

GSB BUSINESS REVIEW #9 SUMMER 2017



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Asavela Somo, a student in the Raymond Ackerman Academy of Entrepreneurial Development at the GSB, during a brainstorming session in the MTN Solution Space. Photo Bev Meldrum.

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WELCOME



There is no shortage of evidence that the old ways are failing us. From climate breakdown to social upheaval, we are daily confronted with the limitations of our existing systems. More and more people around the world are recognising that something needs to change. And at the GSB, the team at the Bertha Centre has been at the forefront of positioning the GSB as part of a new wave of questioning, thinking and action to disrupt existing systems and realise new possibilities.

The centre recently celebrated its 5th birthday, so this issue is largely given over to documenting some of the highlights of its journey. This has included being recognised by the Bridgespan Group as one of the top five centres globally doing pioneering work in the realm of social impact education.

The centre was benchmarked alongside business school heavyweights including the Social Enterprise Initiative at Harvard Business School and the Skoll Centre for Social Entrepreneurship at the University of Oxford's Saïd Business School. Notably, it was the only emerging market business school to be featured and also the youngest of the centres that are engaged in this critical work.

The Bertha Centre's goal is to advance the discourse and systemic impact of social innovation by building capacity and pioneering practice in

Africa. It has infused social impact into the core of the business school curriculum based on the conviction that future leaders need to create economic, social and environmental value for an inclusive, sustainable country and continent.

You will read much about their work on the pages that follow. I would like to draw your attention in particular to the overview on pages 12-15 and the feature by the centre's director Dr François Bonnici (pages 16-17) on why social impact educators need to disrupt their own systems. The feature by Cynthia Schweer Rayner on page 18-20 on the rise of systems entrepreneurs also does much to highlight some of the central tenets of the centre.

A key part of the work of the Bertha Centre has been around giving candidates access to top level business degrees through the Bertha Scholarship fund and, by so doing, to change the kind of student that comes to business school. On the back page we feature one of these Bertha Scholars, Micah Shako, who is now doing impressive work in East Africa to bring about social transformation.

His story aptly sums up what all of this is about: the transformation of our continent and our world – for the better – and the freedom to think differently and speak openly about the change that we all want.

Jane Notten, Editor

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François Bonnici is the co-founder and director of the Bertha Centre for Social Innovation and Entrepreneurship at the GSB. He trained as a medical doctor, has an MBA from Oxford's Saïd Business School, and a Master's in Global Leadership conferred by the World Economic Forum.



Michael Mugabire is a PhD graduate of the GSB and the CEO of Eden Forestry Company Limited. His PhD research on supply chains in the Ugandan sugarcane industry is making a major contribution to policy formulation in that country, especially with respect to the Uganda Sugar Bill 2016, which is currently before Parliament.



Stephanie Giamporcaro is the lead researcher and director of the African Investing for Impact Barometer, an annual publication that offers a snapshot of the investment for impact market in Africa.



Fatima Hamdulay is a senior lecturer in operations management at the GSB. Her passion lies in human capital issues and organisational transformation. Her work with MBA student Himanshu Vidhani on the successful turnaround at K-Way won top honours at the annual Emerald/Association of African Business Schools (AABS) Case Study Competition.



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NEWS ROUND-UP

LONG-AWAITED GSB ACADEMIC CONFERENCE CENTRE TAKES SHAPE



Work has started on the construction of a state-of-the-art academic conference centre on the GSB campus that will greatly enhance the school's ability to convene thought leadership conferences and host sizeable international delegations.

"The limited scale of existing facilities has hampered our ability to host modern conferences on site," explains Rayner Canning, Director of the GSB Business Development Unit. "The constraints presented by the more than 100 year-old heritage site mean that existing facilities are unable to cope with the increasing need for large events focussed on research and academic themes."

Canning says that an improved facility for the GSB had actually been mooted for many years, and that in the face of rising demand, he and the previous GSB director, had decided to resurrect the project.

"We appointed the design team, conducted the financial feasibility study, crafted the business model and organised financing via the Development Bank of Africa and other stakeholders. Then, once the various university authorities had given their approval, it was full steam ahead!"

The academic conference centre is specifically planned to conform to the requirements of a technologically advanced era in academic and research circles. "It has been designed on three levels," Canning says. "The basement houses a stepped auditorium capable of seating some 250 people, so it will be ideal for the larger seminars and for lectures to big groups. Both the ground and first floor contain multi-purpose flat venues which can operate either as independent spaces with about 70 people in each, or the entire area can be opened out to cater for bigger functions, which can be attended by up to 300 people. There are also a number of smaller breakaway rooms for delegates to focus on specific topics during a conference. The entire facility will be able to hold 750-900 people at any one time."

The conference centre will be available for hire by outside parties – its location in the Waterfront precinct offering obvious attractions – and the GSB is also offering naming rights opportunities on the building and on specific venues.

The centre will be positioned on campus between the main academic block and Stone House four and five. Canning says that the site was handed over to the contractors, at the beginning of October 2017. Demolition of the existing structures, including the old fish factory, will commence after site preparations are completed. Excavation and construction will then be initiated and the build phase of the project is scheduled for completion by the end of 2018. The fit out phase will then commence. "We anticipate the venue to be operational by the end of the first quarter 2019," he says.

GSB EMBARKS ON PIONEERING LEARNING JOURNEY WITH BARCLAYS ABSA CAREER COMPLIANCE ACADEMY

The GSB's Business Development team recently launched a customised Postgraduate Diploma in Management Practice for the Barclays ABSA Career Compliance Academy. The project represents a huge step forward in professionalising compliance as a discipline. As a pan-African initiative, it also demonstrates the GSB's increasing relevance in Africa.

The Barclays ABSA Career Compliance Academy, an initiative by Barclays Bank, combines the knowledge and expertise of three different service providers. As the chosen business school partner for this initiative, the GSB provides a customised Postgraduate Diploma in Management Practice (PGDip) specialising in regulatory compliance.

Rayner Canning, Director of Business Development at the GSB highlights that this programme is a real feather in the School's cap. "Previously, Barclays PLC (UK) had partnered with Cambridge Judge Business School (part of Cambridge University) to deliver a similar programme. Thus, having been selected to pioneer a more African-focussed programme for the pan-African Barclays-ABSA business is something the GSB can be really proud of. We also expect to see a strong collaboration between GSB Faculty member, Dr Elanca Shelley and UCT's Faculty of Law experts to create this unique programme."

Derek Naude, Business Developer at the GSB, was involved in the development of the programme. He explains: "Career compliance in this instance is specific to banking, and the Academy combines the GSB's customised PGDip with workshops on compliance by Duke University and a module on financial crime run by Deloitte. The key motivation of the Academy is to integrate knowledge on regulatory compliance. It is pioneering work.

In the design of the programme, we changed 50% of the content of the diploma to focus on regulatory compliance. It is important to note that everything that applies to any postgraduate diploma still applies: delegates need to have a degree and a certain amount of experience to apply and qualify for the programme. It is seen as aspirational, within Barclays, to attain this diploma."

The overall objective of the PGDip is to provide a consistent practice in regulatory compliance for compliance officers. "Compliance officers have different qualifications and come from different backgrounds such as law, commerce, or specialised product fields. But everyone who works in compliance focuses on the same thing, and the PGDip aims to consolidate and standardise knowledge and introduce a new platform in compliance best practice. It will raise the benchmark of skill and practice in compliance," says Naude. "Furthermore, the programme is designed to tackle challenges facing the banking industry including blockchain, cryptocurrency, and fintech innovations. Barclays wanted to focus on getting people skilled to be able to regulate these."

The first cohort of 30 professionals from the Barclays ABSA Africa Group started their journey with GSB in August 2018. "What is spectacular about this programme," says Naude, "is that it is a pan-African initiative. We have delegates from eight African countries attending." Delegates will attend modules at the GSB in Cape Town as well as fieldwork modules elsewhere. The programme will run twice a year with an average of 30 delegates in each cohort, so the GSB will host 60 pan-African delegates a year, for the next three years.

GSB makes history – and a difference – in Philippi



UCT Vice-Chancellor Dr Max Price welcomes guests to the official opening of the UCT GSB Solution Space in Philippi, Cape Town.

For the first time in its 179-year history, UCT has established an official and permanent educational space in a Cape Town community with the opening of the UCT GSB Solution Space, a hub for innovation and entrepreneurship, in Philippi Village this June.

An initiative of the UCT Graduate School of Business (GSB) and the Bertha Centre for Social Innovation and Entrepreneurship, the GSB Solution Space at Philippi Village celebrates a new approach that seeks to go beyond the traditional reach of a university. Over the past year it has started to establish a presence in the community with the long-term purpose of getting community members of Philippi and surrounding Nyanga, Gugulethu and Khayelitsha, as well as private stakeholders, donors, corporate parties and business school students involved in a collaborative process to realise new possibilities.

"Our presence in the Philippi Village development is one way in which the GSB is deepening its roots and relevance as an African business school," says GSB Director Associate Professor Mills Soko. "The GSB is widely regarded as the leading business school in Africa, but its location at the V&A Waterfront is far from representative of the reality that the vast majority of South Africans face every day."

The GSB Solution Space in Philippi Village has a campus set-up with workspaces, lecture space, lounge areas and meeting rooms creating a vibrant hub where creative thinking around entrepreneurship and technology is encouraged. To date, over 100 workshops and educational programmes have been held there, which have

been attended by about 3 000 people. All students who study an academic programme at the GSB are also encouraged to take at least one course at the Philippi Village satellite site and the hub also works closely with students from the Raymond Ackerman Academy for Entrepreneurial Development.

Our presence in the Philippi Village development is one way in which the GSB is deepening its roots and relevance as an African business school.

Associate Professor Soko says the GSB teaches students the importance of learning how to become comfortable with uncertainty and paradox in a complex and fast-changing world – and to trust that solutions will emerge.

"Being here helps our students to develop empathy and resilience and to open their eyes to wider perspectives – all of which are vital attributes for the modern leader, especially one operating in an emerging market. In addition, by working directly with entrepreneurs in the community we are able to be more inclusive and more actively involved in developing business innovations that change lives for the better."

