area determines the value of property.

Property auctioning depends largely on adequate research and comprehension of the landscape.

Buyers often become sellers after acquiring an understanding of the industry.

Smuts, who sold her 18-year-old business on auction, decided to become an auctioneer herself.

The uncomplicated nature of transactions is what attracted her, she says.

However, clients usually call when their property has been on the market for too long and the asking price becomes too high for the market.

"The owner will give a sole mandate to give a right for the sale of the property and make sure that it goes to the market correctly. The auction is done on the day, and make sure it gets the highest price. The auctioneer's job is to protect the property's value," she says.

Protecting the interests of all parties involved should be the auctioneer's priority, Smuts adds.

Whether you're buying from the comfort of your home while basking in the sun by your swimming pool, or you just lost out at a live bid, chances are, it can't get any cheaper than at an auction.

Photos by Gypseenia Lion; Photo by Bill Oxford via Getty Images

PANELS, PRINTS AND POSES

WORDS AND PHOTOGRAPH: MOTLABANA MONNAKGOTLA

FASHION DESIGNERS AND models gather at Emoyeni, an upmarket vintage dining, function and conference venue in Parktown, Johannesburg, for castings for the upcoming 2019 autumn/winter showing of the Soweto Fashion Week held in Soweto, South Africa's largest township.

For the past eight years, this fashion extravaganza has brought designers, models and style mavens together, from the township and beyond, to showcase their talent and hard work at the three-day event. This year's theme focuses on animal print.

In this image, models strut around in tailormade outfits in a presentation to a panel of judges even as their peers and designers look on, awaiting their turn.

BANKING ON CLIMATE CHANGE

Patrick Odier of Swiss wealth management firm Lombard Odier on why Africa offers immeasurable possibilities for investors, particularly those not risk-averse.

BY UNATHI SHOLOGU

CLIMATE CHANGE EVENTS such as floods, drought and cyclones have had a cataclysmic effect on the lives of Africans and their economies, with many having to rebuild with little to no resources, placing more strain on economies that are already over-burdened.

But are there ways to forecast these events so people are better able to weather the storm? Wealth management firm Lombard Odier thinks it has what it takes to minimize risk on the continent, and they have the years of experience to back it up.

"We are a 223-year-old company. In the financial industry, it means we have probably learned how to weather turbulences and financial market crises – we've survived 40 already," Patrick Odier, chair of the board of directors at Lombard Odier, says.

"We have made South Africa central to our strategy. I think South Africa has a long history with entrepreneurship. This idea of organizing wealth, planning and optimizing the responsibilities between the members of the families – all that belongs to it."

With that said, the bank still holds firm to its roots of running a lean organization where the idea is not to grow in quantity, but rather in quality.

"We cannot be everywhere. We don't want to be, we're not a giant. We are private. It makes it a bit different from other organizations where the concerns are more operational… we are purely a service-oriented company," Odier says.

With a client-based outlook where the bank focuses on investment advisory, execution and fiduciary services, each client is handled based on their unique circumstances, but what does this mean for Africa?

"We are trying to look at the African continent with a very open eye, to look at how we can add value to those potential clients or families who may want to organize their estates and perhaps, diversify their risks. I think agriculture, together with new technologies, will represent new opportunities."

Odier says the interests of the firm are based on enhancing and not disrupting banking ecosystems that exist in the African environment.

"While Lombard Odier occupies over 2,500 people, we are still of a modest size as a financial institution. So we really want to focus on our existing client base and not disperse ourselves too much. We are not in the business of buying infrastructure banks and trying to take over. We are not in the business of competing with the local banks. We believe in teaming up, or perhaps diversifying the offering. I think when it comes to investing, we can be very useful to this market

> **"WE BELIEVE THE BEST INSTITUTIONS TO SERVE THE LOCAL MARKET ARE THE LOCAL ONES.**

"We believe the best institutions to serve the local market are the local ones. We are here to bring something else, which is basically, what is not offered here," he says.


Patrick Odier

However, the continent, like any other, has challenges unique to it and thus, require nuances in resolving. It should not be discounted that, although Africa has made gains in catching up to the rest of the globe, a vast majority of its nations are still developing.

"The world in general is changing. You see it in everything in your life. You see it in the way you consume, the way you expect your employers to treat you and the way you think of prices. Unfortunately, you've seen it the way water becomes scarcer in some periods, you see also how difficult it is to produce electricity correctly, in some respects, and you see it in how climate change is affecting your life. All those elements are part of mega-trends we believe as a firm we could try to interpret quicker and better than some. We are transforming the way we invest to invest more sustainably. In South Africa, we want to be a leader in bringing this approach to investing in resources.

"Some say you have to have luxury to think this way, I say not doing it will create much bigger risks than doing it," Odier says.

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NAAKMUSIQ'S DUBAI

The South African actor and musician was impressed with the city's architecture, food and work ethic.

BY BUSI LETHOLE

SOUTH AFRICAN ACTOR AND musician Anga Makubalo, known by his stage name NaakMusiQ, calls the Middle Eastern emirate of Dubai a luxury destination.

