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**Gordon Institute  
of Business Science**

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## **STRATEGY & MANAGEMENT CONSULTING**

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**SEVEN TRENDS  
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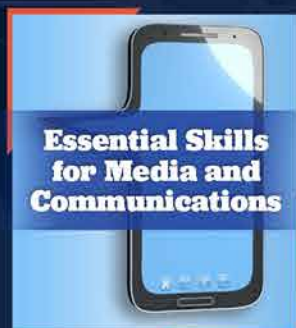
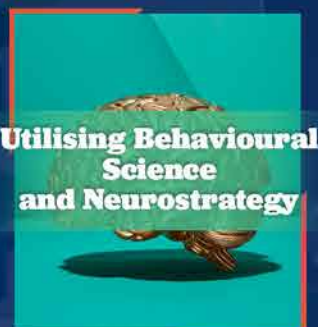
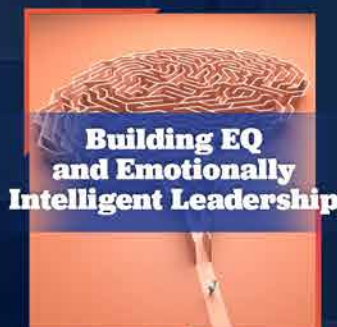
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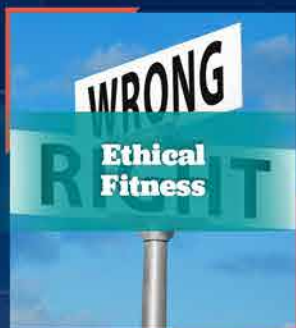
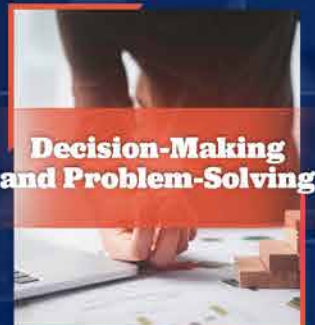
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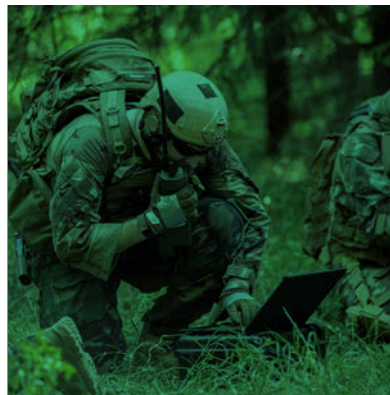
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## Dean's Note

BY PROFESSOR MORRIS MTHOMBENI

# The Strategy Hack

These three Ws of strategy can help companies attain sustained competitive advantage.



Professor Morris Mthombeni

I am sure we can all agree that strategy is important, regardless of unit of analysis. By unit of analysis, I mean country, industry, company, business unit, society, family or individual. But agreeing on the crux of strategy has eluded many company executives. I suggest that until we can achieve consensus on the crux of strategy, many companies will struggle to sustain themselves. So where do we begin to develop this consensus?

As a business school dean, I will stay in my lane and focus on the company as the unit of analysis. In South Africa, successful company-level strategies have been the difference between the near-collapse of the economy over a sustained period and the type of economic resilience we continue to observe. Consider, for example, how often we read about South Africa being a failed state. Yet, and despite an extremely challenging operating environment characterised by one crisis after another, exemplary South African companies continue to thrive – 58 of the 100 top companies in Africa are South African (Africa Business 2020).

[The successes of South African companies](#) operating in this volatile environment is contingent on them developing a sustainable competitive advantage. I believe that the source of a sustained competitive advantage is what renowned strategy Professor Richard Rumelt calls “the crux of strategy” and South African exemplar companies understand this. If more businesses can discover the crux of strategy, they are likely to succeed.

Let me introduce you to an academic strategy hack that can help company executives reach their crux of strategy so that more companies can thrive. The hack consists of three simple steps which I call the three Ws of strategy.

## 1. The Why

For the longest time, modern company executives believed the corporate social responsibility of business was to produce profit. This was crystallised in a 1970s article in *The New York Times* by leading economist Prof. Milton Friedman, then of the University of Chicago. Informed by Friedman’s libertarian ideas, for more than 50 years many company executives the world over, and regardless of their persuasion, uncritically subscribed to the

shareholder-centric profit motive approach to business. Having consideration for the social and environmental impact of their profit motive was the domain of government.

In 2020, 50 years after the publication of Friedman’s doctrine, *The New York Times* retorted that “greed is good except is when it bad”. More pointedly, *Fortune* magazine proclaimed that Friedman’s shareholder-centric doctrine was dead. Sadly, Friedman had died in 2006 and so was not able to defend his doctrine. However, he continues to have many disciples – with think tanks, university professors, management consultants and businesspeople directly and indirectly espousing his views, albeit that they are proportionally less dominant in current times.

I confess that I have never been a fan of Friedman’s doctrine. In my more than three-decade career in business, including almost a decade as an academic, I have always operated with an understanding that companies exist to serve their stakeholders. Therefore, both as practitioner and scholar, I have always espoused and lived the values of responsible business management. Many of the exemplary companies in South Africa are led by people who demonstrate this stakeholder-centric approach to strategy. For this more responsible approach to business, we must acknowledge Professor Ed Freeman, from the University of Virginia’s [Darden School of Business](#), for his seminal work on stakeholder theory that he introduced almost 40 years ago.

Having taught strategy at GIBS since 2014, I have observed that students sometimes get confused and misattribute the frameworks of Friedman and Freeman. To make sure we don’t get confused and incorrectly attribute the narrow profit-motive approach to the purpose of business as advocated by the late Prof. Friedman to Prof. Freeman, let me be the first to announce that the GIBS’ Centre for Business Ethics plans to announce a series of lectures with Prof. Freeman, who will help us consolidate how to have a more expansive and inclusive approach to the purpose of business.

For the moment, it should suffice to say that profit is a necessary but not a sufficient reason to answer the “why” of strategy. If your company continues to express its strategy in terms of goals that

## **‘The hack consists of three simple steps which I call the three Ws of strategy.’**

primarily speak profit growth, then you are stuck in a Friedman dystopia and missing the opportunity to build a business based on an enduring purpose that generatively links your products and services to Freeman's stakeholder society, inclusive of the environment. By framing your company strategy as a series of objectives and goals that engage all your stakeholders, where profit becomes the fuel that energises your organisation, you open your business to a range of opportunities to solve problems that matter – to your organisation and the environment in which it must operate.

When you start solving problems that matter to stakeholders, as introduced to strategy scholars by Freeman, you begin to answer the “why” of your strategy. Your “why” becomes your North Star that guides you and your company as you navigate the rough operating environment many South African companies discovered navigating the Covid-19 pandemic commencing in 2020, the July unrest of 2021 and the floods of 2022. It is interesting to note how, against this background, companies have discovered that to develop an environment conducive to competition, they must collaborate as active activists for social and environmental good, be it through national bodies like Business Leadership South Africa, Business Unity South Africa and the Black Management Forum, or regional chambers of commerce found throughout the country.

## **2. The What**

The second hack is the “what” question of strategy. Strategy scholars are eager to point to company features such as proprietary technology, marketing capabilities and firm size as generic sources of competitive advantage. Harvard Business School's (HBS) Professor Michael Porter has dominated management thinking since 1980, prescribing that companies need to establish their position relative to their various foes in their competitive landscape through his value-chain analysis framework. Porter also advocates that companies arrange their operational activities to enable them to compete as cost leaders or premium providers. This world view is informed by a stable and mechanistic neo-classical economics view that also informed the Friedman shareholder-centric approach.

Building on an evolution theory, which is less mechanistic and informed by an evolutionary learning ethic, Professor Jay Barney from the University of Utah uses his [resource-based view](#) (RBV) to argue that companies can develop superior competitive positions relative to their rivals by obtaining and protecting firm-specific resources that are valuable, rare, difficult to imitate and not easy to substitute. These resources can range from proprietary technology to relationships with key clients, to location in a superior geographic place. Whereas Porter focuses on company activities that determine its relative power in the industry, Barney goes beyond activities and focuses on resources as source of sustainable

competitive advantage. However, Barney's RBV gives less detailed guidance to the firm about where to look for such resources. Therefore, while this framework is an improvement to the Porterian approach, the RBV's practical efficacy remains elusive.

Building on the learning approach to strategy popularised by Barney, or in my view evolving from the RBV approach, scholars like Professor David Teece of the University of California, Berkeley's Haas School of Business, and Professor Kathleen Eisenhardt of Stanford University, among others, developed the concept of dynamic capabilities (DC). It is instructive that both the RBV and DC frameworks are grounded in the breaking work of Professor Edith Penrose, of Johns Hopkins University, who found that the learning capacity of managers enables them to develop unique capabilities that gives them and their organisations an edge. According to the DC framework – for which Teece gets much of the credit as measured by the number of academic citations relative to the scholars who espouse this framework – companies can develop a sustained competitive advantage by having a unique ability to sense threats and opportunities in the operating environment. The framework goes to note that companies can create a range of practices to give them the strength to seize such opportunities and the resilience to transform their companies from weaknesses that could lead to them succumbing to environmental threats.