Sarah-Anne Arnold, Solution Space Manager, explains that the GSB Solution Space acts as a business incubator and hosts local social enterprise businesses such as Lakheni, a bulk-buying initiative for low-income households, Discover Ikasi, which promotes township tourism, and the Blue Door Early Childhood Development venture.

"The GSB Solution Space has been operational for one year and the launch was aimed also at celebrating the businesses and initiatives that have been started here, promoting them and creating awareness about the possibilities for collaboration, innovation and entrepreneurship that exist in the space," says Arnold.

Philippi Village, as a development, was initiated more than five years ago with the vision of creating economic opportunity through the active inclusion of those who are excluded from the mainstream of development. The 6 000m² mixed-use space now boasts a retail section as well as a modern public library. Small businesses like Kings Fish & Chips, Betty's Hair Salon, Simphiwe Shoes, and AV Schoolwear have shops there. Organisations with offices at Philippi Village include the Business Activator, Harambee, Desmond Tutu HIV Foundation and Leap Schools.

The UCT GSB is one of the foundation tenants of the Philippi Village development and its facilities have been made possible with the support and involvement of key sponsors including the MTN Group, the UCT Vice-Chancellor's Strategic Fund and the Flanders Government Funding for building a social economy as well as the Bertha Foundation.

GSB BOOKLET SHINES LIGHT ON ESKOM STATE CAPTURE ALLEGATIONS

With the fight against state capture gaining momentum, UCT Graduate School of Business academics Professor Anton Eberhard and Catrina Godinho have made a valuable contribution to the mounting body of evidence on how the system of corruption works.

If parliament fulfils its constitutional mandate, the fingerprints of the president, the Guptas and their associates, of ministers Gigaba and Brown, and of implicated Eskom board members and management will be revealed.

In September, Eberhard and Godinho launched a reference booklet that provides an independent, accessible and concise account of the alleged instances of governance failure and corruption at Eskom.

The booklet brings together information that has emerged around what has taken place at the power utility since the start of Jacob Zuma's presidency in 2009 and presents it in a coherent, easily understandable timeline that shows how

governance at the power utility was systematically destabilised, allowing corruption to set in.

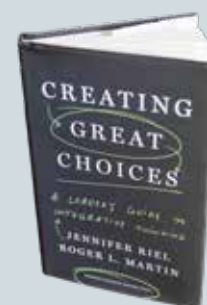
It details how a number of tenders were decided at board or ministerial level, against executive procurement committee decisions; how coal contracts with the Gupta-owned Brakfontein mine were signed and extended despite the coal not meeting quality or environmental standards; and how Eskom's assistance was critical in Gupta-owned Tegeta gaining ownership of Optimum Coal Holdings from Glencore.

Professor Eberhard said that the booklet was designed to serve as an important source of reference for parliament's Public Enterprises Committee inquiry into state capture at Eskom, Transnet and Denel, which got under way in October. It includes a number of questions that committee members are encouraged to probe.

"If parliament fulfils its constitutional mandate, the fingerprints of the President, the Guptas and their associates, of ministers Gigaba and Brown, and of implicated Eskom board members and management will be revealed," he said.

Former finance minister Pravin Gordhan, who was the keynote speaker at the launch, said that there was a political economy around the booklet which puts some serious questions before South Africans as to what kind of politics are playing out in the country. "What is the structure of our state, and how is it that with the constitution that we have, the checks and balances we thought we built in, the powerful civil society, media and other organs that we have operating in our country, how do we still end up where we are?" he asked.

ROGER MARTIN LAUNCHES LATEST BOOK AT GSB EVENT



In the world of business, being decisive is often held up as being one of the great virtues of a good leader. But, argues Roger Martin, global thought leader and author, in rushing to make a decision, business leaders miss the opportunity to explore and find better options that may create more value for more stakeholders.

Speaking at the global launch of his new book – co-authored with Jennifer Riel – *Creating Great Choices: A Leaders Guide to Integrative Thinking*, Martin said when it comes to our hardest choices, it can seem as though making trade-offs is inevitable. "But what do we do when the choices in front of us don't get us what we need?" he asks. "In those cases, rather than choosing the least worst option, we can use the models in front of us to create a new and superior answer."

Martin, who was in Cape Town as a guest of the UCT Graduate School of Business and The Hasso Plattner Institute of Design Thinking to deliver an exclusive two-day strategy masterclass, calls this approach integrative thinking. He believes it is a discipline that anyone can acquire and apply to improve their ability to make good strategic choices, rather than weak compromises.

Speaking at the book launch, director of the GSB, Associate Professor Mills Soko, said the school was honoured that Martin had chosen Cape Town to launch his new book. "The GSB aligns with many of the philosophies Martin has pioneered around systems thinking and innovation. We are excited to have this opportunity to expose a greater community to his level of thought leadership," he said.

The launch event was sponsored by Media24 and took place on their Nasdak, described as one of the hottest rooftop venues in Cape Town.

A former dean of the Rotman School of Management from 1998 to 2013, Roger Martin is the Institute Director of the Martin Prosperity Institute and the Michael Lee-Chin Family Institute for Corporate Citizenship at Rotman. He also holds the Premier's Chair in Productivity and Competitiveness in Toronto, Canada. He has authored and co-authored more than 11 books including *The Rise and Likely Fall of the Talent Economy*, *Getting Beyond Better*, *The Future of the MBA*, *Fixing the Game*, and *Playing to Win*.



Associate Professor Stephanie Giamporcaro.

UCT GSB CASE STUDY ON AFRICAN BANK COLLAPSE WINS INTERNATIONAL ACCOLADE

When local micro lender African Bank collapsed in 2014, few people appreciated the extent of what had gone wrong with its board and management. It was only months later, when the Myburgh Report was released, that details emerged of how serious the failure of corporate governance within the bank had been.

Now, the story has been further unpacked in an award-winning business case study, written by UCT Graduate School of Business academic Associate Professor Stephanie Giamporcaro and MBA student Matthew Marrian. The case, which examines the choices made by a fictional asset manager that has invested in African Bank Investments Limited (ABIL), encourages students to ask why so many institutional investors found the investment case compelling, and seemingly missed the risks posed by the company's weak corporate governance.

The work has now gained international recognition by being selected as one of the top 10 case studies in the 2017 CEEMAN (The Central and East European Management Development Association) Case Writing Competition. The competition drew a total of 66 entries from all over the world. More recently, the case won the 2017 Institute of Director's African Governance Showcase Competition.

"I decided to look at the African Bank story because I was teaching the MBA class on corporate finance. I realised that there were not too many cases written on corporate governance and responsible investing in an emerging market, and South African, context," says Dr Giamporcaro. "I asked the students to think of something that had happened recently that we could call a corporate governance failure, and African Bank was obviously an interesting case to look at."

The international recognition is a boost to the GSB's goal of producing high quality local case studies that reflect the realities of emerging economies, and reduce the reliance on case studies from international universities. The GSB established a Case Writing Centre in a joint venture with the Harvard Business School Alumni Africa Club in 2016. Giamporcaro and Marrian's African Bank case study is one of the first to emerge from this initiative.

GSB LAUNCHES NEW FINANCE MOOC TO HELP ADVANCE SUSTAINABLE DEVELOPMENT GOALS



UCTMOOCs
FREE ONLINE COURSES

The Bertha Centre for Social Innovation and Entrepreneurship, a specialised centre at the UCT Graduate School of Business (GSB), is launching a first-of-its-kind MOOC (Massive Open Online Course) on Innovative Finance that seeks to give individuals and organisations, who are passionate about tackling social issues, the financial tools to turn their plans into reality.

Innovative Finance has been identified as one of the key strategies towards meeting the UN's Sustainable Development Goals (SDGs). The Bertha Centre was recently chosen by the United Nations Development Programme to represent UCT, as one of nine universities worldwide, to develop a research agenda to better leverage private investment to finance the SDGs and the MOOC forms part of this work.

Aunnie Patton Power, Innovative Finance Lead at the Bertha Centre and designer of the MOOC, explains that what makes this course unique is it teaches a different way of looking at financing. "It starts with the outcome you want to achieve, for example access to healthcare or clean water; and then you design a financing strategy around that outcome."

This is the second MOOC to come out of the Bertha Centre, as part of a wider UCT initiative driven by the Centre for Innovation Learning and Teaching (CILT) to develop online learning material that is free and accessible to anyone, anywhere in the world.

Last year the Bertha Centre launched the highly successful MOOC – Becoming a Changemaker: Introduction to Social Innovation – which has had approximately 15 000 participants to date and was named as one of the top ten new MOOCs launched in 2016, as voted on by thousands of Class Central users.

There is an estimated \$2.5 trillion funding gap annually in reaching the United Nation's SDGs and we are looking at how we can bridge that to contribute to those goals.

"The first MOOC focussed on empowering individuals to act as social innovators," says François Bonnici, Director of the Bertha Centre. "This one is focussed on innovative financing, and essentially looks at financing Sustainable Development Goals (SDGs). There is an estimated \$2.5 trillion funding gap annually in reaching the United Nation's SDGs and we are looking at how we can bridge that to contribute to those goals." He adds that the course's methodology is unique. "It lays out how we do what we do at the Bertha Centre. It's a specific methodology that we've designed over the last six years and it ties in with the global focus on SDGs and how we're working in our small way to help attain them."

Innovative Financing will appeal to anyone interested in financing social impact, including students and professionals from the public and private sectors. Five case studies are included in the course to demonstrate successful innovative finance models used by foundations, non-profits, social enterprises, private investors and governments. It gives participants the tools to address a social issue, to think through the best way of doing it, and to design a financing and resourcing strategy. "If a traditional model doesn't work, then we equip you to invent a new one," says Patton Power.



Former ministers Pravin Gordhan (left) and Derek Hanekom (centre) with Catrina Godinho, Lauren Hermanus and Professor Anton Eberhard at the launch of the Eskom reference booklet.

APPOINTMENTS

FINDING OUT WHAT MAKES ALUMNI TICK



Newly appointed GSB Alumni Relations Manager, Niven Maree, believes that researching alumni needs and expectations holds the key to building mutually beneficial and sustainable relationships. And that these form part of the GSB's strategic vision to remain relevant and build a strong presence in Africa.