NaakMusiQ, who hails from Port Elizabeth in South Africa's Eastern Cape Province, shot to fame after appearing in the award-winning South African soap opera *Generations* and has since been in a number of television shows.

He has also had a chart-topping music hit, *Ntombi* ft Bucie.

NaakMusiQ's first trip to Dubai, known as the melting pot of the Middle East, was last year on an Emirates flight when he traveled Business Class. The fashion-lover admits to being a light packer, although there are some items he would never travel without, such as cologne, a pair of sneakers, and his music.

"I also carry my scripts all the time. Because of the long flights, I can get tired of watching a movie, I can get tired of listening to music, so the next best thing is to get into my script and get a head start."

He has been to Dubai before, but only transiting the airport connecting to another flight, so this was his first official trip into the glistening city.

"Dubai is everything that people say it is," he says. "We went to the mall. It was crazy! I've never seen anything like it before. [The Dubai Mall] has a full-on aquarium inside. In the middle of the center, there's like this huge fish tank. It's crazy! That was probably the highlight of my visit."

The actor was also intrigued by the city's architecture and skyscrapers.

"I'm actually very huge on architecture. It's actually something I wanted to study. Their engineering is absolutely insane. The way they've built this place and the designs – it's luxury, one after the other. We drove for hours admiring the architecture because I'm such a nerd when it comes to that. I love it."

Dubai has a sizeable African expatriate community, and no dearth of African culture. As a musician, NaaqMusiQ had been invited to the city.

"Africans that have immigrated to Dubai request their favorite African artist to come over so that they're still connected to Africa and home. The nice thing about that is, as much as it is our people that have invited us there to perform, they have influenced people from there [Dubai] and other parts of the country [UAE] to come and listen to our music.

"Because they've become residents there, they have friendships where they introduce African music to the people of Dubai. So when we went there, there were quite a lot of people, even though some couldn't sing along, there were a lot of people who went crazy when my song [*Ntombi*] played."

During his time there, NaakMusiQ was also taken to restaurants serving African food. This came as somewhat of a surprise for the actor that the Arab city boasted a range of eateries specializing in African cuisine.

"We had a lot of Kenyan food that I hadn't tasted before, which was really nice. They've got Tanzanian food, they've got South African food, Zambian food; it's just a whole African experience there. And they do well actually."

While NaakMusiQ didn't interact with the natives of Dubai, he did get a sense of what they are like. The hustle and bustle of the city left him greatly motivated.

"Everyone in Dubai is there to work. Everyone is there to hustle. People think that Dubai is this big, fun place, which it can be, but even people from there aren't out partying every night. It's people from the countries that are visiting that are out partying. Everyone else is really working. Some people are so hectic when it comes to business and money that they don't have a life outside of their work. When they do have nights off, they choose to be at home or to put in extra hours working. It just made me want to work harder. That is the impact... Everyone there wants to do better. The standards there are incredibly high. What we would consider as good here is probably entry-level there," says the hit-maker who now plans to return to Dubai wealthier and with more cash to splurge.

Photo by Katlego Mokubyane

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PEOPLE CALL IT THE GROUP OF DEATH BUT IT IS WHAT IT IS.

GAME-CHANGER

From being in the presence of two South African presidents to high-fiving the third, South Africa's national women's football team coach Desiree Ellis is determined to grab headlines at the FIFA Women's World Cup in France.

BY GYPSEENIA LION

AS THE COUNTRY celebrates 25 years of democracy since the fall of apartheid, South Africa's women's football team Banyana Banyana will make a landmark appearance at the 2019 FIFA Women's World Cup, to be held between June 7 and July 7 in France.

The years of toil, tears and sweaty perseverance beyond the pitch are indescribable for the team's coach Desiree Ellis months after qualifying for the acclaimed international football championship.

When we meet her, she vividly recalls the qualifying match, one of the most defining moments of her career.

With 10 minutes left to the final whistle, as tension mounted on the field, Ellis ascended a ladder for a closer look as history unfolded, that day in 2018 in Ghana.

"I knew we were 10 minutes away but in football, anything can happen," she says.

Ellis recalls a previous World Cup qualifier when things went completely wrong.

In 2014, Banyana lost to Nigeria during a semi-final qualifying game. After the match, the mood was somber as the team drove home, she recounts. It's moments like those that make this 2019 qualification that much more precious for Ellis.

As they faced Mali's national team, The Eagles, in the 2018 Africa Women Cup of Nations (AWCON) tournament hosted in Ghana, a tired and overworked Banyana team played to their fullest leaving Ellis with no choice but to scream in celebration of their ultimate victory.

"I tried to stay calm so that the players could be calm. They kept shouting 'manage the game' and we kept control of the game fantastically. We were leading two-nil and when they said two minutes I could've screamed.

"When the final whistle went, the scenes were amazing. Oh goodness, you just didn't know where to run, who to hug or what to do," Ellis exults.

A solid defence strategy mixed with a patriotic passion for both the game and teamwork ensured an eventual win.

"Many of them were there in 2014 when we didn't qualify and for a lot of them, it might have been the last opportunity to go to a world cup. That really drove them. We needed to take it seriously and make sure we don't go to the third and fourth place."