In South Africa, companies that sense dynamic threats and opportunities, caused largely by poor decisions and actions of policymakers and regulators, have the agility to seize the opportunity and the resilience to transform their companies to navigate the threats in the dynamic operating environment. Therefore, in answering the “what” of strategy, South African companies need to appropriately incorporate the activity-based approach espoused by Porter with resource and capabilities approaches by Barney, Teece and Eisenhardt, with thanks to Penrose and many others. It falls to me to highlight that GIBS has a strategic relationship with HBS through co-delivering the Senior Executive Programme Africa, HBS' Competitive Strategy unit established by Prof. Porter and with Prof. Teece through his Berkeley Research Group. By leveraging these and many other international relationships, through GIBS Centre for African Markets and Management, we can help companies establish the “what” of their competitive strategy.

## **3. The HoW**

The third strategy “W” (granted, with the W at the end) I refer to is the “hoW” of strategy. The “hoW” of strategy builds on the idea of African-centred innovation. As an academic institution, we build on work by scholars like the late Professor Clayton Christensen of HBS, who popularised the concept of disruptive innovation, Professor Rita McGrath of Columbia Business School, who encourages discovery-driven innovation, and Prof. Eisenhardt, who has a large body of work on a wide variety of work on innovation, my favourite being on the art of continuous change. Once again, I am sure you can think of several South African companies that exemplify disruptive or discovery or continuous innovation. There is so much that can be written about the “hoW”, but I prefer that you visit us to learn about this in person, because face-to-face is our preferred approach to learning. In the meantime, to learn more about the three Ws of strategy, you could begin by reading pages of this *Acumen* magazine from beginning to end. [GIBS](#)

# GIBS Network

Our regular look at GIBS' events and guests

## Electric Moves



As the world increasingly embraces electric vehicle (EV) technology, driven by the shift to renewable energy, South Africa's automotive industry must move quickly to capture the opportunities this change presents.

"South Africa needs to play to win," Mark Raine, co-chief executive and executive director of Mercedes-Benz South Africa, said at a forum at GIBS with Prof. Morris Mthombeni.

"We are at a critical juncture in the EV revolution, and while South Africa is at the tail end of the development, the timing is right," Raine said.



For decades South Africa has held the enviable status of being Africa's biggest vehicle market by sales and exports. The country risks lagging behind the rest of the world in terms of electric vehicle market adoption and manufacturing, potentially missing the transformation sweeping the global automotive industry and all the opportunities that come with it.

While estimates put the motor industry's contribution to GDP at 5%, Mike Mabasa, chief executive of the National Association of Automobile Manufacturers of South Africa, said this figure is "hugely understated" as it doesn't take into account the entire value chain, including after sales, financing and insurance.

Electric vehicles are gaining in popularity globally as they are cleaner, produce fewer greenhouse gas emissions, are attractive to environmentally conscious consumers, and offer lower fuel costs. Barriers to widespread adoption include a lack of infrastructure and high import duties.



Considering that the cost of fuel has increased by 24.5% over the course of 2022, Raine said the expense of owning an electric vehicle "will dilute over time with the scalability of the technology". However, he said the "entire system only works if you look at renewable energy," which in South Africa would mean solar and wind. "The country needs early adopters to get the transformation right," he added.

While South Africa's automotive sector has largely moved from manufacturing to assembly activities in past few years, Raine called Mercedes-Benz's facilities in the country "state of the art." In June 2021, the company invested an additional R3-billion in its East London plant, after it made a R10-billion investment into the same facility in 2018.



# King of Coal

Coal has a key part to play in the transition to renewable energy, the chief executive of Thungela Resources Ltd, July Ndlovu, told a GIBS online forum hosted by adjunct faculty, Buyani Zwane.

Ndlovu, who is the World Coal Association chairperson, said the “avalanche of commentary” pronouncing coal is dead is premature: “When I talk about coal, people tend to think I am a climate-change denialist. On the contrary, I recognise the risks that are associated with emissions, but I also recognise that unless we are pragmatic about the transition, we could actually cause more harm.”

“I’m a realist, firstly because we are a coal company, I’m unapologetic about that. But I’m also realistic that if we want to mitigate the effects of climate change, deploying renewables is a must-do. But these technologies can co-exist.”

Fossil fuel power generation is going to be key for powering the transition to clean energy: “Unless we produce the materials and infrastructure required, we can’t live another way,” he continued.

The baseload from fossil fuels will continue to be needed in the immediate future as the technology required to store power created by renewables is not yet commercially competitive.

“South Africa happens to be in that space, on the banks of the river, that if we make wise choices and act on them, we might actually create the happy medium of beginning to impact on climate change while taking millions out of energy poverty by providing a reliable supply of energy.”

Ndlovu said it is his organisation’s solemn duty to make sure that its assets, or natural endowments, are extracted to

deliver maximum value for the benefit of employees, the country and the communities it serves. “Unless we do that the rest doesn’t matter.”

His vision for Thungela Resources in the next five years is to make it a global company by “growing from the core, and at the core we are a carbon company.”

In order to do that, “we have to have to drive our environmental, social and governance (ESG) agenda, which is something we think about very hard”. The organisation has realised it will not be able to compete on the environmental aspects of ESG, but can differentiate itself on the social aspects.

“Safety, health, a shared contribution and making sure that our communities and employees feel that they’re part of a business through the shared value we create together with our shareholders are the most important,” he said.

“Our simple priority is to build a long-term global mining business.”



GIBS lecturer Buyani Zwane with Thungela Resources CEO, July Ndlovu

## GIBS Alumni Breakfast

GIBS Dean Professor Morris Mthombeni celebrated 21 years of GIBS alumni recently at an alumni networking breakfast. He reconnected with alumni from the first cohort to the newly minted. He encouraged all GIBS alumni to reconnect and engage; contribute to case studies and research; join the mentorship

programme; collaborate with faculty in teaching; and participate in many of the school’s programmes. He said, “Let us create actionable thought leadership and actionable research, help build healthy businesses for healthy societies, and be the GIBS magic we are all proud of. Be catalysts of positive change!”



Aki Anastasiou, forum host and techno wizard, with guests.

## Is Technology in Business a Disrupter or an Enabler?

As increased digitisation provides opportunities for businesses to enter new markets and ventures, there is a strong correlation between business transformation and technology.

But what impact does technology have on small and medium enterprises (SMEs), and how can they best navigate this transition? That was the question facing a panel of eminent technologists, hosted by technology trends expert and Acumen writer Aki Anastasiou at the most recent iStore/GIBS SME forum.

### Covid and accelerated change

“Before Covid, we took life for granted. Then overnight, everything went digital, from school to university to your Pilates classes. Your life was enabled in so many ways because your touchpoint to the outside world was through digital means,” Pragashani Reddy, the head of technology and digital enablement at Standard Bank CIB told the forum.



Ajay Lalu and Nomonde White-Ndlovu

While the fourth industrial revolution was “meant to gently unravel, it suddenly happened,” she continued. “It had a jarring impact, but also made us look at technology in a completely different light, one that is going to shape the future.”

### Exacerbating the digital divide

Nomonde White-Ndlovu, chief information officer for Bidvest Bank, said technology can act as both a disruptor and an enabler. However, the complexity of choices it presents creates vulnerabilities and expands the level of inequality that exists.

“Technology can also make the disparities that exist violently apparent to all of us, as we saw during Covid when many people were left out. Many small and medium businesses were not able to pivot to hybrid working, as it requires investment and money, whereas those of us who were in tier-one organisations and had access to capital were able to digitise and stay on track.”



GIBS Prof. Manoj Chiba

“We should be making sure that access to technology is not restricted to only a few select people,” she added.

Entrepreneur and co-founder of Q-HOP Ajay Lalu said the way in which technology is implemented influences whether it is a disruptor or an enabler.

Whereas for big business, technology is an enabler and helps them to pursue productivity and efficiency gains, for small businesses, technology and online meetings have shrunk the world. “This has given us opportunities as the world becomes smaller and your market size becomes bigger. But you do need to balance that with more competition and your quality of delivery has to be there.

“As a small business, your ability to react quicker is your key differentiator,” Lalu said.

“It’s your ability to capitalise on those advantages that makes you unique and different.”



# Doing Business with Big Brother. How Bad Is It?

“Every business started off by being a small business. All of us have had to scale to become what we are today,” said Phuthi Mahanyele-Dabengwa, chief executive of Naspers.

She was speaking at the launch of the latest GIBS Ethics Barometer, a groundbreaking initiative in which 30 large South African companies participated, and which was recently extended to include the SMME sector.

A flourishing small business sector is vital for entrepreneurship, economic inclusion, and South Africa’s future. Yet it is beset by major issues and challenges, including the relationship between big companies and the small and medium-sized businesses that supply them.

Gideon Pogrand, director of the GIBS Centre for Business Ethics, explained that in association with E Squared, the empowerment entity of investment company Allan Gray, GIBS set out to better understand the broader business environment in South Africa by focusing on the SMME sector.

“We have used the findings to start a conversation about the ethical ecosystem of the SMME sector, and in particular, the relationship between small businesses and the large corporations that they supply, given the crucial role of the sector in entrepreneurship transformation and the future of South African business and society,” Pogrand explained.

The study reveals dramatic findings about the experiences and perceptions of SMMEs. Lead author Professor Kerrin Myers said issues faced by small businesses include the following:

- SMMEs feel that they are poorly treated by corporates with which they've tried to do business. SMMEs feel bullied and intimidated.
- Small businesses are shut out from market opportunities by large corporates. They feel corporates are unreasonable in the barriers they put in place to prevent SMMEs from doing business with them.
- When they do manage to break through, they often face late payment (more than 30 days), which sometimes has devastating consequences for the SMMEs.