"Alumni relations, like any other relationship you value, should never be taken for granted," says Maree. "Relationships need work. Just as you need to nurture your relationship with your partner, your granny, your friends. That is how I view alumni relations." He is excited that his new role will allow him to "really get involved, to understand and grow the GSB's relationship with its key stakeholders".

Maree has been actively involved in stakeholder relations in higher education for 15 years. He joins the GSB after seven years at the Cape Peninsula University of Technology (CPUT) as a senior fundraiser in the corporate, trust and foundations sectors. This involved strategic communication management, industry liaison and project management. Prior to that, he worked as a development manager in fundraising at UCT.

He feels his most important task ahead will be "to find out what makes GSB alumni tick". The beauty of this, he says, is that no one stakeholder group is the same. "Alumni are not a homogeneous group. What works for someone who graduated in 1970 is not the same as someone graduating in 2017. Their needs and expectations are different, and they require a different approach."

His vision is to ensure that the GSB's strategy and relationship management remains relevant. "My hope is to build on the exceptional foundation laid by my predecessors, and to develop a deeper understanding of our stakeholders in order to provide a better service to them."

Maree is currently completing a Master of Technology in Public Relations Management at CPUT, which he feels will ground his practical experience in theory, and help him in his new role. He already holds a Bachelor of Technology from CPUT where he graduated cum laude.

The best part about his work, Maree feels, is that "every positive interaction with a stakeholder for me is a highlight. Also, it is a privilege to be associated with a world-class business school like the GSB. It is an honour, and I want people to know that I am here to serve them."



NEW ERA ON THE CARDS FOR GSB CAREERS

Career advancement is the number one objective for the vast majority of students who enrol on a business programme and Amena Hayat, newly appointed Career Service Manager at the GSB, is determined to ensure that these ambitions become realities.

"My role is around engaging with diverse talent; providing a platform and opportunities for students to advance or change careers and equipping them with the tools to handle this life-changing experience most effectively," she says.

Hayat, who was formerly the Global Talent Manager for Unilever London, brings to the position a wealth of local and global expertise, new perspectives and ideas.

"Talent management involves understanding that the process reaches well beyond recruitment and takes a long-term view on talent. It is not just about 'landing' graduates in an organisation, but considering each individual and developing him or her to become an asset to the organisation by speaking to the strategic goals of that organisation," she explains.

Hayat draws on an eclectic career path: she qualified as a chef with the South African Chefs Academy before going on to achieve a BSocSci in economics and organisational psychology and a postgraduate diploma in marketing management. She then entered the human resources division of Unilever South Africa where she immediately began to chalk up an impressive list of achievements paving the way for a position in Unilever UK where in 2016 she was recognised as the "Key Emerging Talent".

At Unilever she developed a passion for talent and careers which led to her deciding that she wanted a diversion in her own career path to understand "the education side of careers". So when she saw the role being advertised at the GSB she jumped at it.

This role forms part of the newly streamlined unit: the Department of Alumni Relations and Careers Services. According to Morea Josias, who heads up the new department, the new structure is designed to improve the career support provided to students and alumni.

"Success will be to leverage off the strong foundation the GSB careers team has and boost it to help meet the needs of an evolving corporate landscape so that together, we can build South Africa," says Hayat.

The poetry of good business leadership

Newly appointed Allan Gray Chair in Values-Based Leadership at the GSB, Professor Kurt April, is currently working on his ninth book, but it's not what you would expect from a business school professor.



Professor Kurt April is one of the GSB's most published academics, but his newest book will come as a surprise to some. The book, expected out this November, will be a collection of poetry that will feature his own work, as well as the contributions of MBA students whom he has encouraged to think not only about responsible and purposeful leadership, but also about being more creative and flexible.

"Poetry and business, at face value, appear to be odd bedfellows," he admits. "But poetry can enhance, enrich and animate the life of business, and the lives of those within business."

Exploring new ways of looking at more responsible and sustainable leadership practices has become the focus of an illustrious academic career for Professor April, that has, somewhat appropriately, led to his appointment as Chair of the Allan Gray Centre for Values-Based Leadership at the GSB. April took up the mantle in September this year after a lengthy competitive recruitment process to fill the Chair, which has been vacant for over a year.

Professor April has been a member of faculty at the GSB, most recently as professor of leadership, diversity and inclusion, for almost two decades. He is also an Associate Fellow at Saïd Business School, University of Oxford, UK (2000-present), and Programme Director at DukeCE, Duke University, USA (2008-present). He has previously been a regular visiting professor at Rotterdam School of Management, Erasmus University, Netherlands (2001-2013), research fellow at Ashridge-Hult Business School, UK (2004-2016), and visiting professor at the University of Amsterdam, Netherlands (2004-2007).

Outside of tertiary education, he holds many positions including shareholder and managing partner of LICM Consulting, South Africa, shareholder and executive director of the Achievement Awards Group, South Africa, and chairman of the international D&I advisory council of Novartis AG, Switzerland. He is also a non-executive director of the Power Group, South Africa and a non-executive director of the International School of Cape Town in South Africa, as well as an ambassador of the global Unashamedly Ethical campaign.

He is excited to take on more responsibilities as the Allan Gray Chair. "It really is an extension of the work I have been doing over the past 18 years," says Professor April. "The premise I operate from is that if you cannot lead yourself, you will struggle to lead others and head up organisations. It starts with the self, with true self-awareness that guides behaviour, choices and decision-making," he says.

The premise I operate from is that if you cannot lead yourself, you will struggle to lead others and head up organisations. It starts with the self, with true self-awareness that guides behaviour, choices and decision-making.

These views are closely aligned with the objectives of the Allan Gray Centre for Values-Based Leadership. The centre was established at the GSB in 2011 with the aim of deconstructing ineffective and toxic business management models, and promoting an orientation towards purpose-guided business practices, accountability and responsible practices. With Professor April on board, the centre will additionally focus on individual aspects in the workplace: character, self-care, narratology, ethics and personal resilience. It will also seek to enhance its relationship with the Allan Gray Orbis Foundation, which supports the development of emerging business leaders and entrepreneurs through 150 scholarships (school-based), 320 fellowships (at 10 universities) and 330 associates (post-university).

Professor April explains that "There is nothing soft about this work, it is extremely hard to do!"

He explains how helping individuals gain courage through shifting from 'comfortability' to possibility, and establishing boundaries in order to gain control of their choices and work lives, enables them in turn to be sustainably more effective managers and leaders. "Many employees suppress their own value systems in the name of their job and this can cause stress. It can be a big factor in burnout, depression, decreased self-esteem, anxiety, lack of sleep, poor diet and other mental/physical health problems. These are problems on the increase in the modern business world."

By introducing MBA students to poetry, he hopes to stimulate their creativity and imagination and to help them become more critical and flexible in their thinking. "The world is increasingly complex and business leaders need to be able to think creatively about solutions and opportunities." Students are encouraged to write poems on topics like "personal purpose" or the "enhancement or contravention of their personal values and motivations", an exercise that also deepens relationships within the study groups and enhances the teaching experience.

"Like all art, poetry engages the imagination in unique and surprising ways. It enables a new kind of seeing, gives creative orientation and brings apparent simplicity to seeming chaos, opening vistas unimaginable through mere business processes and numbers."

A LASTING AND SUSTAINABLE CHANGE IN SOCIAL FINANCE



The Impact Investing Project Manager at the GSB's Bertha Centre, Bakang Moetse, is dedicated to innovative social finance which is inclusive and benefits communities and SMEs.

The GSB's Bertha Centre for Social Innovation and Entrepreneurship is well known for its work in innovative finance. As the new Impact Investing Project Manager, Bakang Moetse works with the centre's innovative finance team to promote inclusive business and finance models within the economy. She explains "working in the social finance space, we are finding innovative ways to incorporate a social impact lens into finance and investment decisions. Impact investing is about making business models that are more inclusive of everyone, communities and SMEs, not just high net-worth individuals or wealthy capital owners.

"We also test and implement new financial instruments which are geared towards catalysing the investment into social impact sectors and increasing access to finance for early stage enterprises."

Originally from Maun in Botswana, Moetse studied at UCT, completing her BCom degree in Management Studies specialising in Economics. She is currently working towards a level 2 of the CFA programme. She is also qualified as a Prince 2 project manager. In her new position, Moetse is excited to "engage and utilise everything I've learned in my studies about finance and economics to contribute to a system change in financial models, to make the economy more inclusive."

She's not only bringing theory to the table, she has extensive working experience in commercial banking. Before joining the Bertha Centre, she worked as a product manager, a product analyst and a commercial banking analyst at Stanbic Bank in Botswana.

Moetse finds the move from commercial banking to innovative and social finance to be a fulfilling one. She says, "Investment decisions shouldn't be just about the bottom line. Working on financial inclusivity for me is beneficial and gratifying, knowing that the work we do is making a lasting and sustainable change."

Her vision is to keep promoting innovative financing in South Africa and scale it to other African countries. She stresses the importance of sharing knowledge and resources across the continent. Business and finance innovations need to take local communities into account, she says. "People living in those contexts are best placed to solve those problems".

The best part of her job, she says "is being part of something that's gaining traction, part of the momentum towards change".



AN IDEALIST AT HEART

The Bertha Centre for Social Innovation and Entrepreneurship's new Innovative Finance Project Coordinator Noluyolo Magazi is driven to find solutions for the social ills afflicting many South Africans.


Growing up in the Eastern Cape gave Magazi first-hand experience of the living conditions and the realities that many South Africans are facing every day. Making a difference was the driving force behind her undergraduate studies in financial accounting and then starting the MCom in Development Finance at the UCT GSB. While on the GSB campus, she learned of the position at the Bertha Centre and was motivated to apply. "During my studies I took the Innovative Finance elective. This is where I was introduced to the concept of impact investing and the various tools and approaches where development finance can be utilised to mobilise private capital to fund social outcomes. Decisive action is needed to accelerate the pace of economic growth, pursue transformation and social justice with greater diligence and urgency than ever before!"

I dream of a world where people don't have to sacrifice meals because there is no money to put food on the table.