Armed with renewed confidence and a French translation book to speak and understand basic French, Ellis is equipped to lead the women's team to possible glory at the international championship this month.

She owes her passion for the sport to her community where she started playing at the tender age of six. Back then, little did she know how far soccer would take her – or how far she would take soccer.

If that six-year-old girl from Salt River, a Cape Town suburb, had looked into a crystal ball at the time, she would have seen herself lead the team she once played for, and also rub shoulders with three South African presidents.

"When you talk about significant moments, it most probably is your first game, your first cap or being made captain but I think those are small milestones. I have had the privilege of having lunch with the late President Nelson Mandela, with a lot of other athletes in Cape Town, at his residence," she tells FORBES AFRICA.

Ellis has also received a presidential silver medal from president Thabo Mbeki and interacted with former president Jacob Zuma when she was an ambassador for the 2010 FIFA World Cup in South Africa.

"We played a game in Cape Town during the World Cup. The game was 10 minutes before the Argentina game, and I came off the field as president Zuma came on and we high-fived each other.

"It comes with the work you put in. I don't think many people can be fortunate to say that they have interacted with all three presidents."

Ellis regards the role leaders play as an important one in relation to sport, particularly when it comes to creating opportunities for the marginalized.

"When president Nelson Mandela was released, I got the opportunity to play national football. Prior to that I never played. I was 30 years old," she says.

Her unwavering focus on the game, she adds, and the many sacrifices she has had to make along the way changed her story from just playing soccer with boys on the streets of Salt River to achieving national glory.

Her career goals even left her financially vulnerable, at times. At the peak of her football career, a young Ellis, who worked at a local butchery, had left for a football weekend and could not make it back to her workplace in time to mix spices. That lapse resulted in her losing her job.

"Knowing your worth can open doors," she advises as she speaks to us at the state-of-the-art headquarters of the South African Football Association (SAFA) in Johannesburg.

"Our federation is excited that they took the opportunity to appoint female coaches for female teams. Most importantly, it is not just making those decisions in appointing us, but also supporting us."

Support does not only come from management but also fans who play a role in encouraging the women to reach their potential – both on and off the field.

"We played in Cameroon in 2016 and the stadiums were packed, we played in Ghana and there were full stadiums. We came to Port Elizabeth and they [fans] were the 12th and 13th players for Banyana. The best fans we had [were] in Durban. It was absolutely amazing, and it [support] hasn't only grown on the stands but on the field as well. The Under-17 team qualified for the World Cup, so it shows how the game has grown," says Ellis.

Although local leagues for women have increased on home soil, there needs to be more opportunities that give African players a chance to break into the sport and develop their global competitive edge.

It starts with prioritizing junior levels.

"Players are getting opportunities to study. I remember back when we were playing, you were either unemployed or you had a job and 80 to 90 percent of the players were unemployed back then. If you look at the national team now, 80 to 90 percent of the players have a degree or are currently still studying. Players are getting opportunities to study or play abroad. We have a lot of players playing abroad but I think more can be done."

As a national asset, Ellis argues that focusing on the game is far more important than worrying about issues that are beyond control.

Once focus is lost, it manifests in all areas.

"When people ask me about the money, I tell them I am a technical person. You tend to concentrate more on your job as a coach and leave the rest, because you can get side-tracked by all the other things. We don't worry about those things," she says.

"As a technical person, your job is to prepare the team, [use] the training sessions to improve the individual and the team. That is why we have a manager, but when it influences team performance, I come in."

As the national team jets off to face world soccer, Ellis is working round the clock to ensure that the team will make the nation proud.

"Coaching is not just blowing the whistle, there are other things in between. You need a schedule; people want to know what you are doing. You have to do reports as well, so it is not about blowing the whistle at the end of the game."

It's also about analyzing the opponents with the technical team and coming up with strategies and a definitive plan of action.

"Playing against top countries is difficult as they play regularly against other top countries. That is where you want to measure yourself and that is where you really want to go out and bloom. People call it the group of death, but it is what it is. We will just take it one game at a time.

"If we do more, football in Africa can only grow and grow."

It seems more work happens off the field than on the field, and Ellis, who prides herself on her technical prowess, hopes Banyana will pull up its socks and bring home a glistening cup.

"

WHEN THE FINAL WHISTLE WENT, THE SCENES WERE AMAZING. OH GOODNESS, YOU JUST DIDN'T KNOW WHERE TO RUN, WHO TO HUG OR WHAT TO DO.

Photos by Gypseenia Lion

SWINGING FAST

Justin Harding

South African Justin Harding made almost a million dollars in the first four months of 2019. A sport often viewed as elitist and expensive is opening up across the continent offering greater access for players.

BY NICK SAID

SOUTH AFRICA'S SUNSHINE Tour is looking to expand its number of tournaments throughout the continent to build on the growing popularity of the game in Africa, as it continues to go from strength-to-strength despite challenges facing a sport often viewed as elitist and too expensive to play.

The tour already hosts two events each in Swaziland and Zambia, and one in Zimbabwe and Kenya, but is looking much further afield as it seeks to become a truly pan-African series of tournaments.