“Small and medium enterprises feel excluded oppressed, subjugated and marginalised,” Bonang Mohale, chair of Business Unity South Africa said.

“Business is trusted twice as much as government. What are we going to do as business to come up to this level of trust, hope and confidence that has been thrust and bestowed upon us, undeservedly so? I think if South Africa is going to work it’s because business will make it work. Business is our last chance.”

## Heritage Day 2022 at GIBS

South Africa celebrated Heritage Day 2022 by remembering the cultures of the many groups that make up our population. For the first time in two years, due to the lifting of Covid-19 restrictions, GIBS staff were able to come together on campus and create some magic. Using the Sankofa technique or mode, which is like 'colouring-in for grown-ups', artist Sebastian Davids helped us celebrate the day in style. We painted an Ndebele art mural in recognition of the cultural wealth of our nation. The wall is at the Mookana Grab and Go Restaurant. [GIBS](#)



**DR. JEFF YU-JEN CHEN**

*Dr Jefferson Yu-Jen Chen is a full-time faculty member at GIBS. His research and teaching spans corporate innovation, value creation thinking, digital disruption and human computer interaction. Apart from coaching and advising leaders across different sectors in his private capacity as an 'innovation catalyst', Chen serves as lead faculty of the GIBS consulting stream. Chen holds several advanced degrees including an MSc in analytical chemistry, PhD in computational chemistry, an MPhil in management and executive coaching, and a PhD focused on enhancing the collective intelligence for corporate innovation.*



BY DR JEFFERSON YU-JEN CHEN

# The Leader As Master Consultant

Today's leaders do more than mobilise others behind a common goal. Wearing many hats – visionary, creative, developmental and adaptive – may seem like a tall order, but the world of consulting has some recipes worth considering.



GIBS is the only business school in South Africa to offer a consulting stream option as part of its MBA, an addition that was the brainchild of GIBS's interim executive director for faculty, Hayley Pearson. As lead faculty on the consulting stream, I've witnessed first-hand how students have benefited from bridging academic theories with the process of developing and applying effective consulting toolkits in an interdisciplinary way.

Not every MBA student who goes through the consulting stream will ultimately move into management consulting. Some will continue to focus on climbing the career jungle gym within corporates or pursuing entrepreneurial adventures. Irrespective of which professional paths they set their minds to, they can take this philosophy of leaders as master consultants into their organisations. After all, today's master consultants are individuals skilled in providing expert advice to stakeholders and who co-create value to suit the particular context.

Ultimately, the goal for GIBS's consulting stream is to develop leaders who demonstrate what Albert Einstein called "combinatory play". This ability to merge two or more unrelated ideas, concepts, disciplines or processes into a new and creative mental channel situationally is often touted as a way of boosting creativity. In fact, it can unlock more than just creativity. It may

just be the skill that helps tomorrow's leaders navigate the choppy and demanding waters of a rapidly changing world.

It is the unique leadership characteristics that a consulting mindset opens for all leaders that I find of particular interest, and which has led me to explore the notion of leader as master consultant.

The mindset one develops as a management consultant, and the tools that help apply this way of thinking, are by no means the preserve of the consulting sector. In fact, I believe they should be applied more widely to leadership development.

**'Many of the characteristics of a good management and strategy consultant could be applied to leadership.'**

## The many identities of value co-creation

To help me unpack this thinking I brainstormed with colleagues, fellow consultants and business executives, including Heloise Nel, managing partner of global advisory firm Egon Zehnder's Johannesburg office. Nel is an inspirational people developer with a keen focus on advancing leaders.

We agreed that many of the characteristics of a good management and strategy consultant could be applied to leadership. Consulting professionals use an evidence-based approach to solve problems or spot opportunities, and they work collaboratively with clients to develop interventions and create value, oftentimes without the luxury of asserting their positional power to mobilise the stakeholders – simply because they had been given none to begin with. To co-create this kind of impact, they are often required to wear different hats.

Broadly speaking, I classify the various identities a consultant may flip between as follows:

**The maestro** – who is abreast of all the latest information in the area of focus through constant learning and the synthesis of wisdom at a rapid pace.

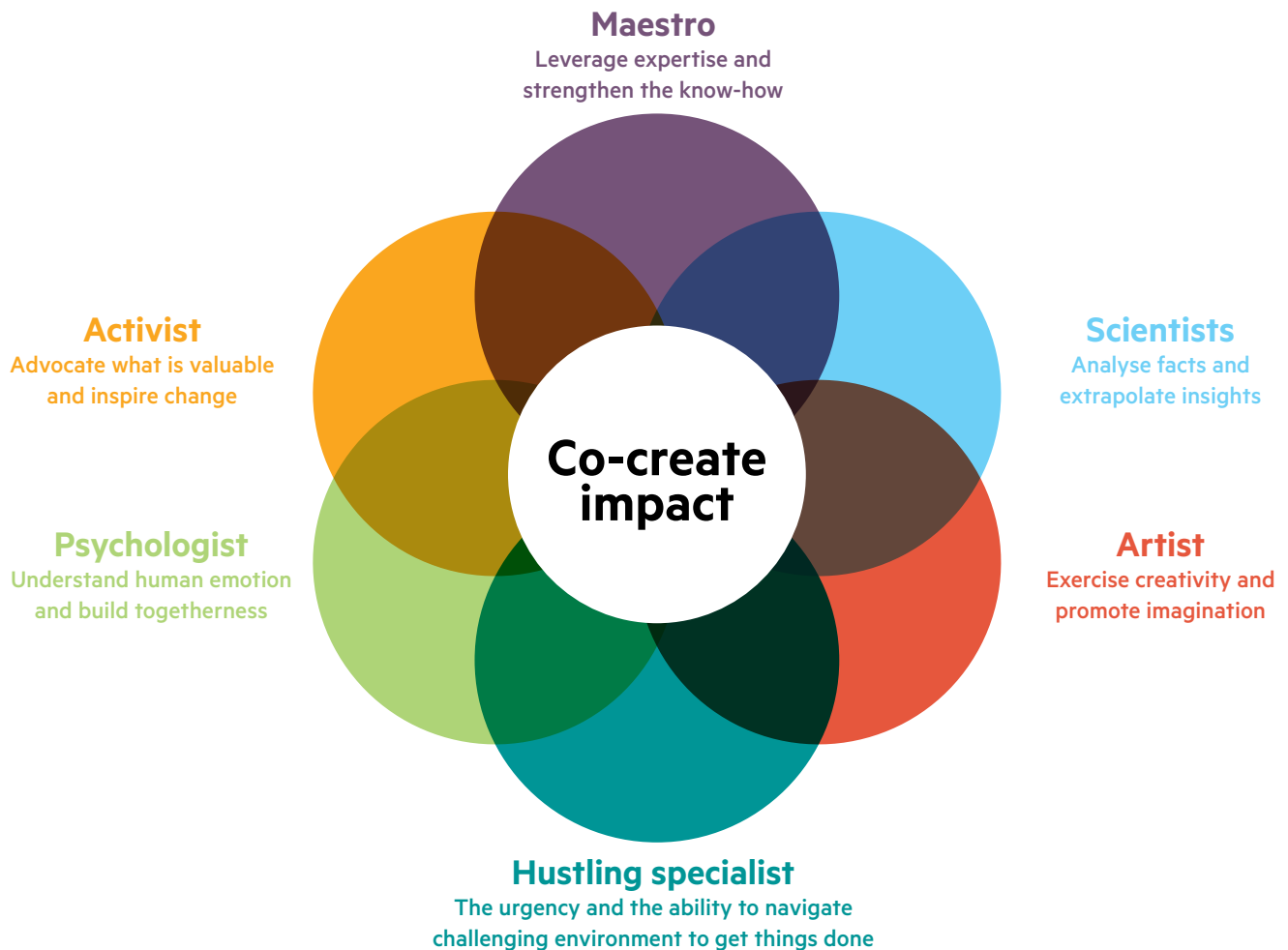
**The scientist** – who must eradicate biases and extrapolate insights to deal with unknown situations and an unknowable future.

**The activist** – who sets out to improve something, catalyse strategic change, and must then advocate for what is valuable.

**The psychologist** – who understands people and how to build togetherness while bringing the best qualities out of each stakeholder on the journey.

**The artist** – who brings creativity, imagination and, oftentimes, counterfactual thinking to break the existing boundaries confined by unhelpful dominant logics.

**The hustling specialist** – who brings a hustling attitude of urgency, agility and adaption, as well as a fluid never-say-die attitude and ability to navigate in complexity.



## The core difference between leader and consultant

In considering the six identities, there is one glaring difference between the leadership role and the style and approach of consulting professionals: application.

As Nel points out, one of the criticisms levelled at management consultants is that they don't implement, so they never take responsibility towards the end of the project and, as a result, they don't learn how to live with their decisions. This is, Nel notes, a source of frustration for a lot of consultants, and a reason why some leave consulting to return to corporate, so they can "really be part of that end product".

Despite this divergence, there is still enough in the consultancy approach to support effective leadership in a fast-changing world.

## A route for leaders to follow?

By observing how seasoned consultants operate – and borrowing some of the tools in their playbooks – leaders across the spectrum can draw on the strengths of the six identities as and when required to co-create value. Depending on the issue at hand, they might need to channel the creativity of the artist or the boldness of the hustle specialist; always ensuring that they stay true to their single, merged and authentic identity.