Since taking up the position, she facilitates research on impact investing and is actively involved in the development of the South African National Advisory Board on Impact Investing. She believes the centre is doing important work that can have positive outcomes for many communities.

She admits that she is an idealist who wants to help work towards a better future. "I dream of a world where people have equitable access to quality education and healthcare, where families don't have to sacrifice meals because there is not enough money to put food on the table; where children don't have to choose between going to school and providing for their families and where there are equal opportunities for all."

But her feet are also firmly on the ground. She previously worked at the Eastern Cape Provincial Treasury as a budget analyst and she knows exactly what challenges government faces. "Over the past four years government has been in a state of fiscal consolidation, containing the budget deficit and controlling the pace of debt accumulation. The public purse is further stretched as the growth in tax revenues has not kept pace with the level of service demanded. This is where innovative finance business models pioneered by the Bertha Centre can have a lot of impact on achieving effective service delivery outcomes. That excites me about my new position."



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Bertha Centre: an African pioneer for sustainable economies and just societies

Panellists from left: Bulelwa Makalima Ngewana, Cape Town Partnership; Dr Richard Chivaka, SPARK Health; Dr Salim Hussein, Ministry of Health, Kenya and Gayle Northrop (moderator), UCLA, engage in a conversation around Government as a Partner: Working from Within as part of the Bertha Centre Social Entrepreneurship and Systems Change course.

An ‘unlikely partnership’ between the UCT Graduate School of Business and the Bertha Foundation led to the establishment of the Bertha Centre for Social Innovation and Entrepreneurship in 2011. More than five years down the line, the centre is living up to its mandate to disrupt existing systems and realise new possibilities.

BY ALICIA ENGLISH

The Bertha Centre for Social Innovation and Entrepreneurship is the first of its kind on the African continent. It was established in 2011 as a partnership between the University of Cape Town Graduate School of Business (UCT GSB) and the Bertha Foundation, a family foundation that supports inspiring leaders who are working to bring about social and economic justice and human rights for all.

The Bertha Centre has also been part of the UCT GSB's journey in striving to be a leading business school that is both relevant and excellent. In 2017, it was recognised as one of the leading social impact centres globally in a report by Bridgespan, alongside similar initiatives at Harvard, Stanford, Duke and Oxford.

“The Bertha Centre supports the broader mission of the business school and is underpinned by our complementary values. We seek to equip the current and next generation with the tools for organisations and businesses to be more relevant in terms of advancing social and environmental outcomes. We hope to inspire and unlock the agency in all who interact with us to practice, radical engaged enquiry towards creating more inclusive, sustainable economies with just societies,” explains Dr François Bonnici, Director of the Bertha Centre for Social Innovation and Entrepreneurship.

The centre celebrated its fifth anniversary in 2016. In its first six years, it has become an integral part of the UCT GSB's character: “It's embedded in the identity of the business school, which is reflected by the offerings and curriculum of the school. The GSB offers the first MBA where you have to do social innovation as part of your course,” explains Segrain Nair, Director for the Open Academic Programmes offered at the GSB.

The Bertha Centre brings many partners together, including non-profit organisations, the public sector and companies to focus on their collective social impact. In so doing, it has created platforms for diverse and robust dialogues and collaborative projects around social change and innovation.

“If we want any kind of social innovation, no single organisation can do that on its own. Every partner needs to be participating in the economy to bring about social change. It's a question of how do we bring the resources of our partnerships to the mix to bring about that social change? We need to develop integrated thinking, regarding the process in which we build inclusive economies and better societies – that's the process of social innovation. The MTN Solution Space and Philippi Village sites are examples of some of the GSB platforms that are creating productive spaces for such generative conversations,” says Bonnici.

SOCIAL INNOVATION IN ACTION

The Bertha Centre has made many inroads into social innovation in the health, education and finance sectors of South Africa.

In 2015, it facilitated the development of the Groote Schuur Hospital Health Innovation Hub and Innovation Programme, which supports public health workers at the facility to become innovators themselves by unlocking their capacity to innovate and then creating a support system around these frontline leaders.

From this local work of identifying local health innovators, the Bertha Centre designed and led a global initiative with the World Health Organisation and the University of Oxford's Skoll Centre to identify, recognise and support community-based innovations in delivering healthcare solutions in emerging economies. This has led to the establishment of four other social innovation in health hubs, in Mozambique, Malawi, the Philippines and in London. "These initiatives demonstrate our ability to work with partners to catalyse new ways of doing things, while doing action research," says Bonnici.

In 2016, the centre partnered with Reconstructed Living Labs (RLabs) a local community-based social enterprise in Bridgetown to develop and introduce the GSB's first free massive open online course or MOOC. The six-week *Becoming a Changemaker: Introduction to Social Innovation* course has no entry requirements or entry fee and is available on Coursera. It is also available offline, which has enabled trainers to facilitate the course in community halls, schools and homes, in areas with limited access to technology.

"Through our partnership with RLabs, we now have almost 15 000 people enrolled online in over 170 countries. That's quite phenomenal," says Bonnici.

The free course was listed as one of the Top 10 massive open online courses (MOOCs) globally in 2016.

Three years ago, the Bertha Centre started working with the provincial and national governments on financing social service delivery by focusing on results, through outcomes-based

financing, or social impact bonds. It initiated the conversation through research for National Treasury and worked with many partners and investors to test and develop these mechanisms for incentivising social outcomes. "We're probably not going to see the results for several years, but there is sufficient interest in the market that National Treasury is running feasibility studies for a pilot that they can evaluate internally. That's a massive achievement," says Sue de Witt, former Bertha Scholar and now Senior Project Manager at the Bertha Centre.

EDUCATING FOR IMPACT

Closer to home, the Bertha Centre's impact is evident in the opportunities granted to students of the UCT GSB through the scholarships it offers annually. "At a student level, we have partnerships and engagements through our Social Innovation Lab, which has enabled students to get out of the classroom and into society, partnering with organisations and companies that are seeking sustainable and innovative ways to create impact.

"The Bertha Scholarship, which is the bursary tuition funding we award to curious and active changemakers to come and do a degree here, is key to our work at the GSB. The scholarship intends to help them accelerate their own journey, and give them access to a prestigious Master's degree (MBA or MPhil), and to free them from the debt burden to make career choices based on pursuing their own purpose. The scholarship also allows us to bring a diversity of voices and backgrounds to the GSB student body.

"This has an impact on the school as a whole and not just on the individual because they're in the classroom. Having those discussions (brought by Bertha Scholars and those interested in social good, rather than just good financial returns) who would not normally come to business school, brings an important heterogeneity of thinking, experiences and perspectives," says Bonnici.

But measuring the centre's impact goes beyond tallying up the number of students and partners who have passed through its doors over the last six years.

"When talking about measuring our impact on our students, it's about tracing it back to the students'

journey to be a more impactful individual. If we work with an organisation, how are we working with them to be a better organisation, whether in education or healthcare? Has our work with our partners in the field, government, students and NPOs been of value to them? In addition, has it made the way their organisations run more reflective and innovative? And ultimately, are their products and services more accessible, sustainable and of value to people? These are the questions that we ask ourselves," says Bonnici.

If we want any kind of social innovation, no single organisation can do that on its own. Every partner needs to be participating in the economy to bring about social change. It's a question of how do we bring the resources of our partnerships to the mix to bring about that social change?

LESSONS LEARNT

Making advances in this field and in a business school, and the way we view social change and innovation does not come without its own set of challenges or lessons learnt the hard way. As Bonnici recalls, the Bertha Centre has had its fair share of these.

"The first is that you put the Bertha Foundation which is funding social justice and radical activists together with a business school. That unlikely

KEY ACHIEVEMENTS OF THE BERTHA CENTRE

Integrated social innovation into the core of the MBA curriculum with the Social Innovation Lab, and pioneered the development of the Masters in Inclusive Innovation at the GSB.

Catalysed, developed and incubated the GSB's first innovation facility – the UCT GSB MTN Solution Space, and the Philippi Village Solution Space – the business school's first facility in a township.

Has been instrumental in building the field of social finance and impact investing in South Africa, and pioneered the design of the first social impact bond for service delivery in Africa.

The Bertha Centre's MOOC on Coursera, *Becoming a Changemaker: Introduction to Social Innovation*, was ranked in the **Top 10 Best Online Courses of 2016 globally**. It is now part of 14 online courses at Coursera on Social Impact towards the SDGs.

Developed Groote Schuur Hospital's Health Innovation Hub as the first public sector health innovation lab in Africa in partnership with the hospital.

Manages the Rockefeller Foundation's **Global Fellowship Program in Social Innovation**.

Published ground-breaking reports with key partners such as the World Economic Forum – Social Entrepreneurship & Systems Change report downloaded over 5 000 times since its launch at the World Economic Forum on Africa in May 2017.

partnership – from the beginning – has a level of paradox and inherent tensions. It's like we're doing a dance between the two very different paradigms. Sometimes we're going to fall over our feet because there are some tensions, but sometimes there might be a new dance that is possible, and can be beautiful and beneficial to both institutions.

"The other is that we're in an academic institution, yet with a mandate to do more than to research and teach. There have been challenges and mistakes of keeping the academic core but not barricading ourselves in the academic silo, and so challenging the limits of what can be done from a university platform. Sometimes we went too far away from what that core was and sometimes we have not gone far enough," he recalls.

FUTURE FORWARD

Bonnici says looking ahead, the Bertha Centre's focus will be on consolidating its gains, and digging deeper into the work that it's been doing. "The Bertha Scholar programme will continue to afford people who would ordinarily not attend the business school, the opportunity to do so. We'll be introducing new online courses and are working on case studies to document the incredible impact and innovative talent of organisations in South Africa and on the continent."

In terms of the GSB Director Associate Professor Mills Soko's new direction and vision for the GSB, the centre is already working more with African partners in Rwanda, Kenya, Mali and Liberia on advancing social innovation. One of its Bertha Scholars, Micah Shako, also recently established Tsavo Labs, a social innovation centre in Kenya (see page 28).