"The African leg of the Sunshine Tour is potentially very lucrative," Selwyn Nathan, Sunshine Tour Commissioner, tells FORBES AFRICA.

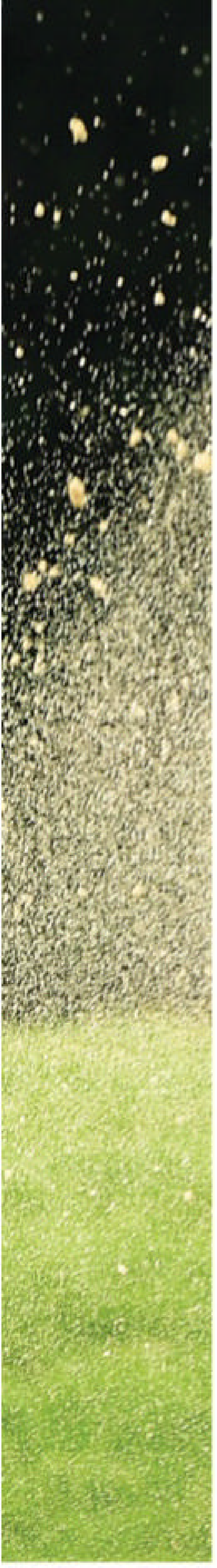
"We are hoping to expand our tour to 10-12 events over the next year or two and we see it as a real area of growth. We are talking to countries like Nigeria and the other SADC [Southern African Development Community] states, and we will grow it for sure.

"There are so many tours opening up in Africa as the game grows in popularity and there is greater access for players. It is very exciting."

The European Tour has long seen the potential of staging tournaments on the African continent and this year will co-sanction three in South Africa. But they also helped to host the Kenya Open for the first time in Nairobi, the Trophee Hassan II in Morocco and the Mauritius Open, with a West African event their obvious next step.

Nathan says the Sunshine Tour is in "good shape" for now and providing an excellent platform for South African golfers, as well as those from neighboring states, to go on and compete in the larger events in the United States and Europe.

"We have had good [commercial] retention over the last few years from a money perspective; we have the Nedbank Challenge, which has been going for 35 years and where golfers play for in excess of R100 million ($ 7 million) at the current



exchange rate.

"We also have the Alfred Dunhill Championship at the magnificent Leopard Creek Country Club and the South African Open in Johannesburg, where they play for in excess of 1.5-million euros ($1.7 million).

"We also have events like the Mauritius Open, which is co-sanctioned by the European and Asian tours, as well as another15 tournaments that are main Sunshine Tour events around the country."

That is not to say that there are no challenges, something that Nathan openly admits, the biggest being making sure there is enough prize-money to attract top players to Sunshine Tour events.

The better the playing field, the greater the public interest and likely exposure through television, making events more popular for sponsors. It is a vicious cycle.

"The constant fear of the tour is the currency (rand exchange rate) and being able to reach the minimum prize-money for our events," Nathan says, adding the financial strain is also being felt by clubs. "Most private clubs in South Africa are under huge pressure, for example around their membership fees and how much they pay for usage of the land each year.

"Costs of membership have gone up enormously in the last seven or eight years and clubs need to do a lot more to open up membership opportunities to the wider public. It is key for them to survive."

But despite these challenges, interest in golf is growing across all sectors of South African society, with the help of a number of initiatives. "We started our Gary Player Class in 2017 where we took 12 young players of color from different areas of South Africa and sponsored them on a weekly basis in terms of travel and subsistence so that they could play on the Sunshine Tour.

"This year, we were very excited to have seven of those players in the top 100 and we are really excited to see how the new squad that started in April will go in 2019.

"It is all about giving access and opportunity. We started development projects 18 years ago and have young players from all sections of South African society who are given the opportunity to play at junior and amateur level. If you look at the calendar at junior and amateur level in South Africa, there are events every single week all over the country for young players to play the game." And Nathan says they have also been delighted with the growth of their own women's tour in the last few years, another important future expansion area.

"MOST PRIVATE CLUBS IN SOUTH AFRICA ARE UNDER HUGE PRESSURE, FOR EXAMPLE AROUND THEIR MEMBERSHIP FEES AND HOW MUCH THEY PAY FOR USAGE OF THE LAND EACH YEAR.