As a consultant, as well as someone who self-labels as a "pracademic" (practical academic), I understand the need to approach clients and situations contextually. Sometimes I must be more assertive if I feel my message isn't getting through and the client is heading in the wrong direction (the maestro). Other times it's important to set the stage for the client and draw out their own ability to spot the opportunities (the psychologist). Often it's necessary to ignite enthusiasm and possibility (the artist) or to champion a cause of which others are uncertain (the activist).

This intentionality of shifting identities contextually should not be so marked that it appears inconsistent or phony. Rather, by "reading the room" the leader should be able to adapt to the needs of a given situation in order to find the best avenue for unlocking value. As is the case with consultants, no identity should be a fixed and imposing force in the room, but should always be an invitation to collaborate.

This may seem like a big ask, but by harnessing the principles and philosophy of consulting, it is possible for leaders to not only apply this thinking to the way they interact with clients and develop their own people, but to how they make use of different identities and skills sets to promote a sense of ownership and intrapreneurship with their organisations.



## Modernising the recipes

Top chefs use recipes to guide their own dish-making process and educate their sous chefs on how to assemble marvellous dishes. Not only do recipes provide guidance, they also enable chefs to modify and combine various recipes to suit a particular occasion without compromising the quality and consistency of the outcomes. In the consulting field, recipes are toolkits. Just like Michelin-starred chefs, who spend years mastering their range of special recipes, great leaders or effective consultants need to develop and polish their toolkits. These toolkits must serve the zeitgeist of the value creation pursuits in this modern time.

Consultants don't just dream up ideas and possibilities, they make use of a range of models and frameworks, processes and assessment instruments which they combine in any number of ways. Bringing out the right recipe for a particular context is something we teach in the GIBS MBA consulting stream.

Sometimes it's necessary to focus on organisational purpose or an immediate threat. Or it might be best to concentrate on innovation for new and bold opportunities. Every consultant has a toolkit of existing strategy frameworks, combinations and sequence designs, which can be combined into recipes on which the consultant can draw to provide clear guidelines and measuring scales.

Consultants take time and effort to develop these toolkits, tinkering with how best to use a swim lane process or an initiative prioritisation map in a given situation. Like a top chef, a great consultant doesn't just use one recipe time and again, they fuse multiple approaches and ideas according to the context. Pattern matching is absolutely important, as is the ability to build a multiplicity of combinations and sequences. Additionally, all good chefs are also required to

challenge some of the old recipes and find ways to improve them. So should leaders and consultants.

Much like a chef's school, all the students on the GIBS consulting stream go through a rigorous process to develop their own toolkit. We train them to think, using multidisciplinary tools, so they can develop ways in which to identify and solve problems effectively. Above all, we want them to improve the existing tools and challenge whether some of these current tools could be applied differently. For instance, have you ever wondered how listing all relevant factors separately into four boxes on a SWOT analysis enables abductive thinking and helps organisations develop dynamic capability effectively? In truth, most people apply SWOT poorly.

Having been encouraged to challenge existing tools and create semi-bespoke toolkits, GIBS consulting stream students don't merely develop recipes for the sake of developing them. They are compelled to apply their recipes in real-life situations and consult to actual organisations.

Believe it or not, all of us utilise certain sets of toolkits, consciously or subconsciously. Therefore, we should take the time to expand, revise, challenge and modify our own recipes to cultivate brilliance amid constant disruptions. As leaders, irrespective of the level at which we are leading, we should be asking ourselves how many of the six identities we have mastered and how we can best utilise these identities (in conjunction with our toolkits) to harness greater value in and for a complex and fast-changing world.

If we, as leaders, can only engage with one mindset and limited toolkits to address challenges, and if we do not have the adaptability to co-create impact with different stakeholders, what options do we have at our disposal when faced with challenging and unpredictable circumstances?

## A consultant's skills and mindsets

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Heloise Nel's six top consulting skills are a clear fit for any future-focused leader looking to add value within an organisation. They are:

### **Talent attraction and retention**

"Management consulting houses have a fantastic ability to attract and develop good talent," says Nel.

### **Development exposure**

"We asked a class of executives what they would single out as the single biggest contributor to where they are now, and 70% said 'stretch assignment.' As a leader, if you have high potentials, give them a stretch assignment that ties to strategy and develop them," says Nel.

### **Curiosity and global insights**

Here the focus on constantly evolving and broadening your thinking by attending seminars, reading, listening to podcasts and asking the right questions shines through. Once you have this body of knowledge, the next step is to connect the dots to your day job.

### **High ownership and commerciality**

"In consulting, your revenue, your invoicing is directly linked to output, so you have to be really thoughtful about how you apply your time," says Nel. "So, it's important to develop that sense of ownership."

### **Low bureaucracy**

"In the consulting industry you do see more junior people making decisions on projects, and you don't see that on the large corporates and so it [decision making] becomes onerous. Rather keep it flat and simple," she says. In addition, consultants don't have legions of internal meetings, everything is focused on clients.

### **Influencing and networking.**

Corporates are not good at networking. Conversely, in consulting, industry connections – spanning industries – is vital.

This positions consultants personally to take advantage of other opportunities and also exert positive influence. "If leaders can develop that skill of being able to influence, even if you don't have position power, that is really important. You have to influence upwards, sideways and not just rely on your position". **GIBS**



Heloise Nel

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A close-up photograph of a hand holding a red dart, poised to throw it into the bullseye of a target. The target has concentric rings with numbers 6, 7, 8, and 9. The background is blurred, showing a desk with papers and a pen.

**Gordon Institute  
of Business Science**  
University of Pretoria





BY DENISE MHLANGA

# A Beginner's Guide to Management Consulting

**Organisations turn to management consulting for advice to diagnose complex issues, access relevant solutions, or when new or additional capability is required.**

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Long before the Covid-19 pandemic, the world of work was changing, with many organisations looking to consultants for strategic and operational guidance.

The pandemic accelerated these trends, and, coupled with the hybrid work model (work from home and office), organisations are once again turning to consultants for guidance on a wide array of subjects: how to grow revenue; effective operations; digital transformation; innovation; and the attraction and retention of talent, to name just a few.

## What is consulting?

Chad Schaefer, the managing director at Schaefer Management Consulting, says management consulting is typically a knowledge-intensive service that supports decision makers in an organisation through providing objective advice, and in some cases, helping implement that advice.

“Management consulting is a skilled profession that assesses business problems and opportunities and recommends context-appropriate solutions. However, organisations are responsible for making decisions based on the outcomes,” says Schaefer.

Gaby Rajak, founder and managing director at Gaby Rajak Leadership Coaching and Consulting, says management consulting is a relationship-building process that enables the co-creation of insights to generate options and possibilities for the business to win.

“The idea is to stimulate and encourage organisations to think out of the box when operations are not in sync with the strategy,” says Rajak.

She says a key takeaway from management consulting is to empower organisations to learn, adapt and be flexible in a changing environment.

## The role of consultants

Schaefer says consultants are professional problem solvers, facilitators and opportunity enablers who, through their experiences, offer solutions to improve business performance.

“They design and implement value-adding solutions across business functions including strategy, operations, information and people.”



## **‘Skilled mentors or coaches focus on enabling individuals or teams to carry out the tasks.’**

Anton Ressel

He emphasises that clients or organisations are solely responsible for final decisions based on the consultation.

Natalie Maroun, managing director at The Performance Agency, says with a broad range of services offered by consultants, their business focuses specifically on human capital advisory to help organisations solve their most challenging people and performance problems. “We do this in creative and pioneering ways to deliver real lasting impact.”

Consultants are sometimes confused with mentors and coaches, and yet their services differ, says Anton Ressel, a director at ARC Consulting.

Ressel explains that consultants are often required to do the actual work where necessary to help complete a project. Skilled mentors or coaches focus on enabling individuals or teams to carry out the tasks.

“Consultants leave once they have delivered the intended solutions, although in some cases, they stay on to provide strategic support over a period of time,” says Ressel.

As businesses grow, so do their needs, along with having to adapt to operational environments.

It then becomes even more critical to consult externally as it brings a fresh perspective on the issues, challenges and opportunities, says Emma Montocchio, head of innovation at Decusatio.

As a firm that specialises in advising management teams on accessing finance and markets, she says some issues need a high-impact consultant to lay the groundwork. This makes it easier for specialist in-house consultants to implement solutions.

For example, she says innovation is topical and relevant currently, with many organisations under pressure to innovate in some way or another. Leadership teams are not equipped to unpack strategic goals of what innovation should look like or achieve for the business.

Experts say it is important for organisations to establish internal consulting to advance strategic initiatives across the business and to implement projects for operational excellence. This also accelerates the work of an external consultant as the foundation and systems already exist.

“Internal consultants are valuable in monitoring developments in the industry and looking for new opportunities to assist the business,” says Montocchio.

## **When to seek consultation**

Montocchio says since consulting is a trust-based relationship, organisations will always benefit if they need to refresh and rethink their business by speaking to a professional.

“When an organisation feels stuck about its direction, it is a good time to speak to a management consultant,” says Rajak.

She says consultants partner with organisations to understand their current realities, where they need to go, and how to get there. They also get a glimpse into how a company is organised to achieve certain strategic goals

“Consultants help the leadership team to prioritise strategic objectives, and empower teams to hold each other accountable to implement the recommendations,” she says.

Rajak says leadership consultants facilitate a process for high performance aligned to the strategy and culture. The role of leadership is to embody and manage the culture.

Organisations consult when they need expertise or where they lack specialised skills or need problem-solving flexibility, to generate ideas or adopt change, says Maroun.