"Over the next few years, our focus will also be on advancing the systemic impact of social innovation. We need to go beyond individual solutions and how these might work collectively and work to shift larger systems and markets, and simultaneously look at how these address underpinning root causes of the challenges we face.

"We're immensely proud of and grateful to our colleagues and students in the GSB and UCT communities, and our many external partners and stakeholders, and of course, the Bertha Foundation for their unwavering support and belief in our work," concludes Bonnici.

BERTHA CENTRE FAST FACTS

CREATED OVER

235

NEW AFRICAN CASE STUDIES AND VIGNETTES

UNCOVERED & DOCUMENTED

300+

INNOVATIVE MODELS AND SOLUTIONS IN FINANCE, EDUCATION, HEALTH AND OTHER IMPACT FIELDS

CONVENED

6000+

CITIZENS AND PRACTITIONERS IN SUPPORT OF ITS MISSION

BENCHMARKED IN THE

TOP 5

GLOBALLY FOR SOCIAL IMPACT IN A 2017 BRIDGESPAN GROUP REPORT

AWARDED OVER

R6-M

IN BERTHA SCHOLARSHIPS TO AFRICAN STUDENTS

PRESENTED WITH THE

2015

SOCIAL RESPONSIVENESS AWARD FROM UCT



Esona Makinana, a Raymond Ackerman Academy student, during a brainstorming session in the MTN Solution Space. Photo Bev Meldrum.

Why social impact educators should disrupt their own systems

Changing how universities teach social innovation offers unprecedented learning opportunities for students, and the potential to create greater social impact.

BY FRANÇOIS BONNICI

In the last decade, business, management, and leadership schools have increased their focus on social impact education. Social entrepreneurship and related courses are most visibly offered in the West, and mostly at universities that represent a homogeneity of privilege, power, wealth, and exclusion. These institutions are taking on the task of teaching adaptive thinking – often focused on an approach to solving global poverty issues – even though they are not necessarily the most adaptive or innovative institutions themselves, and even though most of their students are more often the elite than the underprivileged.

It is hardly surprising, then, that social impact educators are increasingly coming up against the limitations of their existing systems, which were built in an era of increasing specialisation and to serve the production of knowledge, not its application. The time has come for educators to start changing these systems – to start disrupting and innovating from within.

After all, social innovation requires that we challenge the rules and status quo of power and exclusion by building new products, processes, and models that: a) deliver greater social value, and b) challenge established belief systems, cultures, behaviours, flows of resources, and positions of power. If we are teaching disruptive approaches to our students, why shouldn't we apply them to how our own higher education institutions deliver social impact education?

In South Africa, waves of protests around inequality and access to education have been sweeping the country, and this question has come vividly into the public domain, forcing universities to reflect on their role and responsibilities. At the UCT Graduate School of Business, the Bertha Centre for Social Innovation and Entrepreneurship was established in partnership with the Bertha Foundation, a family foundation explicitly supporting social justice and activism, rooting our ideals and values in using social innovation to realise rights. Thus, we have identified numerous areas in which we can start experimenting and exploring ways to address these challenges, including who participates and where we teach.

WHO IS IN THE CLASSROOM?

As university educators, many of us have grown complacent with the fact that most students pay to be in our classrooms. But if you think about it, this really limits the learning experience. Put a self-selected, relatively homogeneous group in a room to talk about solutions to poverty, for example (something very few of them have experienced), and the ideas that emerge are going to be limited to a fairly narrow band of possibilities. At the Bertha Centre, we have started to experiment with inviting non-paying students, practitioners, and executives – not only as guest speakers, but

also as participants – into the room to shake things up and broaden the conversation. This is simple enough to do, and it is often enough to tip the scales so that really interesting – and often unpredictable – learning emerges. Though some paying students may react poorly to having their classroom “invaded” in this way, it also gives students an opening to check and challenge their own and each other's assumptions of privilege.

Social impact educators are increasingly coming up against the limitations of their existing systems, which were built in an era of increasing specialisation and to serve the production of knowledge, not its application.

Letting go of our expectations of what “should” happen in a classroom opens us to other possibilities, including the co-creation of what we teach. Currently, most university classes are based on the assumption that professors know what students need and want; we are supposedly the experts after all. But things change fast, and cultural and economic divides are deep and wide in this day and age. What is stopping us from engaging with students, asking them what they need to know, and then shaping the curriculum accordingly, or going even further to encourage self-directed learning and support their learning journeys?

WHERE IS THE CLASSROOM?

In South Africa, where historic geographic divides prevail, a further interesting question arises about where we locate our classrooms. In general, universities expect that students will travel to the classroom – but poor public transport and long distances separating economically divided communities present a significant barrier for many people. So what can we do about this?

Massive open online courses (MOOCs) offer an obvious solution to reaching a broader audience, but research shows that the vast majority of people who access MOOCs are privileged and already hold degrees. At the Bertha Centre, we decided to keep the physical classroom in place and – through a partnership with R-Labs, a youth-focussed multinational social enterprise headquartered in Cape Town – developed a MOOC that students

can access offline. This enables R-Labs trainers to facilitate social innovation courses for citizens in community halls, schools, and homes, in areas that have limited access to technology.

More recently, we have taken the bold step of bringing the classroom out into the world, rather than expecting everyone to come to us. We established a facility in Philippi Village – in the heart of one of Cape Town's disadvantaged township communities – with the long-term purpose of getting all students, faculty, and stakeholders to engage and interact with each other beyond the traditional spaces of the university.

As social innovators and educators, we need to better understand the contexts in which we operate. Innovating our offerings does not have to mean moving the campus; finding other ways to shift the centre of gravity of our institutions can unlock startling new possibilities. We have learned to begin at home. For us, walking the talk means starting, as poet David Whyte might say, “close in”. We don't have to travel to the other side of the world to engage with social entrepreneurship. As educators, beginning at home also means understanding ourselves and our own prejudices. As Parker Palmer writes in his book *The Courage to Teach*, “Authority comes when [we] reclaim [our] identity and integrity...”

TAKING ACTION TO LEARN

Experiments like these are not disruption for the sake of disruption. By challenging who is in the classroom and who teaches, as well as where and what we teach, we can introduce students to much more than a narrative of social change and some insights from afar. We can help them experience what change feels like by walking the talk. To do this, we must step out of our comfort zones and into the zone of action. We need to take our place as actors in society and break out of the bubble of our discipline, and we must learn from each other's experiences taking social impact education beyond university walls.

At the Bertha Centre, we foresee opportunities for social innovation and look to be active players in the process of change. Our efforts include the establishment of a marketplace for social impact bonds and social franchising; building new spaces for social innovation on campus, in hospitals, and in Philippi; and designing new partnerships for social impact in health and education sectors.

Walking the talk is a fine line to tread; if we stray too far beyond the bounds of the university, we risk losing our relative neutrality and credibility. But I believe it is a risk worth taking, not only because disrupting our own systems offers unprecedented learning opportunities for our students, but because it makes us better educators.

The process of evolving and disrupting our own education systems is not a one-off event. We need to embed a reflective practice into our daily operation as we challenge ourselves to continually find better ways of co-creating social value. It isn't enough to teach by simply reflecting what we believe is happening in practice. By adopting and living the philosophy of social innovation, social impact education may be able to make significant gains.

This embedded process, which sheds the idea of social innovation as a discipline and turns it into a verb, could become one of a set of critical approaches for the evolution of universities, and us as educators within them.



Can Africa unlock the potential of investing for impact?

Bertha Centre research shows that investments seeking to combine financial returns with positive social, environmental and/or governance outcomes are flourishing on the African continent – but professional investors still have a long way to go in terms of practice and disclosure.

BY STEPHANIE GIAMPORCARO AND XOLISA DHLAMINI

Investing for impact (IFI) has become a key focus for many fund managers in Africa. According to the 2016 African Investing for Impact Barometer released in June 2017, just under half of funds surveyed in southern, West and East Africa are now using their assets not only to generate good returns for their clients, but also to achieve outcomes that are good for society at large.

Of 1 924 investment funds surveyed in the study across nine key African countries, 45% have been identified as implementing one or more IFI strategies, which amounts to \$353.9bn.

This is good news for Africa, a continent that needs billions annually to deliver on the United Nations' sustainable development goals (SDGs) and the African Union's Agenda 2063, but with limited domestic resources to meet these huge investment needs.

At a country level, South Africa remains the country in southern Africa with the largest amount of funds and assets dedicated to IFI with Namibia and Zimbabwe following well behind.

It also demonstrates the robustness and vitality of African markets. According to recent research reported in the Stanford Social Innovation Review, Africa has been a top geographic focus for impact investment for the past few years and if anything, demand for investments outstrips supply of investible enterprises – so there is immense room for growth in this sector.

Now in its fourth year, the African Investing for Impact Barometer seeks to provide a snapshot of the growing IFI market on the continent. It is produced by the Bertha Centre for Social Innovation and Entrepreneurship at the UCT Graduate School of Business and the research team uses publicly available information sourced from fund manager disclosures on their websites, reports and fund-fact sheets to assess the size and the trends within the African Investing for Impact market.

EXPANDED STUDY ALLOWS FOR REGIONAL COMPARISONS

For the 2016 barometer, six additional countries – Tanzania, Uganda, Rwanda, Namibia, Zimbabwe and Ghana – were added to the three surveyed in previous years (Nigeria, Kenya and South Africa). This allowed for a deeper and wider perspective of professional fund managers' practices across the East, West and southern African regions.

The study showed that southern Africa is home to the majority of IFI investments, with \$325.9bn of assets using at least one impact strategy in 2016. Fund managers in East Africa reported \$15.4bn of overall assets, and in West Africa another \$12.6bn of assets were deploying at least one IFI strategy.

At a country level, South Africa remains the country in southern Africa with the largest amount of funds and assets dedicated to IFI with Namibia and Zimbabwe following well behind.

In East Africa, Kenya dominates Tanzania, Uganda and Rwanda, which have less established financial markets, and in West Africa Nigeria represents the largest IFI assets, well ahead of Ghana. Ghana displays a flourishing fund management industry but it is currently less geared towards IFI than its neighbour.