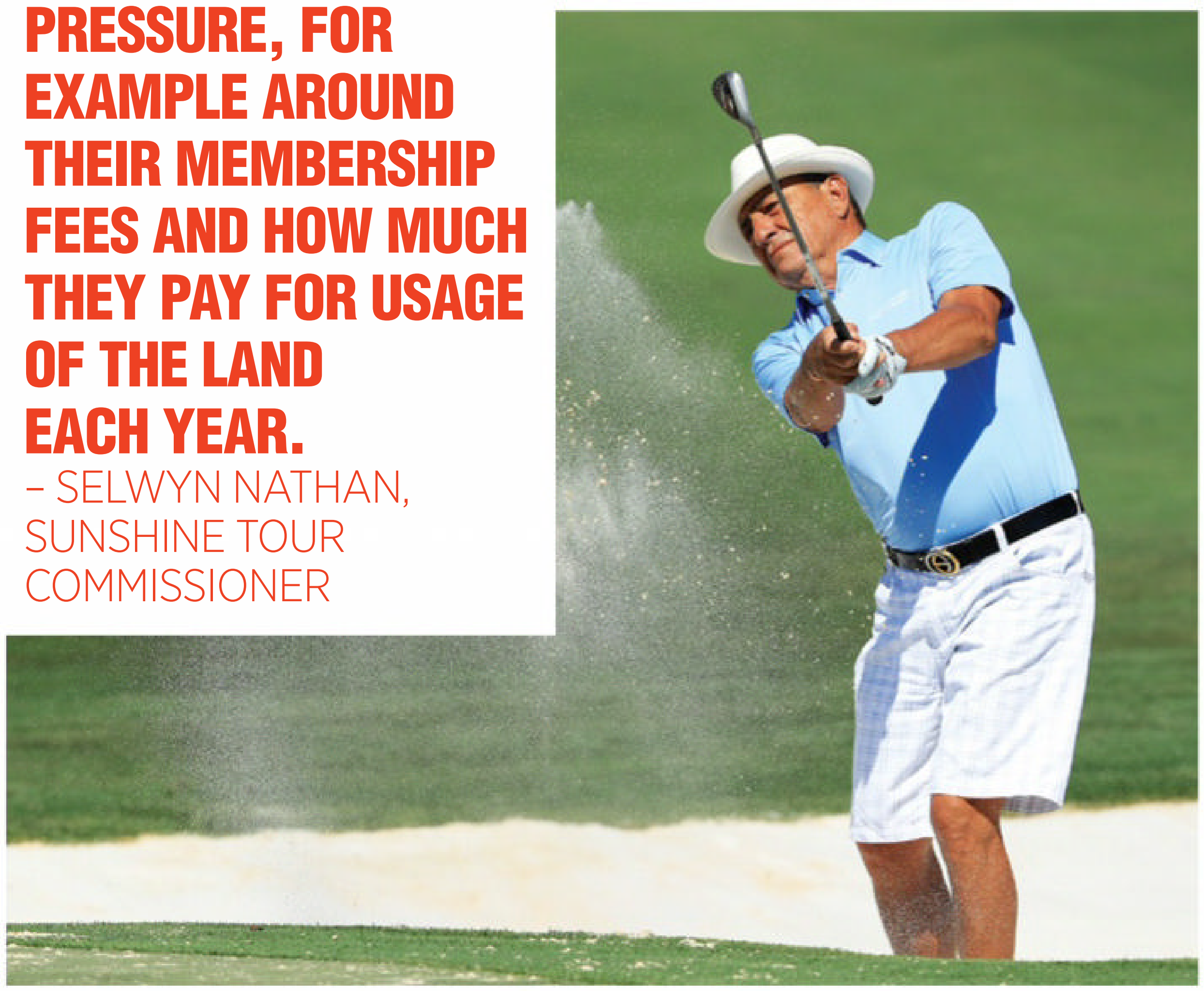
– SELWYN NATHAN, SUNSHINE TOUR COMMISSIONER

"We started the Sunshine Ladies Tour three years ago with four events. This year, we got up to eight events, with prize-money averaging somewhere from R200,000 ($14,100) to R2 million ($141,000) for the Investec SA Women's Open. "And through the tour, the players also get the opportunity to compete on the Ladies European Tour, where the money is much bigger. So we are really pleased with that and I am sure it will grow exponentially in the coming years."

Nathan speaks about South African Justin Harding and his rise to fame.

"In this week last year, Justin won the Investec Royal Swazi Open on the Sunshine Tour. In the 12 months since, he has won five tournaments, including two on the Asian Tour and one on the European Tour. He also tied 12th at the Masters."

From being a virtual unknown to winning R14 million ($988,000) in the first four months of 2019, Harding's rise has been meteoric. And he will, no doubt, look back at his years spent on the tour as providing him with the right level of experience and skill to compete on the global stage. F



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TSHILIDZI MARWALA

DATA, THE NEW GOLD

THE CITY OF JOHANNESBURG WAS ESTABLISHED in 1886 after the discovery of gold. Gold is a mineral that has been deemed valuable for thousands of years. It does not rust and it is malleable. Gold has been used in jewelry as well as in the semiconductor industry to build electronic circuits. You can bury gold for hundreds of years and the worst it can get is accumulate dust.

Because of its durability, gold has been used to store value in the form of money. In many countries, printed and minted money used to be linked to stored gold, which was reserved in the central bank. This way, central banks used to print as much money as they had gold reserves. There had been many attempts to move away from the gold standard beginning in the United Kingdom in the 1920s.

However, the first successful move from the gold standard was in the 1970s during the Nixon Administration in America.

At this time, the United States (US) ran out of gold and moved from the gold standard and floated the US dollar. Floated currency is regulated by the laws of demand and supply and is closely linked to the economic productivity of a country.

The idea of gold as the most important economic asset has passed. Instead of entrepreneurs going to California to look for gold, as they did in the past, they now go to Silicon Valley to create companies that exploit the acquisition and sharing of data.