## **‘Consulting is a trust-based relationship.’**

Emma Montocchio



Chad Schaefer

**‘Consultants are professional problem solvers, facilitators, and opportunity enablers.’**

“In all these instances, consulting is a useful tool that provides insights and tailor-made solutions enabling organisations find new ways of thinking and problem-solving abilities,” she says.

When there is a lack of internal capacity, hiring a consultant is a more cost-effective means of accessing specialised expertise to solve issues, Ressel points out.

Schaefer says organisations consult for many reasons, including setting corporate strategy to help leadership; developing and implementing growth strategy; pursuing operational excellence; or to configure or transform the business.

### **Value creation**

Schaefer says good consultants always add more value than their fee, for example, by increasing client revenue, reducing costs, increasing productivity and return on capital employed, helping clients validate an appropriate solution before incurring huge investments, or by transferring knowledge to make client personnel more effective in their roles.

“Good consultants can see solutions to problems that the organisation may not have been aware it faced, and this adds value,” says Ressel.

For Montocchio, defining goals such as whether an organisation is looking for an idea, execution or both is important.

“Organisations with defined goals know how to measure performance and value.”

Maroun says consultants create technical value driven by their in-depth expertise and specialisation in problem solving to create efficiencies within the business.

They also add political value that entails managing organisational dynamics, facilitating convergence among stakeholders or serving as a sounding board or trusted adviser capable of implementing unpopular changes.

## **How to Prepare for Consultation**

For meaningful consultations, experts provide the following preparation tips:

- Assess organisational readiness and financial capability to work with a management consultant while operating as usual
- Clearly define the scope of work such as the problem that needs solving, desired effects and timeframes
- Collect relevant data to help inform the context of the engagement
- Establish a steering committee to facilitate sessions and resources needed during consultation
- Look for opportunities and trends within your sector that speak to your area of need for consultation



## Dos and Don'ts for Consultants

Montocchio says consulting is a trust-based relationship and consultants should respect this trust. Sometimes consultants fail to differentiate between strategic and operational goals, and they end up not achieving the intended goals.

These consultants are often on expensive retainers and purport to be thinking strategically but cannot drive their ideas through the business.

In the table below, experts offer do's and don'ts for consultants looking to engage with organisations.

### Dos

1. Ask questions for clarity
2. Always add more value than fees
3. Challenge the status quo
4. Define client's reality based on evidence and observation
5. Get the buy-in of all stakeholders to ensure transparent dialogues
6. Coach and support clients
7. Listen in order to understand the unique needs of the client
8. Provide insight
9. Recommend appropriate and defensible solutions, for the client's context
10. Remain relevant, objective and independent
11. Validate findings

### Don'ts

1. Make no assumptions about organisational issues
2. Do not try to implement cookie-cutter solutions

## How Inospace leveraged off consulting to remain innovative

When pioneering and innovative business Inospace started growing amid the Covid-19 pandemic, it turned to management consulting to guide its journey.

Established in 2017, Inospace is South Africa's leading owner and operator of serviced logistics properties serving small and medium enterprises (SMEs).

Founder and chief executive Rael Levitt says the entrepreneurial business grew to levels where it needed an effective management team and structures in place.

"We needed an external adviser to direct our growth strategy," he says.

He explains that their business is operations intensive, hence they are always busy with day-to-day operations. The consultant forced management to discuss the critical business strategy aligned with growth plans.

Consulting helped the organisation to reshuffle its existing leadership team, create a reporting structure with clear key performance indicators (KPIs), a well-articulated and documented three-year strategy.

"We consulted on a specific issue, but this is an ongoing process, we've achieved milestones during the initial period while growing the business. We will return to the same consultant should the need arise," says Levitt.

Consulting improved performance through creating efficient objectives. "A consultant should be willing to transfer learnings from your organisation, and coach you on how to implement those learnings."

Levitt, who has been a founder and chief executive all his working life, is no stranger to consulting. He cautions that businesses need to engage the right consultant to avoid an unhappy ending, adding that the process is costly and time consuming.

Word-of-mouth, asking respected leaders and other companies guided the organisation in choosing a consultant. His advice is to find a professional consultant who understands the brief and fits into the company culture.

They must be energetic and optimistic with genuine interest in helping the organisation.

"Importantly, find an expert who is competent to assist the business in a specific area, and also demand innovation to achieve results," says Levitt. **GIBS**



Rael Levitt

**DR NOBULALI  
DANGAZELE**

*Dr Nobulali Dangazele joined GIBS as a lecturer in 2021. With a doctorate from Warwick Business School in the UK, her previous background was in theatre. After completing her Master's at Wits, for which she was awarded the Mandela Rhodes Scholarship, she started ShakeXperience, an applied theatre company, best known for the award-winning adaptation of George Orwell's Animal Farm.*

**WANDILE  
BERENG**

*Wandile Bereng is a GIBS MBA and Group MD of OTB Group, a diversified advisory and professional management services group. He is passionate about strategy and highly motivated by the repeated results of a well-designed and executed strategy. His experience in C-suite management is complemented by years of successful delivery on efficient profitable outcomes.*

**DAVID  
RABINOWITZ**

*David Rabinowitz is an adviser in strategy and decision making at Iconiq Advisory. He is a creative and experienced strategy facilitator, focused on driving strategy using critical thinking in the decision-making process. David leads large strategy projects from conceptualisation to implementation, boasting 20 years' experience across several South African industries. He is also an accredited business coach.*

**BY GAYE CROSSLEY**

# So, You Want to Become A Consultant?



You have experience, you want to add value, and you believe you can make a difference within the South African business landscape. Becoming a consultant holds a lot of appeal for you. But moving into the consultancy field is not as straightforward as saying, “I want to help business leaders make key strategic decisions.” Dr Nobulali Dangazele, GIBS lecturer and strategy consultant, Wandile Bereng, managing director at OTB Group, and David Rabinowitz, innovation specialist and independent consultant, share their insights around what it takes to embark on a career as a consultant.

## 1. Deciding to be a consultant

The first step of the journey is to reflect on why you want to become a consultant. You need to do some soul searching and understand what you want out of your career. Ask yourself:

- What experience do I have?
- What am I good at and where and how can I add value?
- Do I want to be a specialist or a generalist?
- Do I want to work in a team or by myself?
- Where do I want to live and work?
- How hard do I want to work and how much money do I want to earn?

All of these questions will help you come to a decision about becoming a consultant and where in the consulting world you fit in. Global consulting firm McKinsey & Company has a [careers quiz](#) on its website that can also help point you in the right direction.

Dangazele then says you need to be honest about your personal obligations. If you are a single parent, for example, and cannot travel, you need factor that into your decision of how you will structure your career.

This leads to the next question: do you want to work for one of the big multinational consulting firms or would you prefer a smaller niche firm? Maybe you are looking to start up your own business?

## In summary

Before you embark on a career in consultancy, you need to understand what you want out of your career. Ask yourself:

- How can you add value as a consultant?
- Do you want to be a global citizen, or do you have responsibilities that tie you to home?
- Are you a team player or do you prefer to operate independently?
- How hard are you prepared to work?
- How much money do you want to earn?

**‘Do some soul searching and understand what you want out of your career.’**



Dr Nobulali Dangazele

## 2. Going big or carving out a niche?

The opportunities presented by big firms and small firms are very different. Your working style and priorities will dictate for which you would be better suited.

Bereng explains that big firms can offer their consultants global opportunities. “They also offer you scale of opportunities and practice,” he says and adds, “When you work in a firm like that you tend to specialise in an area like resources, healthcare or transport.”

So you may find yourself working in oil in the Johannesburg office, and then be moved over the London office or Nigerian office to consult on one of their oil fields, which means you have the opportunity to work abroad and get global experience.

If you are a new graduate, the multinational firms can offer exciting opportunities. Not only do they offer graduate recruitment programmes, but they also give their young associates opportunities that may not be available in smaller firms or other industries.

“You can be 26 and presenting to a chief executive or a board. Where else would you be able to do that?” asks Rabinowitz. They are, however, extremely competitive workspaces and demand 60- to 80-hour work weeks, says Bereng.

The larger firms also require you to be a team player. Dangazele says, “Ask yourself before you join: Do I like working in teams or as

an individual? What is my internal culture? Does it fit with the organisation I want to join?” She urges people to do their research on companies before they join them, so they know exactly what is expected of them.

If you are not drawn to the status of working for the global giants, a smaller firm may be a better fit. They are typically less competitive and offer a greater breadth of work as you will have to participate across a number of jobs covering different businesses and sectors. Bereng says, “In my firm, I look after strategy, business development and finance. So, while that takes some specialisation, there is still a huge amount of cross-pollination.”

However, they often require higher levels of education and a more diverse skill set.

Being small, niche firms require everyone to pull their weight in terms of bringing in business. Bereng explains that while you may contribute your skills across a number of different areas in the business, you are still responsible for bringing your own clients and billing.

Perhaps one of the biggest advantages a smaller firm can give a consultant is agility, the ability to move fast and take on new challenges as and when demanded, says Dangazele.



## In summary

The size of a firm is an important consideration as they offer different opportunities, as well as challenges:

### Global Giants

1. Offer global exposure
2. Require teamwork
3. Challenge the status quo
4. Have graduate programmes
5. Sector-specialisation
6. Career advancement
7. Demand very long hours

### The niche firm

1. Greater flexibility
2. Business and personal agility
3. More work independence
4. May require higher qualifications
5. Broad range of work opportunities
6. Also demand long work hours

**‘Niche firms require everyone to pull their weight.’**



Wandile Bereng

## 3. Characteristics of a successful consultant

Consultancy is a people-centric business. As such, successful consultants need high emotional intelligence and a strong arsenal of soft skills.