FIVE TYPES OF INVESTMENT STRATEGY

The barometer analysed two distinct categories of professional fund managers: asset managers, and private equity and

venture capital firms. It scored their investments according to five internationally-recognised investment strategies: ESG (environmental, social and governance) integration; investor engagement; screening (positive and negative); sustainability; and impact investing.

ESG integration into investment decisions remains the leading IFI strategy employed across all countries. Investor engagement, where an investor uses their shareholder or bondholder status to promote positive change in a company's behaviour, is the next most implemented strategy, while screening, which includes religious and ethical investment practices such as Islamic Finance, remains third.

ENVIRONMENTAL AND SOCIAL ISSUES STILL A CHALLENGE

Asset managers, based predominantly in South Africa, are leading the ESG effort. However, they still focus primarily on integrating corporate governance when implementing ESG integration. The systematic integration of environmental and social issues remains a challenge.

Impact investing and sustainability themed investment, which involve investing directly in companies promoting sustainability, remain the two least used IFI strategies in Africa. Fortunately however, they are showing growth in the proportion of IFI assets as the study increases its scope of markets surveyed.

They represent \$44bn amounting to 6% and 8% respectively of the total 2016 IFI assets surveyed, up from 2% and 4% respectively in the 2015 survey. The most popular themes for investments in these categories are agriculture, infrastructure, energy, healthcare, financial services, and investment in SMEs.

In southern Africa, socio-economic transformation ranks second of the top five themes showing that there is investor commitment to this issue. However education, water and sanitation, which are considered key to achieving the SDGs, do not feature in the top five in any of the three regions.

The UNDP has identified the development of a strong impact investing sector as an important step in achieving Africa's development objectives. But while the African investing for impact industry is consolidating, its actual impact on key sectors and ultimately on African citizens who are in the greatest need of developmental and impact capital, remains unclear.

More needs to be done therefore to qualify how IFI changes lives and why this matters. Transparency and disclosure are key here; and while the Bertha Centre research shows that the investment industry is doing better in communicating how they invest for impact, a lot of work still needs to be done to record the tangible impact of these investments in practice.

THE IMPORTANCE OF REPORTING

It is critical that this is reported in a transparent way that will convince an external audience of their value and therefore unlock future investment.

A handful of large fund managers with a Pan-African footprint are showing improvement in this regard, implementing and reporting on their investor engagement strategies, although with varying degrees of consistency.

Large asset managers such as Old Mutual, Stanlib and Allan Gray have extensive operational footprints across the three regions. Old Mutual is however the only one that discloses IFI strategies at a country-by-country level.

More of the large players must do the same and lead by example in encouraging a culture of transparency in the industry if we are to be able to fully tap into this powerful force to fund much-needed development on the continent. If we don't, we run the risk of IFI becoming just another buzzword investors pay lip service to but without actually becoming direct drivers of sustainable developmental change.

Entrepreneur or activist? A new way to tackle global challenges emerges

The lines between social entrepreneurs and activists are blurring as the skillsets of both are needed to try to shift global systems for the better – according to a new report from the World Economic Forum (WEF) and the UCT Graduate School of Business.

BY CYNTHIA SCHWEER RAYNER & FRANÇOIS BONNICI

The rise of the right across Europe in the past two years is one of a series of global shocks that are shaking the current systems of governance and democracy that underpin our way of life.

In the face of a growing backlash from voters against the political establishment and against a backdrop of rising global inequality, the progressive agenda is stalling – causing some to ask the question: was it progressive enough in the first place?

Social change is slow at the best of times, but increasingly economists, like Thomas Piketty, are warning us that things may be going in the wrong direction. According to data from the Maddison Project, in 1960 people living in the world's richest country were 33 times richer than people living in the poorest. By 2000, after neoliberal globalisation had run its course, that figure had jumped to 134 times richer! This is prompting those working in social change – including social entrepreneurs – to question the limitations of their models.

For a time, the rise of social entrepreneurship – the hybridisation of non-profit and for-profit organisations – seemed to herald a new era in tackling poverty and inequality by harnessing the powers of business and business thinking for the service of social good. And indeed, these

organisations have made a significant impact in the world. Take for example Jordan Kassalow of VisionSpring, an organisation that has increased the productivity and incomes of more than 3.5 million poor people through the sale of eyeglasses in Asia, Africa and Latin America, creating an economic impact estimated at \$280 million.

Many such social businesses are reaching countless beneficiaries, but mostly they stop short of challenging the architecture of the systems themselves – the laws, policies, economic and cultural structures – that have caused the problems in the first place. Rather, they exist primarily to try and correct the consequences of failures of these systems.

Without taking away from the extraordinary work these social entrepreneurs do and will continue to do, some are losing patience with this band-aid approach and are looking at ways to go beyond service delivery to influence the underlying beliefs and structures that hold certain truths in place. VisionSpring, by way of example, has moved on to found EYElliance, a coalition of multi-sector public, private, and NGO partners, and stakeholders that are working within systems to engage governments and harness market forces to collectively find solutions to the world's unmet need for eyeglasses. Such reach was not something that VisionSpring was able to achieve on its own.

So, while faith in current systems to solve the big problems may be waning, interest in creating new, more inclusive systems is gaining momentum.

According to the late Donella Meadows, in her pioneering book, *Thinking in Systems*, a system is “an interconnected set of elements that is coherently organised in a way that achieves something”. This new brand of social entrepreneur wants to influence these interconnected elements – such as policy, governments, and global institutions – all while working to find the leverage points to bring about a new way of doing things.

These entrepreneurs often use a language more commonly associated with activists and revolutionaries than business people, and they are the subject of a new report from the World Economic forum (WEF) and the Bertha Centre for Social Innovation and Entrepreneurship at the UCT Graduate School of Business (GSB) – launched in May 2017.

The report delves deeply into the modus operandi of six for-profit and non-profit social entrepreneurs working across the globe, in the sectors of education, health, consumer rights, land rights, rural development and the informal economy, who share a common approach of setting their sights higher than their own organisations to focus on shifting social systems. The report calls these organisations “systems entrepreneurs” and looks to highlight and share the key lessons learned for how to effectively position an organisation to effect systems change.

While the concept of systems entrepreneurship has been around for a few years now, this report is one of the first to put some concrete examples behind it. Fleshing out the theory in a way that has immediate and important impact for others working in the space – and those who aspire to do so – the research has been developed into a set of six teaching case studies that will be taught in business schools.

The potential application of systems change is significant. According to Martin Fischer, Co-Founder and CEO of KickStart International, systems change means “fundamentally, and on a large scale, changing the way a majority of relevant players solve a big social challenge, such that a critical mass of people affected by that problem substantially benefits.”

South Africa is, of course, ripe for systems change. Issues around widening inequality, free tertiary education and land reform are just some of the systems that are reaching a breaking point. It is clear that if these failing systems are not addressed, they will undermine the democratic transition and put the future of the country and the well-being of millions at risk.

The evidence from the WEF report is that to bring about systems change, entrepreneurs and other actors will need to improve their ability to collaborate and coordinate across sectors. They will also need to work to identify and alter the rules and norms that create barriers to change by exerting positive peer pressure as well as by taking political action where necessary. The latter may include borrowing from the playbook of activists – an unlikely ally of the business sector – such as the ability to dismantle existing power structures and mobilise communities.

Systems entrepreneurs must understand that they need to embrace both market dynamics and be prepared to work with and influence governments. And they must make sure that the beneficiaries of their efforts are given the power to steer their own destinies so that they become true partners in driving change.

Solving social problems such as the world's unmet need for eyeglasses is a systems challenge as EYElliance, a coalition of multi-sector public, private, and NGO partners, and stakeholders, is demonstrating.

Systems entrepreneurs must understand that they need to embrace both market dynamics and be prepared to work with and influence governments. And they must make sure that the beneficiaries of their efforts are given the power to steer their own destinies so that they become true partners in driving change. This is more sustainable than the top-down approaches that have been historical practice.

Of course, all this might not be enough to save us from ourselves. As systems theorists teach us, in order to change, sometimes you have to break things apart. There is an element of creative destruction involved in the rise of new ideas, and history is replete with examples of societies that have floundered – or even failed – because they have not had the courage to move forward. Instead, they opt to try to maintain the status quo or, as we have seen in global politics, they retreat into perceived safer territory. But this is not a long-term or sustainable solution, as keeping the majority out in the cold only serves as a threat to social stability.

The challenge therefore is whether we can positively transform failing systems into new systems that work for the majority of citizens, rather than against them.

African healthcare: How mind shifts can move mountains

The journey towards eliminating HIV in Africa by 2030 requires a different approach and the Spark Health partnership between the UCT Graduate School of Business and Johnson & Johnson is modelling just this – proving that significant changes in service delivery can be achieved by changing the way healthcare professionals think about the challenges they face.

BY RICHARD CHIVAKA

The announcement by US President Donald Trump that foreign aid for HIV/AIDS will be slashed has caused an outcry from stakeholders and healthcare professionals worried about the impact on HIV/AIDS care, prevention and treatment in Africa, but a small project at the UCT Graduate School of Business (GSB) is showing that it is possible to achieve big impacts with limited resources.

According to UNAIDS, South Africa has the highest prevalence of HIV globally, with 19% of the adult population carrying the virus in 2015. Around 6.8 million people are estimated to live with the virus in South Africa alone. The country spends R23 billion per year on fighting it, but still it has the largest number of HIV/AIDS infected individuals in the world.

While there has been significant progress made in combatting the scourge on the continent, we now find ourselves at a fork in the road. Strategic choices on the way forward will determine sustained gains against HIV infections or see the unravelling of the progress made thus far. In other words, similar to a marathon where the last mile is the hardest and thus requires the athlete to dig deeper into his/her inner strength (as opposed to simply leveraging physical strength), the journey towards eliminating HIV by 2030 requires a different approach.

What is called for now is not just more funding or aid – but a new way of thinking. The silo approach to service delivery needs to be transformed into a more integrated one, with shared experiences, and both vertical and horizontal communication lubricating joint efforts, where problems are reframed as challenges. This may sound idealistic, but there is evidence that simply changing the way nurses, doctors and healthcare workers think about the challenges they face can have a monumental impact. HIV/AIDS transmission rates can be reduced comprehensively – without spending much more on equipment, medicines or staff.