Facebook is one such company that has connected the world and expanded our friendships – although, in my opinion, it lowered the quality of those friendships.

Facebook's most valuable asset is not the software that connects people, which can easily be replicated, but the data of the over two billion active users it connects.

The most valuable asset of Uber, the ride-hailing service that does not own a single taxi, is the data of the people who use it. The prime asset of Google, the largest library, which owns no physical library, is the index that takes customers to their desired websites.

Therefore, the new valuable asset is not gold but it is data. Data has become the new gold! With a population of 1.3 billion people and a total purchasing power parity gross domestic product (GDP) of $6.74 trillion, the population of Africa is growing at the rate of 2.6%.

Much of Africa's demographic is youthful. Much of this population is increasingly connected to the internet.

In 2017, Facebook had 170 million subscribers, which constitutes approximately 15% of the total population of Africa and this subscription is growing. Companies such as Google reportedly give accounts in exchange of subscriber data. These companies have been reported to have sold this data to entities such as advertisers, political parties etc. The exchange of personal data for an account is unfair

Photo by shapecharge via Getty Images

trade because the value of personal data is far greater than the value of an account.

What do we do to commercialize the vast African database?

Firstly, we need to develop technological capacity to gather, process and monetize the African database. To achieve these, we ought to improve and expand our educational institutions, paying attention to the development of programs in data science. We need to embed data science subjects such as data analytics and software engineering into primary, secondary and tertiary education.

Governments and the African Union ought to expand projects such as the Deep Learning Indaba as well as the African Institute of Mathematical Sciences that are developing mathematics, machine learning and artificial intelligence expertise in Africa.

To gather data, we need to politically organize ourselves to create economies of scale. Regionally, organizations such as the Southern African Development Community (SADC) and Economic Community of West African States (ECOWAS) should create regional data banks that collect, protect and store regional data.

Continentally, the African Union should coordinate data gathering and develop data protection policies. We need to create laws and policies that regulate data nationally, regionally and continentally.

– The writer is a professor and Vice-Chancellor and Principal of the University of Johannesburg. He deputizes President Cyril Ramaphosa on the South African Presidential Commission on the Fourth Industrial Revolution.


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OPINION – BOX OFFICE

ROBERT HAYNES

THE $40 BILLION CLUB

THE INTERNATIONAL worldwide box office has never been this big or this competitive. 2018 proved to be a record year as Comscore reported that the worldwide box office peaked at $41.7 billion. This is already a 2.7% upward shift from last year's $40.6 billion and marks only the second time ever that it has cracked $40 billion.

At a time when blockbuster films are all but devouring the lion's share of traffic at the international turnstiles, we thought it appropriate to pause and take a look at just what these figures mean for the future of film and film releasing. Is Hollywood cannibalising itself by creating these juggernauts?

Well, let's take a look at the latest numbers sensation, *Avengers: Endgame*. The film broke a few records. It had the biggest international opening of all time raking in just over $1.2 billion in its first 11 days of release, an unheard-of figure. As of May 13, *Avengers: Endgame* is sitting on a worldwide total of $2.5 billion and is guaranteed to go even higher in the weeks ahead. But where does this leave variety, where does this leave the smaller film, the adult-orientated film, the arthouse film?

The reality is that the mere existence of films like *Avengers: Endgame* means that this leaves such kinds of pictures nowhere. It's impossible for any other picture to compete with a $356 million budget superhero movie with at least another $200 million in worldwide marketing costs behind it. Hollywood's technique is complete saturation and to kill the competition. So while the film may have performed exceptionally, let's be honest, with the kind of market saturation, brand name power and the sheer size of the international release, it should have.

Another important point when reviewing this film's incredible box office performance is again to take into account the all-important Chinese market. *Avengers: Endgame* has already grossed over $600 million in China accounting for over a third of its total gross