Rabinowitz says that consultants need to have a higher desire to please than people in other industries as they need to want to please the people they are working for. Bereng adds that good consultants must have a good emotional maturity, because consultants get limited credit for the work they inspire. He explains, “If you are looking for recognition for the work that you do, you will be disappointed. We produce work that makes other people look good.”

Dangazele builds on this and says in addition to emotional intelligence, you need to have cultural intelligence. “You need to understand the unspoken rules and norms of the culture that you’re engaging with. Our cultural differences can influence what our expectations look like and what is expected of each other,” she says.

Relationship-building is another invaluable trait of a consultant. Dangazele says to do this consultants need to be good listeners, be able to improvise, have empathy, and be agile enough to adapt to the changing needs of clients. Rabinowitz also says they need to be influential when it comes to guiding people. “You are helping a client to think properly and getting them on board, so that you create a solution that belongs to everyone,” he says.

In addition to having a high degree of enthusiasm and intelligence, a good consultant is also a good problem-solver, says Rabinowitz,

while Dangazele says consultants must have curiosity and a strong desire to research. “You must be willing to read in the area that you are working in but also read up on the client. I lack confidence if I haven’t thoroughly done my research,” she says.

And finally, consultants need a good dose of self-belief, says Bereng. “You can’t be questioning yourself. You need to have confidence to stand up in front of people and say, ‘This is what I think.’”

### In summary:

In addition to technical skills, good consultants must have an array of soft skills, including:

- Enthusiasm
- Intelligence
- The ability to listen
- Problem solving
- Creativity
- The need to please
- High emotional maturity
- Cultural intelligence
- Self-belief
- Agility and improvisation

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## 4. Starting out – how to get hired

Although consulting is not a career you can study for per se, a degree is necessary. Rabinowitz says that if you want to be a specialist consultant then the accompanying degree is necessary. For example, if you want to be an engineering consultant, then you need an engineering degree. But general business degrees, with economics, marketing, strategy, and change management will all get you a foot in the door. GIBS offers a specialist Consulting MBA where people can expand their business knowledge while learning all the theory behind various strategy and planning models.

If you are a young graduate, Rabinowitz says it is worth investigating the graduate programmes being offered by the larger firms. Bereng, as a director in a smaller firm, says that their minimum qualification is a Master's degree. "Anyone with a Master's degree has had to sweat it through a thesis or a dissertation," he says, which is important for the firm as research is a key pillar to its business strategy. He notes, though, that more junior people are now being employed and a postgraduate degree or diploma is sufficient.

Dangazele believes it is about having the right mindset for the job. You have to develop yourself so that your skills and resumé match what consulting firms want. You have to demonstrate that you have the education, skills, experience and personality to get the job done. Critically, when getting interviewed, you have to

be prepared to ask the right questions back, show that you are able to think and engage strategically. The industry is extremely competitive, and you have to make sure that you stand out.

When looking for a work opportunity, all of the large consulting firms have websites with job information and application processes. To get into smaller firms you may have to approach specialist recruitment agencies or tap into your network.

### In summary

Consulting is a competitive field; you need to be able to show you have what it takes. Website [indeed.com](https://www.indeed.com) gives a good summary of the steps required to get hired:

- Pick a field
- Develop your skills
- Create a resumé or portfolio
- Earn certifications
- Make new connections
- Search for job openings
- Prepare for your interview

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## 5. Excelling as a consultant

Consulting is a demanding career and requires a high degree of professionalism and maturity. Rabinowitz, Dangazele and Bereng all say the same thing: a career in consulting is a journey of self-discovery.

Rabinowitz says, "You are constantly being mentored by the world. You are getting an intimate view of different business and an insider's view of how they work." However, although you are working for different companies across different industries, you are always essentially dealing with people.

This is why Dangazele believes her qualification in performing arts stands her in good stead. It allows her to listen for cues, improvise and respond quickly to clients. This ability to listen is critical. Rabinowitz says that listening is key, as this is where you find opportunities. He says, "If you're listening and asking the right questions, you're going to identify opportunities."

Dangazele says it is very important to keep improving your skill set. She is an avid reader, and not only reads to upskill herself but also to keep abreast of happenings in the industry and her clients. She also urges consultants to try different activities. "Travelling and reading are vital for self-development, but a third important thing is to keep harnessing different skills," she says.

A good network is essential. A successful consultant has a network of people to draw on. Not just a network of clients, but a network of experts in different fields who are there to help you

to give your clients the best service, solution or advice. Bereng says having the ability to call on contacts to assist to solve client problems or to seek advice is critical. Dangazele agrees. "I thought I was doing this alone, and then I realised I could call on people to help me. When I first did this I felt like an imposter, but it is an important aspect of the job."

And in a digital world, Dangazele believes that any successful consultant needs to harness the power of technology innovatively. Dangazele, for example, sends her clients video presentations, so that they have all the information they need before they meet. This then makes meetings more efficient and shorter.

### In summary

Consultancy is an evolving career and requires consultants to constantly be on a journey of self-discovery and skills development:

- Listen and ask the right questions
- Improve your skill sets through courses, reading and travelling
- Constantly build your network
- Use your networks to enhance your offering
- Be innovative in your use of technology

## 6. Climbing the corporate ladder

Although every firm is different, their structures are similar. At the bottom of the pyramid, you have the junior consultants and internships. You then move up to senior consultant, managers, partners and then directors.

If you want to succeed in a global consultancy firm, you will be expected to work extremely hard. Rabinowitz says 14- to 18-hour days are the norm. He advises consultants to put their hands up and show willingness. He urges junior consultants to align with the right people and to get involved, learn the job. A good consultant is also professional, always on time and always delivering on deadline.

Rabinowitz, an ex-Deloitte consultant, adds, “There’s a lot of additional stuff that corporates will put in the mix. Your ability to build a team or hire and manage a team. You need to be able to do all the practice management tasks, mentor younger people, manage billing, etc.”

But perhaps the most important metric of success in the world of consultancy is the ability to bring in billable clients. Rabinowitz says that this aspect of the job is the most daunting for consultants. Bereng expands on this and says, “The business needs a certain amount of revenue to meet its obligations, and that revenue needs to be profitable.” So Rabinowitz advises,

“Try and get involved in selling. Go to the sales meetings, work on the proposals.” This way you learn how to sell, build networks and bring in the money. And ultimately, that is what consultancy is about – building and keeping a loyal client base.

### In summary

Consulting firms are competitive, climbing the corporate ladder requires long-term strategic approach:

- Work hard
- Be a team player
- Align with the right people to mentor you
- Be punctual and deliver on deadline
- Learn to work with, hire and manage a team
- Build your network and learn to sell your services



David Rabinowitz

## ‘14- to 18-hour days are the norm’

## 7. How to start your consulting business

To start your own consulting firm, all you need is a computer and a Wi-Fi connection. However, that does not mean you have a viable business proposition.

When starting your own business, the most important starting point is to ask yourself is, do you have clients? Bereng says, “When we started OTV, our initial retainers were from people I’d worked with, when I was in big business and had actually given them business ... And even today, we still get most of our business from our networks.”

The next step is to decide if you are going to go solo or if you need additional skills in the business in the form of partners. Not only do partners mean the business has more capacity to deliver, It also means that you have a bigger network to draw on for both clients as well as expertise. “The thing about professionals is that they bring in other professionals. And that that’s how we we’ve managed to get top-end consulting partners to join us for projects,” says Bereng.

One of the biggest challenges a consulting business faces, says Rabinowitz, is that of moving the business away from the founder. A sustainable business needs to be able to operate independently of the owner, but it is typically the owner of the business who has brought in the clients. A way to address this matter is to employ the right people. Rabinowitz says, “At some point, you have to you have to hire people that are going to question you and challenge you.” He says that requires a mature attitude. If you cannot do

this you will end up killing the ability for the organisation to be independent of you.

Dangazele urges business owners to get assistance. “I was working six days a week, 18 hours a day at one point. I was earning a lot of money, but I was in a prison.” Her solution was to employ a full-time personal assistant who could run the administration side of the job for her fully. “She was almost like my business partner,” Dangazele explains. By having assistance, with jobs like preparing presentations, writing up reports, scheduling meetings, a lot of Dangazele’s time was freed up.

### In summary

Before quitting your job to start a business, ask yourself:

- Do I have good enough network to get clients?
- Do I want to work by myself or with partners?
- Am I creating a business that can run independently of me?
- What skills does my business need and what type of people do I want to hire?
- Do I need a personal assistant to run my office and the business administration? **GIBS**





BY NORMA YOUNG

# Why a Consulting MBA?

## An addition with a notable impact.

After years of an offering that included a general or entrepreneurship MBA, GIBS decided to add a consulting stream in 2019 that has been popular with staff and students.

It was already an award-winning offering, so when GIBS decided to refresh its MBA programme, the intention was to make an excellent product even better.

Hayley Pearson, the executive director of faculty at GIBS, recalls that the need for a redesign became clear early in the research phase. “We had received input from various accrediting bodies and a variety of sources that our programme was very traditional in how it was designed, and that there was a lack of integration.” Over a two-year process, the whole offering, from assessment methodologies to subjects, was appraised.

Pearson and colleagues reviewed outcomes and what the institution wanted students to achieve. They spoke to stakeholders, business leaders, the advisory board, alumni and recruiters. They also benchmarked the

business school’s offering against top international institutions, looking at what was included in their curricula. This extensive exploration resulted in the design of an updated MBA that includes five core streams.