This is the inspirational story of the small group of people at Spark Health – an organisation of just nine people that has had a major impact on service delivery in the HIV/AIDS sector in nine African countries including South Africa, Zimbabwe, Malawi, Kenya and Nigeria.

Spark Health is a partnership between the UCT GSB and Johnson & Johnson, but it was never going to be a standard training intervention. While the

transfer of new leadership and management principles and practices is core, the initiative has a more ambitious agenda: to reframe the way healthcare professionals think about their work and empower them to devise new solutions. Specifically, they want to find new ways to reduce mother to child transmission of HIV in Africa – the most common way in which children are infected with the virus and a major focus area of the World Health Organisation (WHO) in combating the disease.

A pilot programme was initiated in the Kingdom of Lesotho in 2011-12 partnering with the Ministry of Health, USAID and EGPAF and involving about 139 (79 directly trained by Spark Health and another 60 integrated by those who had been trained) managers and healthcare professionals at district level, all over the country.

At the end of the year-long programme, there was an improvement in all seven identified key indicator areas – with a 7.6% increase in pregnant women attending antenatal visits and an 8% increase in women receiving anti-retroviral drugs or prophylaxis. Safe and controlled births in healthcare facilities (as opposed to home births) improved by 6.7%.

Participants provided extremely positive feedback. The new way of thinking helped transform simple work groups into well-functioning teams that had a shared vision. Critically, data integrity became everyone's business and not just the domain of health information systems professionals. The intervention also prompted a critical policy change by the Ministry of Health on pharmaceutical delivery in Lesotho, which had a direct impact on the availability of medicines and improved service delivery.

Following these results, Spark Health was asked to run more programmes at district level in the Eastern Cape in South Africa and a programme is currently under way in KwaZulu-Natal.

The results from the 2012-2013 Eastern Cape initiative were even more impressive. There was an increase in pregnant women attending antenatal classes, a 17.7% increase in women who were initiated on HAART (highly active anti-retroviral therapy), and a 36% increase in pregnant women who were re-tested for HIV. Stock availability of medicines at two depots increased by 76%, making a huge improvement in service delivery to patients in the area.



It is worth noting that Spark Health achieved these results with a limited budget and funding. The question of how such a small team could make such a big difference lies in the core principles of the Spark Health programme – which is to empower health officials, to give them new tools and to encourage them to share these with others and to let this information spread virally.

Instead of looking at what healthcare officials don't have (resources, time), they are encouraged to look at what they do have (parts of the health system that are functioning well, available assets) to develop creative and innovative solutions and promote teamwork and better communication. Building relationships and opening channels of communication is vital for better efficiency and productivity at clinics, hospitals and pharmacies.

With their new management and leadership skills, these officials then set about finding ways to overcome the challenges they were facing, resulting in strengthened health systems and improved outcomes. What is key to the Spark Health approach is the recognition that training alone will not yield the desired health outcomes. As such, more emphasis is placed on intensive, on-the-job mentoring to assist the healthcare professionals to transform skills into practice, and practice into performance, and then performance into health outcomes.

The Spark Health programme begins with an intense week-long workshop at the end of which participants leave with an action plan. Thereafter, there is about a year or two of intensive mentoring, day-to-day communication as well as quarterly review meetings and feedback sessions to see how teams are getting on with their plan.

We now find ourselves at a fork in the road. Strategic choices on the way forward will determine sustained gains against HIV infections or see the unravelling of the progress made thus far.

One of the big advantages of the Spark Health programme is the further co-opting (integration) of other individuals to the programme by participants who have successfully attended the workshop. They then share their new expertise and knowledge with colleagues, effectively training them in the same way of thinking and integrating them into the process.

This integration causes a ripple effect of knowledge, empowerment and increased productivity and sees the expansion of a new way of thinking and acting, widening the reach of the programme and increasing its effectiveness.

The Eastern Cape programme run in 2012-13 saw 123 people initially participating and a further 56 people integrated into the process afterwards, resulting in a total of 179 professionals able to draw on the resources of the programme through mentorship, support and review sessions.

What the Spark Health initiative has shown is the power of a transformed mind to unlock people's intentions and ignite their passion and drive. By empowering professionals in the healthcare system to effect change – the change actually happens: lower infection rates, improved maternal and newborn health, strengthened health systems and better medicine availability.

It is clear that more investment is needed in the fight against HIV/AIDS – but this is not necessarily limited to financial resources. It is the targeted development of individuals on the front lines of the war against HIV/AIDS that will produce improved and sustained health outcomes. Healthcare professionals are the most important asset in the healthcare system; assisting them to develop a different culture that is characterised by strong, well-functioning teams with a shared vision and asset-based rather than needs-based thinking, is key to achieving more and improved health outcomes with less resources.

It is possible to eliminate HIV in Africa by 2030, but as our healthcare professionals head towards that finishing line, exhausted, thirsty and running on empty, a shift is required to enable them to persevere and find ways of coping with the added pressure and pain. When we stop thinking about how tough it is and look toward what is possible, we see that our objective can be reached.



Policy reforms key to unlocking competitiveness in African agriculture

To achieve economic prosperity in Africa, the continent must raise its competitiveness in agricultural sectors and support the development of entrepreneurial traits in its people. But research shows that without proper policies and equitable regulations – even the most determined entrepreneurs will struggle to succeed.

BY MICHAEL MUGABIRA

New reports state that food demand on the African continent will rise by more than 60% by 2050. The continent has the fastest growing population in the world and is expected to increase by about 50% over the next 18 years – equating to nearly half of the expected global population growth for the next 20 years. However, despite having 65% of the world's arable land, most countries rely on imported food – costing an estimated \$50 billion a year.

Pursuing an agricultural productivity agenda is therefore no longer a choice but a must in sub-Saharan Africa. But while some countries advance in global marketplaces – others fail to do so. While conditions differ among African countries, some similarities exist. A new study into the Ugandan sugarcane industry undertaken by the UCT Graduate School of Business (GSB) offers some useful insights into what's getting in the way and points to a lack of competitiveness as one of the biggest barriers to greater productivity and profits in the agricultural sector.

Although sugarcane is a key cash crop for Uganda and one of its leading industries, the sector could be performing much better – with much greater benefits for producers and families. Although the economy is growing at over 3%, a recent PricewaterhouseCoopers report states that as many as 70% of Ugandans are vulnerable and sometimes fall below the poverty line. In May 2017, Oxfam said the rich were getting richer and the poor were getting poorer in Uganda. Although

most Ugandans work in agriculture (about 70%), the sector share of the economy is only 23%.

Increasing competitiveness in the sugarcane industry is vital. According to the global ranking of 108 sugar producing countries for 2013, Uganda is ranked number 38 in sugar production and number 41 in sugar yields per hectare. There are many problems in the industry – one of them being that the country lags behind competitors in terms of production and productivity. For example, South Africa is able to market its cane in nine months, while Uganda needs another six months to do so.

In addition, the sector is riddled with unjust and unethical policies and practices. A survey of Ugandan farmers showed that over 78% are in favour of dismantling the current monopoly 'zoning' policies. These restrict property rights ownership, especially land, and prevent open access to the establishment of competing mills that would be able to offer competitive cane prices to growers and ultimately enhance competitiveness along the sugarcane value chain.

The demerits of monopoly policies have been confirmed by the World Bank in the World Development Report of 2013, which points out that large firms can only innovate if they are exposed to competition. In Uganda, in addition to monopoly land ownership, there are also uncompetitive cane prices and these differ significantly between regions.

The country's sugarcane industry is also hampered by unethical regulation, the exploitation of growers,

and unequal governance power sharing between millers and growers.

While farmers worldwide earn around 60-65% of sugar industry proceeds, the reverse is true in Uganda. Here, farmers earn less than 40% of the sugarcane proceeds. Considering that it takes cane farmers two years to produce a cane crop ready for the market, while millers need only 24 hours to crush the cane, it is hardly any wonder that sugarcane farmers in Uganda are described as some of the most exploited on the continent. Despite taking most of the risk on producing the crop, they get the smallest share of the value created.

New legislation for a minimum 50% share is currently being debated in the Ugandan Parliament where more reform is also being considered to address inequalities in the sugarcane industry. Farmers and entrepreneurs – especially in small to medium sugarcane enterprises – eagerly anticipate these reforms.

The World Economic Forum (WEF) defines competitiveness as being the set of institutions, policies and factors that determine the productivity of a country – the main factor driving economic growth and income levels. Rising competitiveness means more prosperity.

Much of the research being done into competitiveness falls into the field of global value chains (GVCs) and looks at how competition pressure is affected by the globalisation of industries and how value is created and captured.

The GSB research covers new ground in GVC theory-building by discovering new critical success factors for measuring competitiveness at firm and sector levels. These include the entrepreneurial qualities of the people involved in the business, passion for the business, goodwill between business and communities, and prompt payment of labour. While high-performing companies attribute their competitiveness to internal factors under an entrepreneur's control, the medium- and low-performing enterprises attribute their low productivity to external environmental factors outside an entrepreneur's control. Larger companies are more likely to overcome some of these environmental obstacles, but they are particularly destructive for smaller, more entrepreneurial organisations.

Becoming more competitive means sharing value, cutting down on exploitation and unjust practices and pursuing more equal partnerships that benefit all along the value chain.

This corresponds with the findings of the Global Entrepreneurship Monitor (GEM), which tracks entrepreneurial activity in sub-Saharan Africa. The organisation notes that while entrepreneurial activity is on the rise in several African countries, various factors hinder the survival and growth of small businesses in Africa, with a lack of government support, bureaucracy and lack of financial backing at the top of the list.

The major issue holding back Ugandan sugarcane farmers is policy and industry regulation. The entrepreneurial drive, passion and determination are already there. But for the industry – and the country – to be truly competitive and a world player in the industry, it will have to become more equitable and willing to share value with farmers.

The most competitive nations in the world, according to the WEF, are Switzerland followed by the USA, Singapore and The Netherlands. Their rankings are based on various factors, including how benefits are spread across the population, equal opportunities and higher standards of living. The lesson for Africa is clear: Focusing on entrepreneurship is not enough.