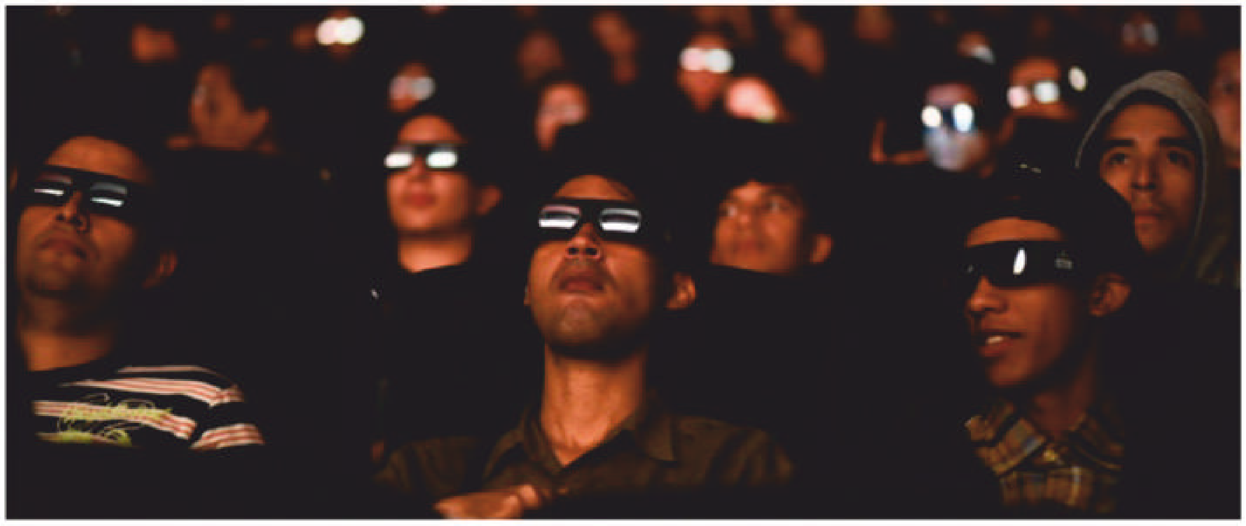

Photo by FEDERICO PARRA / Contributor via Getty Images

already. But how has it performed from a historical perspective? When looking at ticket prices adjusted for inflation based on grosses in the United States only, the film slips all the way down to number 24 on the all-time grossers list. Top of the pops is still *Gone With The Wind* from 1939, followed by the original *Star Wars* from 1977.

This brings me to my next point. Whatever happened to films that had legs, such as Steven Spielberg's *E.T.* from 1982 or *The Exorcist* from 1973? The grosses of these films adjusted for inflation would be billions of dollars worldwide. The key to their ongoing longevity is that they had legs. These were films that discovered their audience week by week and although they were smash hits, they often grew in terms of their numbers from one weekend to the next as word-of-mouth spread, increasing their turnover.

In this age of instant gratification and mass saturation, *Avengers: Endgame* is doing the opposite – it dived by 70% in its second week, numbers showing no signs of any real longevity.

So is *Avengers: Endgame* going to be the ultimate releasing strategy going forward? Does one push the film out into as many cinemas as possible, spend the equivalent of a small country's GDP in terms of marketing power and try and pack in as many viewers into your first seven days with sell-out performances, then take the money and run?

Speculation is always circumspect so I'd like to pose another question. If film is a business, should the business strategy be hit and run?

Will any of these films have the kind of longevity from a film fan perspective or will they disappear into the chasm of disposable entertainment.

Again, only time will tell.

Where to from here for Hollywood?

This kind of maximum impact output surely isn't sustainable and is surely too risky. You can't spend half a billion dollars on producing and marketing a film and then have any kind of risk in terms of the film not connecting with its broad-based audience.

All you need is two or three box office bombs and you'll sink a studio.

The old cliché that you can't put all your eggs in one basket exists for a reason. If entertainment tastes continue to split into niches, the theatrical movie-going experience will also continue to take a backseat to Video On Demand, and Hollywood may just be shooting itself in the foot with this glut of summer tent-pole pictures.

I sincerely hope this doesn't mean the death of "word-of-mouth". Bigger does not necessarily mean better. F

– The writer is Executive Producer of entertainment at CNBC Africa and owner of film and TV production company, 42nd Street Films, in Johannesburg.


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'FINANCIAL FREEDOM IS AN ILLUSION'

Vinny Lingham, the co-founder of Newtown Partners and CEO of Civic, on investing in bitcoins and putting yourself first.

> IF YOU REALLY ARE FINANCIALLY FREE IT WOULD MEAN THAT YOU ARE LITERALLY SITTING ON CASH AND LIVING OFF INTEREST FOR THE REST OF YOUR LIFE.

Photo by Karen Mwendera

WHAT IS THE MOST INTERESTING INVESTMENT YOU HAVE EVER MADE?
I think bitcoin has to be the most interesting. I was an early investor in bitcoin and it is interesting because of the way the whole industry has gone nuts, up and down, and on roller-coasters.

WHAT WAS YOUR MOST REGRETTABLE FINANCIAL BLUNDER?
I have got many. I think it was buying fancy cars when I was younger. You go and buy a car that you can barely afford and then you live in a small place.
And then you realize that you may be spending a lot of money on a vehicle instead of either saving or paying off debt. It's okay to buy cars when you can afford them.

DO YOU HAVE ANY PARTICULAR INVESTMENT PHILOSOPHY?
I have lots but you have to build your own investment philosophy that works for you. Everyone has different risk tolerance. Some want lots of risk and others want no risk.
I think the mistake is to take no risk but you shouldn't risk it [too much] either – so find the right balance.

HOW DOES ONE BUILD THIS BALANCE AND FINANCIAL DISCIPLINE?
Have a budget and stick to it. If you have a fixed income, you need to have a fixed income budget.

WHAT DO YOU UNDERSTAND ABOUT BEING FINANCIALLY FREE?
Financial freedom is an illusion. Because if you really are financially free, it would mean that you are literally sitting on cash and living off interest for the rest of your life.

When you're young and you make money, you're free for a while and then you get yourself into the next big project and you are not really free. So, financial freedom can come and go. [Being financially] free forever is very hard to get to.

The only time you are free forever is when you put all your money in the bank and take no risk and if you can live off that income, then you are really free.