The consulting stream was designed and developed in 2019 and piloted in 2020. It aimed to respond to some of the specific focus areas that emerged in research. “Our feedback showed that students choose to do an MBA for three reasons,” says Pearson. “One is to learn how to run a business. One is to learn how to grow, and start and grow, a business. And one is to learn how to advise a business. So we saw these three pockets of MBA students who want to learn about general management, entrepreneurship and consulting.”

Because consulting can be in a variety of industries, also within a company

or independently, for a start-up or established conglomerate, integration of all three streams was important. There needed to be extensive overlap so that a student in the consulting stream was exposed to the fundamentals of business and of entrepreneurship. Additionally, this integration meant that students could mix and match courses to fit their needs or interests. “We wanted to allow students to truly personalise their MBA programme. It was important for students to create the MBA that they wanted.”

In a departure from the old model, the refreshed MBA offering was an experiment of bringing the whole cohort together and also splitting them into their streams. This meant some courses and workshops were attended by all, while the consulting group had their bespoke mandatory courses and then some electives from which to choose.

## Relevance for the local context

“Following the feedback and lessons learnt from the pilot programme,” says Pearson, “the current consulting focus is made up of an international management consulting module and a combination of compulsory electives such as the management consulting boot camp, the professional management consulting elective and effectual intelligence for management consultants.”

All students are required to consult to a real-life company and local and international immersions are provided to enhance the effectiveness of the experiential learning philosophy. Additionally, top local and international experts are invited to share their knowledge with the MBA classes.

Students in the consulting stream must develop a portfolio of evidence. It must reflect their own individual consulting project that’s been delivered to a current business, as well as a toolkit of their own consulting models and frameworks.

The ultimate purpose of the GIBS consulting stream is not just to prepare students to become consultants. It aims to nurture the best possible kind of thinkers and doers alongside helping students improve their strategy and management consulting skills, whether they work for clients or become intrapreneurial consultants.

Danielle Meyerowitz, faculty & learning journey designer at GIBS, has worked closely on the curriculum design for the MBA. She believes the consulting stream aims to impart important skills to graduates. It’s critical for students to get real-world consulting experience so that they are well-prepared for consulting roles in business. “In fact, this focus is designed to provide students with deep insight into the consulting profession while helping them develop proficiencies in a range of skills and attributes required to kick-start their careers as a consultant.

Some of the specific skills we focus on are critical thinking, problem solving, communication and presentation skills, practical application of consulting models as well as contextual awareness and agility to ensure students are able to customise their skills to the businesses and leaders in the South African and African context.”

Some students want to do academic research for their MBA, but most want to integrate, contextualise and dovetail what they’ve learned so that they can solve real-life problems. This can present them with more opportunities to bridge the gap between what they learned from the school and how they can create value for businesses.

When the pilot was scheduled, it was originally intended to be run with only 10 participants but due to demand a total of 16 students were part of this inaugural group. “Students were especially interested in gaining practical exposure, industry insights and consulting specific tools to expand their personal competitive advantage,” recalls Meyerowitz. Since then, the decision to include a consulting MBA has been confirmed by each year’s intake and the stories of alumni who go on to achieve success as consultants. “In the knowledge economy, management consulting can be an extremely rewarding career to help organisations solve their problems, improve their overall performance and maximise their growth.”



Hayley Pearson



Danielle Meyerowitz

## Key differentiators of the Consulting MBA

Skills that are developed are required in the consulting world. These include how to contextualise a business situation and project the future, how to ask powerful value-creating questions and the value of combining a range of body of knowledge within management sciences to design semi-bespoke toolkits that solve real-life challenges.

It is a design-it-yourself offering comprising mandatory modules and electives. There are four compulsory courses that cover topics such as basic problem scoping, influencing without full authority, cultural intelligence, and solving complex challenges adaptively. Students can also pick another elective of their own choice to complement their aspirations.

Local and international immersions are included that are designed and implemented to enhance the effectiveness of the experiential learning philosophy. This includes the opportunity to consult to international companies. **GIBS**

**‘It was important for students to create the MBA that they wanted.’**





BY NORMA YOUNG

# Different Routes to the Consulting Destination

Some people enrol for an MBA clear on the pathway ahead while others change their career as they're exposed to more information. What they all have in common is an aim to create the consultant job of their dreams.

A six-year tenure at one company saw Jean-Luke Pieterse climb up the organisation's organogram. Joining as a junior actuarial analyst in 2015, he was promoted to new jobs such as operations manager and product manager/data analyst. But then he started to feel like the ladder he was on had limits. While he initially planned to climb the ranks towards the C-suite level, Pieterse realised that his employment opportunities were stagnating rather than growing.

In 2020, he signed up for an MBA hoping to accelerate his career. "The initial reason for pursuing an MBA was to grow my network and expand my knowledge and business acumen, to be seen as a strategic resource and asset to the company I was employed at. However, GIBS presented us with the opportunity to join one of two MBA streams, either entrepreneurship or consulting. I chose the latter to transition my career into consulting."



Jean-Luke Pieterse



## Back to the books

Alongside the theory on topics such as financial and accounting management, strategic implementation and human resource strategy, Pieterse also acquired new skills and confidence. “The course material as well as the class interactions provided me with problem-solving and critical thinking capabilities and an open forum to discuss and debate key business, economic and social topics.”

Having elected the consulting stream, Pieterse decided that after completing the MBA, he would in fact move out of his previous career and into consulting. Today, he’s an associate management consultant at Kearney. It wasn’t an industry he’d ever considered but armed with an MBA, he knew it was one he would not only enjoy, but one that could deliver continued growth.



Rebecca Twala

For Rebecca Twala, also in the 2020 class, obtaining an MBA wasn’t about moving up the career ladder but about self-discovery. She enrolled during a difficult time, with the qualification offering a possible way out. “I was in a job I hated,” she recalls. “It was a good job from the eyes of someone looking in but definitely nowhere near a job I wanted to do for the rest of my life. I didn’t really know what I wanted to do but I knew that my purpose was far greater than the work I was doing at that moment.”

In research for ways to branch out into a different industry or career path, an MBA kept popping up, so Twala decided it was worth pursuing. She’d already worked as an independent business consultant and a senior management consultant, so the consulting stream was an easy decision. But she did also want radical change. “During my MBA, I made a pact with myself to be in a decision-making role in strategy. The idea of being part of something from conception through to impact and seeing the fruits on a large scale always seemed so daring.” True to her promise, Twala completed her MBA in December 2021, and made a bold career move. “I applied for a role I had little industry and business unit experience in, and I am so glad I did!”

“Work has been hectic,” confesses Twala, but it’s also exactly what she hoped for. Noting the rewarding aspects of management consulting helps with perspective for when times are tough.

**‘Their passion ignites my own, and aids my endurance’**

**‘Work has been hectic’...  
but it's exactly what she  
had hoped for**

For Twala, this has been the go-live date on a project, because something always goes wrong, such as when “either at last minute testing, the solution doesn’t work or the client changes the entire direction a few weeks before go-live without adjusting deadlines”. But the exhilaration of seeing concepts come to life makes the build-up hardships worthwhile.

## Getting down to business

While working as a medical doctor, Adolf Makgatho started four businesses. Three were moderately successful but the fourth was such a dismal failure that he decided to learn more about the business world. He enrolled for an MBA, initially planning to apply what he would learn to future entrepreneurial ventures that would be in the health sector.



Adolf Makgatho

But then his interests and plans changed. “My horizons were broadened and I started to find the new perspectives about business very exciting. By the second year of the MBA, I was exploring going into corporate. I wanted to apply what I’d been learning and grow further in this new world I’d been exposed to.”

Straight after finishing his studies, Makgatho made the move out of practicing medicine into consulting. He joined McKinsey as a management consultant, and in 2022 was elected partner at the consulting firm.

The unexpected and unplanned career change has been wonderful because Makgatho says being a consultant means he can reference his past and bring his unique perspective to every project. “The most amazing thing about being a consultant is that I can still bring my whole self to the work. My previous experience as a doctor is not wasted. My previous experience as an entrepreneur is helpful. I’ve been so pleasantly surprised that my combined past studies and work have relevance in what I do now. Combining different skill sets from my background with a deeper understanding of businesses has helped me find my own niche.”



Anneke Wolmarans

Anneke Wolmarans has also made a career switch, in her case from law into consulting. She worked as an attorney and chief legal and commercial officer and enrolled for an MBA to “escape the ring fence my law degree placed on me”.

Business school delivered exactly what she’d been hoping for and enabled her to start her own business as a commercial advisor. An MBA facilitated the career change she wanted, but some aspects of her new path have remained the same. “My

passion is helping people and organisations realise their potential. So for me, really tough situations are when clients are not really receptive to input or actual consultation. I struggle with clients who have predetermined outcomes which they seek and they want me to ‘find’ the evidence which supports their viewpoint.”

Wolmarans draws on her legal background, but particularly relishes the full organisational view that consulting offers. “My favorite part of a consulting project is when talking to the staff, finding out their ideas about what is going well and what can improve the organisation. Those sessions are where you gauge who is invested and who isn’t. Usually their passion ignites my own and aids my endurance through projects. Helping a business improve for the benefit of everyone – not just the bottom line – is what drives me.”