Becoming more competitive means sharing value, cutting down on exploitation and unjust practices and pursuing more equal partnerships that benefit all along the value chain. Not only is this the right thing to do, but – as the GSB research shows – it will lead to greater productivity and higher profits by creating an enabling investment climate and business environment that spurs job creation especially for the youth. It is a scenario in which not only the industry and the farmers involved, but the whole economy ultimately benefits.

What the textile industry can teach us about moving forward

With so many gloomy stories in South Africa currently, it's easy to overlook one of the more encouraging success stories: the clothing and textile industry.

BY FATIMA HAMDULAY

Earlier in 2017, Minister in the Presidency for Planning, Monitoring and Evaluation, Jeff Radebe, highlighted the textile and clothing industry as one of the sectors where the economy could most effectively be bolstered.

This is something of a miraculous turnaround, particularly in the face of investment downgrades and economic and socio-political instability. The clothing and textile industry was one of the hardest hit by globalisation and increased competition following the opening of South Africa's borders to global markets post 1994. Facing high import duties and the skyrocketing of illegal imports and cheap textiles from China, Pakistan and elsewhere, coupled with insufficient investment, the industry went into decline.

Fortunately, a number of conscious interventions were implemented that have helped to turn things around.

In the Western Cape, government and industry jointly established the Cape Clothing Textile Cluster (CCTC) in 2005, a not-for-profit initiative that believed that struggling participants in the sector needed to pool resources and collaborate as a cluster in order to counter the effects of globalisation. Embedded in the CCTC's approach was the concept of lean thinking – a business methodology that, simply put, aims to continuously offer more value to customers with fewer resources. It does this by foregrounding respect for people while providing organisations with a new way to think about how they organise processes and slowly eliminate the things that are not adding value.

A few years later, the Department of Trade and Industry developed a nationwide Clothing and Textile Competitiveness Programme (CTCP) whose broader objective is “to assist the industry in upgrading processes, products and people to re-position it so as to compete effectively against other low cost producing countries”. The initiative provides financial assistance to organisations as well as training in best operating practices including lean manufacturing and thinking.

Fast forward a few years, and by 2013, textiles and clothing accounted for about 14% of manufacturing employment and represented South Africa's second largest source of tax revenue. The textiles, clothing and footwear industry was – according to the Industrial Development Corporation – becoming the most cost-effective way of creating jobs. In fact, that year's Source Africa Conference brought to light that the CTCP had created some 12,000 jobs and assisted more than 400 companies.

According to Ebrahim Patel, local manufacturing industry sales in clothing, textiles, footwear and leather increased from about R41.8 billion in 2010 to over R50 billion in 2015; an increase of 21% over five years. By contrast, they decreased by 6% in the former five years from 2005 to 2010.

One company that exemplifies the turnaround is K-Way, a leading outdoor apparel brand. Part of the Cape Union Mart Group, K-Way's dramatic about-turn over the past 12 years is the subject of a recent award-winning case study, “The Evolution of Lean Thinking at K-Way”, from the UCT Graduate School of Business adapted from a thesis by MBA student Himanshu Vidhani.

At the core of lean leadership is the necessity of adopting a different way of behaving. It is both a leadership and a management system and it involves learning new behaviours and tools.

In 2004, K-Way was operating at a loss and on the verge of shutting down. General Manager Bobby Fairlamb was hired and given the task of turning the business around in two years – a tall order by any standard. He embraced the challenges head-on and the ensuing story makes for gripping reading.

K-Way benefited from the collaboration and support provided by both the CCTC and the CTCP. The latter provided funding and training in lean thinking that enabled K-Way to buy the best machinery available and double the scale of its production while also improving quality. Later the organisation also benefited from an injection of enthusiasm and expertise from lean thinking consultant Herlecia Stevens.

Fairlamb and his team, notably Beverley Williams, who became the Production Manager in 2009, started by using lean principles to identify and implement changes to achieve better results in the factory – notably improving production efficiency and on time delivery. After some initial success there they turned their attention to the much more difficult task of shifting organisational culture.



They engaged deeply with the mostly unseen, or what lean thinking calls “under the water” elements, like leadership, employee behaviour and engagement. People started to become more engaged in their work and supervisors saw an increased ownership of the process. Absenteeism fell along with rework and reject rates. Fairlamb attributed all this to the morale of the people: “It's clear to me now – if morale is up – all the KPIs are up. If morale and engagement are down, you are always on the back foot. This is why we could make the eventual strides we did.”

Why is this story important? Because it offers us some insights into how to achieve success in difficult times – and not just in the clothing sector. Looking at what worked, and why, can help other organisations make more informed choices in thinking about how to approach the unique challenges in their industry or context.

The first lesson that the K-Way story surfaces is that at any time – but particularly at this critical juncture in South Africa's economic history – we absolutely cannot afford waste. Amid cries of corruption and economic decline, we must focus on adding more value to our customers, consumers and enterprises by eliminating waste.

The second – and this is related to the first – is that we need a fundamental shift in thinking that emphasises respectful relationships between people. This is particularly important because without engaged customers and partners, there will be no on-going business relationships. And critically, without the participation and commitment of staff, the elimination of waste will remain a theory only.

According to Professor Norman Faull, founder and director of the Lean Institute Africa, at the core of lean leadership is the necessity of adopting a different way of behaving. It is both a leadership and a management system and it involves learning new behaviours and tools; like how to learn from mistakes and how to embed the actions and processes that an organisation must implement to ensure that it is fit and ready for practice.

It's hard to put a price, or a number, on this kind of shift in behaviour, but the K-Way case comes close. When Fairlamb joined K-Way, the factory was operating at 40% productivity. This meant that for every clothing item, which should have taken 10 minutes to manufacture, employees at the factory clocked roughly 16 minutes. By 2012, K-Way was operating at 75% production efficiency. By 2015, it was charting an efficiency of 120%, as employees took eight minutes or less to make the same garment.

South Africa is facing turbulent times, of that there is no doubt, but the K-Way story shows us that a slow but sure journey towards eliminating waste, creating greater respect for people and continuously engaging how to do both these things better – as well as wise collaboration within the industry and with government, it is possible to turn things around, one KPI at a time.

If we focus on what works as much as we focus on what doesn't, we may find a way better and more sustainable way forward.

Pioneering social innovation in East Africa



Micah Shako, founder and CEO of Tsavo Innovation Labs based in Nairobi, Kenya, feels he was always destined to work in social innovation. "People tell me I have my mother's heart," he says. "By that, they mean I have always wanted to solve problems for others, and that has led me to where I am now." He speaks fondly of his childhood in Kenya and says, "My mother gave so much of herself, in terms of her time and her resources, to helping our extended family and community. At one stage, we had 17 people living in our house! No wonder I've always been very community-minded!"

After completing his BSc in Computer Science at the University of Nairobi, Shako moved into the corporate world and built a career in ICT infrastructure management. He spent three years at Barclays Bank, managing initiatives across Kenya, Ghana, Zambia, Mauritius and South Africa. In 2011 he joined General Electric - Africa, as the Regional Infrastructure Manager. In his corporate career, Shako took most pride in the work "which had impact on lives by improving products or services people depend upon".

But he felt he had more to contribute. "2014 was a turning point for me," Shako says. He founded Tsavo Innovation Labs, which initially worked with communities to solve problems through developing mobile apps. Then in 2015 he completed his GSB MBA, on a scholarship from the Bertha Centre for

Bertha Scholar and MBA alumnus, Micah Shako, is working toward the systemic social transformation of East Africa – nothing less – and he credits the skills he learned at the GSB for helping him on this epic journey.

Social Innovation and Entrepreneurship, which set him on a whole new trajectory.

"I cannot thank the Bertha Centre enough for funding my studies. The centre was very influential in how Tsavo Innovation Labs has evolved. I learned how to run a social innovation centre and I brought what I learned, particularly human-centred design and design thinking, back to Kenya. It was incredible to meet other Bertha scholars at the GSB, Africans who want to contribute to the transformation of their continent, and to have the freedom to look at the world differently and speak openly around the change that we want."

It was incredible to meet other Bertha Scholars at the GSB, Africans who want to contribute to the transformation of their continent, and to have the freedom to look at the world differently and speak openly around the change that we want.

Today, Tsavo Innovation Labs is a centre of social innovation and entrepreneurship, which focuses on agriculture, healthcare and education. It aims to reduce poverty, marginalisation and the loss of human dignity and to contribute to the systemic social transformation of East Africa.

The Lab's services include incubation, research, project design and management, capacity development, and consulting. It supports social entrepreneurs with services and networks to help them build and operate sustainable businesses.

"We run several social entrepreneurship and leadership academies to build the emerging leaders that East Africa needs," says Shako. The Lab also builds partnerships with academic and government institutions and has recently formalised an agreement with the Tanzanian Commission of Science, Technology and Innovation.

One of the achievements Shako is particularly proud of is the success of the "Tsavorites" – the ventures which the Lab incubates – named after the gemstones found in the Tsavo region of Kenya. "We measure our success on how these ventures have matured, how much change and impact they have made. We also measure our evolution in terms of our influence, how many partnerships have we built across the region that help us push our agenda."

Support from the GSB and the Bertha Centre continues. "The Bertha Centre and the GSB have been amazing in helping us build partnerships, continentally and globally. They refer any opportunities they think we will benefit from, they have added value, recommended us, and given us exposure." Shako also extends special thanks to Dr François Bonnici, Director of the Bertha Centre. "I have never met a more humble person, who is so committed to the work he is doing. He is one of our advisors, and I really look up to him."

Looking back on his MBA, Shako laughs when he remembers the leadership course with Kurt April. "I hated that assignment at the time! There was a lot of introspection, which is hard for someone like myself from a technical background. I used to look at every problem as something that can be broken down and fixed. That leadership course really transformed me and has made a difference to how I run Tsavo Innovation Labs."

Personal insight, he says, brings a broader perspective. For instance, Shako's parents came from different communities within Kenya, which he feels imbued him with a different outlook on society, inspiring him to bridge the gaps. And his enduring hope for the future generation is that "they will not know lines between communities, they will look at the world and think we are all the same".



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