But if you keep investing and growing your wealth, you are not always free because you always have to look after your investments. So financial freedom is really hard to achieve if you're always investing.

Even now when I have a lot of wealth and investments, I am free but I still have to make sure that my investments don't fail. So, you are still a slave to your investments in a sense.

WHAT ARE SOME OF THE BUSINESS GOALS ON YOUR BUCKET LIST?
It would be interesting to go into an IPO company, I haven't done that yet.

WHAT ARE SOME OF THE FINANCIAL LESSONS YOU HAVE CARRIED WITH YOU SINCE YOUR YOUTH?
Pay yourself first. It is all good saving money, but you have to take care of yourself as well. Don't live too close to the edge, and be balanced.

– Interviewed by Karen Mwendera

FROM FREDDIE MERCURY TO THE FARMS

The sights, scents and sounds of Zanzibar include a 73-year-old tale of the iconic late British singer-songwriter.

WORDS AND PHOTOGRAPH BY RENUKA METHIL

"DRESS CONSERVATIVELY when walking the streets of Stone Town," advises the tourist brochures in the predominantly Islamic society of Zanzibar, yet, the tiny Tanzanian archipelago proudly claims Freddie Mercury, the controversial frontman of British band Queen, as its own.

The singer, born in the windswept streets of Stone Town in Zanzibar in 1946 and one of the world's most iconic voices in pop-rock, is this tourist town's biggest currency-spinner.

Stone Town, which is a maze of historic alleys and spice bazaars with timber shutters, an old Arab fort, churches, mosques and 19th-century stone buildings, is a World Heritage Site overlooking the sea. Within its dusty bowels, leading up from its myriad walkways, is Shangani Street, starting with a white-washed, two-storied yellow building that was once Freddie Mercury's home.

There are countless tours offered to what is emblazoned in gold outside as 'Freddie Mercury House', featuring four fully-furnished hotel apartments with balconies overlooking the Indian Ocean.

Outside are framed glass cases with sepia images of the songwriter and vocalist, describing his famous connection with Zanzibar. Born Farrokh Bulsara, Mercury's family had immigrated to Zanzibar from Gujarat in India. He was born to Bomi and Jer Bulsara who were originally Parsis (a Zoroastrian community that migrated to the Indian subcontinent from Persia). In 1964, the Zanzibar Revolution forced the family to flee.

The island community's lucrative tourist trade is even today cashing in on Mercury's global image, with tours offered at the Zoroastrian Fire Temple where the Parsi family once worshipped, and to a restaurant named Mercury offering fresh seafood.

"Imagine, Freddie Mercury played on these white sandy beaches and clear waters at one time," says my tourist guide, Amour, proudly, before taking me on a two-hour walking tour of Stone Town. He points to the domed white Zanzibar High Court where Mercury's father once worked as a cashier.

His house on Shangani Street, where the first settlers arrived, is a hub of activity, with tourists, and touts selling everything from icecream to tanzanite jewelry and African bric-à-brac. Just a few steps up, is the Shangani post office and buildings boasting Indian, African and European architecture, where you discover your own *Bohemian Rhapsody*.

Amour helps me weave through the heaving mass of human traffic in the busy streets, to a fish and vegetable market in Stone Town that also sells spices in pretty bamboo gift-packs. The fish is sold fresh and the spices overpower the stench.

"Zanzibar used to be the largest exporter of cloves in the world, but from 70 percent, it's only nine percent now," Amour rues, thrusting a packet of cloves into my hand, "and that's sad, because of declining prices, more competitors and the poor encouragement of farmers."

Earlier, I had visited the spice farms Zanzibar is so famous for, finishing off with lunch in a Swahili home stationed on a peak in one of the scented valleys. It was modest home-cooked fare but with aromas as strong as the spice farms the ingredients came from: a banana dish with coconut milk and cardamom, flavored cassava from the fields, fried tuna, rotis and the most fragrant *pilaf* (rice dish) I have ever eaten, watered down with lemon grass and ginger tea.

I had been to the Muyuni village in the south tasting the sweetest mangoes and bananas in all of Africa, passing seaweed-strewn beaches, paddy fields and potholed

Freddie Mercury's home

roads with bullock carts, *dala dala* taxis and motorbikes. In the lush mangroves of Jozani, I encountered the endangered red colobus monkeys. In the spice plantations, down slippery forest paths, I tasted nutmeg, cinnamon and cloves off the trees. The natural treats along the way also included lemons and sweet green oranges. As we passed the red mahogany trees, "beware of the green mambas or pythons", my host had warned. A vendor in the middle of the forest showed us his wares in a wicker basket: soaps and perfumes made from the Ylang-Ylang trees by the womenfolk.

"In Europe, Chanel No. 5 is made from this. Here, we call it Chanel No. 0, our products have no chemical or alcohol," he says, pointing to the tiny bottles filled with red liquid. "These farms are so rich in spices that the chicken running around are already spiced, you don't need to flavor them when you cook them," laughs Amour, towards the end of our outing. From Freddie Mercury to the farms, Zanzibar beckons the senses.