## The best of both worlds

Years ago, while at the Deloitte Graduate Academy, John Makgato was exposed to consulting. He’d studied accounting and went on to work in the field but the affection for consulting remained. When he felt like his career trajectory was beginning to stall, Makgato signed up for business school. GIBS was an undisputed first choice. “The clincher was the consulting stream because it offered an opportunity to learn and train while also being very practical.”

During his studies, Makgato created consulting tools and worked on a consulting project focused on strategy and innovation and solving customer problems through a compelling integrated value proposition design framework.

**‘... it offered an opportunity to learn and train while also being very practical.’**



John Makgato

It was the ideal preparation for the job that he now has: head of youth and CVP for Nedbank. He opted not to work for a traditional consulting house, choosing instead a job that better matched his interests and plans. “In innovation & design we were asked to think of ourselves as an entity and how you would innovate and design your next stage. This involved thinking about preparing, positioning and being ready to change and transition as the world demands.”

Makgato has a dream of one day providing independent consulting services but for now loves his current job because of the flexibility and variety it offers. “The essence of consulting is the facilitation of problem solving through insights and solution design; my job allows me to do a lot of that. What drew me to the consulting stream at GIBS was that I wanted to learn these skills which I had been exposed to through consultants I had worked with who fascinated me. And now I get to use those skills on a daily basis.”

## Three key takeaways

1. The consulting MBA isn’t just about consulting: John Makgato specifically wanted to learn about consulting but learnt much more during his studies at GIBS. “I loved how GIBS revamped their programme from siloed subjects into thematic core modules that are essentially the approach to strategy with leadership interwoven into them. I loved how in each module there would be between four to six faculty coming in and giving their expertise within that context.”
2. The post-MBA pathway is varied: getting a job at one of the big consulting companies is a common option for graduates but it’s definitely not the only one. Career options include working within a company and bringing the consulting knowledge and skills to a role or, for those who are entrepreneurially inclined, starting your own consultancy, as former attorney Anneke Wolmarans has done.
3. Experience in different industries is beneficial: when you’re making a career change, obtaining an MBA allows you to build on your existing knowledge and skills. Adolf Makgatho, who switched from being a medical doctor to a management consultant, says business school has helped him craft a niche which blends theory with his previous skills and experience. “Outside of teaching me the technical parts of business, an MBA has given me confidence. It’s helped me understand the complexities of business and made it easier to distill them down to the basic fundamentals that matter most.” **GIBS**

# Dynamism meets impeccable refinement in the new Range Rover Sport



The new Range Rover Sport combines an engaging driving experience with peerless refinement. Scheduled to make its South African debut imminently, the new luxury SUV employs a suite of new technologies to make for the most desirable, advanced and dynamically capable Range Rover Sport yet.

## Dynamic drive

The Range Rover Command Driving Position with a cockpit-style seating position ensures complete driver confidence through a 20mm drop in driving position, a higher, angled centre console, a faster rake to the windscreen and a sloping roofline. New front window panels and slim pillars provide improved visibility on the front and side.

The 22-way adjustable, heated and ventilated electric memory front seats include a massage function and winged headrests. The rear cabin includes heated and ventilated seats with power recline and winged headrests. The seat base angle provides better support and improved comfort.

## Pure cabin air

The Cabin Air Purification Pro with particulate matter (PM) 2.5 filtration and nanoe™ X technology ensures the healthiest and purest quality cabin air, enhancing the wellbeing of occupants and the driving experience.

The advanced technology condenses moisture from cabin air, breaking it into electrically charged particles. This creates a high voltage that produces hydroxyl (OH) radicals in nano-sized water molecules, which react with contaminants in the air. Independent tests indicate that with more than 30 minutes of usage, the system is 97 percent effective in eliminating viruses, bacteria and pollutants, and more than 99 percent effective in eliminating Covid-19.

## Active Noise Cancellation

Active Noise Cancellation is an integral feature of the flagship Meridian Signature Sound System that filters out unwanted road and tyre noise. The system uses individual single-axis accelerometers to measure structure-born noise, with microphones that measure airborne noise located in each wheel arch. A cancelling signal is played through the system's cabin speakers, actively removing road noise frequencies of up to 1kHz before they reach cabin occupants. This makes the new Range Rover Sport three decibels quieter inside than its predecessor.





Selecting Dynamic mode via a central Audio Domain Controller allows more of the sound from the powertrains to reach the cabin. This brings a new level of duality to the driving experience, providing quiet in Comfort mode and a more thrilling and rewarding drive when Dynamic mode is activated.

## Superior sound

Customers can choose from a range of Meridian sound systems, led by the new Meridian Signature Sound System. Its high-fidelity audio playback uses up to 29 speakers, including a subwoofer, with 1 430W of amplifier power capable of creating personal sound environments for each of the four main occupants. This is delivered through speakers positioned to the front, side, above and behind each occupant, plus a 20W digital amplifier in each outer headrest.

Ten separate Digital Signal Processors (DSPs) ensure five times the processing power of the previous generation sound system. New speaker enclosures provide a premium appearance and form an integral part of the door using the same specially developed acoustic textile, while also enhancing sound transmission, allowing consistent, controlled and distortion-free audio playback.

## Effortless convenience

The new range Rover Sport's reductive design boasts a host of convenience features. Flush Deployable door handles glide out

automatically when the vehicle is unlocked. With Proximity Sensing, Approach Unlock detects the key and unlocks and presents the door handles for quick and easy access, while Walkaway Locking automatically locks the vehicle when the smart key departs the detection zone.

Elegant Arrival automatically lowers the body height using the air suspension to make getting in and out effortless.

Remote Park Heat with Cabin Pre-Conditioning enables customers to set the perfect cabin temperature before getting in. When they do, customers will be greeted by a warm white glow from the Premium Cabin Lighting. This is one of 30 colours available to choose from for the illumination of the doors, console and instrument panel. Once the engine is started, the warm white transitions to the pre-set colour theme.

## Premium space

The cabin is more spacious than ever. Comfort is delivered in the second row with a stadium rise of 11mm over the front seats, a heel drop 9mm lower than the previous Range Rover Sport and improved legroom (+31mm) and kneeroom (+17mm).

The luggage space is now a more usable shape with a load area of 835 litres with the rear seats in place. Lowering the rear seats expands the space to 1 860 litres.

There are more usable and accessible spaces for item stowage, including a deep stowage area beneath the main console, an open, under-console area, and redesigned door pockets. The central cubby beneath the armrest is large enough to hold several items or be used as a front centre console refrigerator compartment, capable of chilling four 500ml drinks bottles to 5°C. **GIBS**

For more information visit:



[www.landrover.co.za](http://www.landrover.co.za)

BY CARA BOUWER

# Seven Trends Reshaping Consulting

Probe the trends and trajectory of management consulting and a number of possible scenarios unfold, from an AI-driven future to the breakup of the big firms. Whatever transpires, the sector is shape-shifting to fit a new reality.

This is not the first time the management consulting industry has found it necessary to adapt in step with changing needs. The profession began with “people asking for people”, reflects Luis Rodriguez, the managing director for strategy and consulting at Accenture in Africa. Then it moved to a focus on deliverables and outcomes. “Now clients want value,” he says.

The need for this shift was already evident before the 2020 pandemic, with [CB Insights](#) noting that traditional consulting firms had only grown by 2% over the past five years. This was partly driven by the digital shakeup, which saw tech companies moving in to grab some of the consulting industry’s lunch. However, more recent disruptions are forcing the \$250-billion sector to look more carefully at its relevance, use of technology and agility.

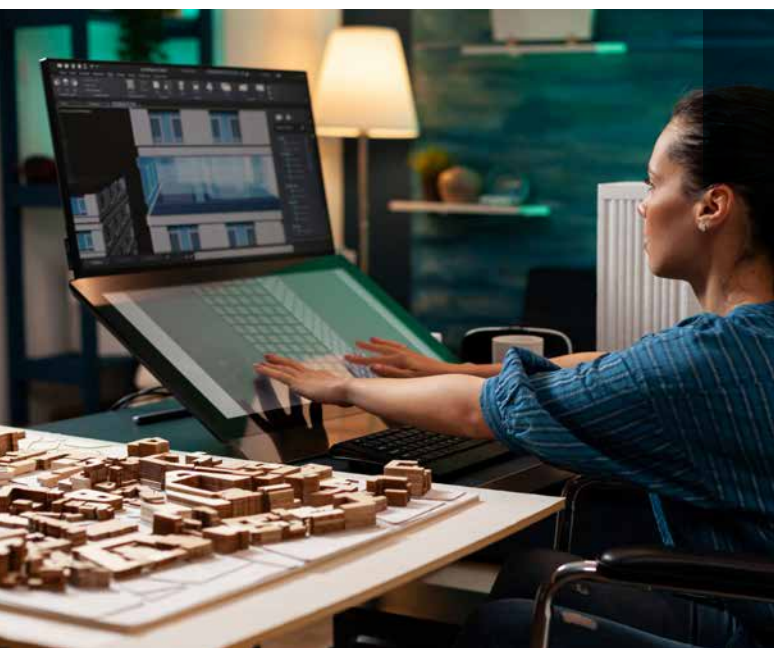
“Covid highlighted the fragility of most companies and business models,” says Valter Adão, chief executive at digital and innovation advisory Cadena Growth Partners. “That realisation has led to companies becoming more deliberate around modernising their businesses to compete in the digital post-Covid economy and to move beyond their core business, or a single product offering, into adjacencies that allow them to leverage their capabilities, assets, intellectual property (IP) and access to market in a different way to create new value.”

Internally, the Covid-19 years have also called on organisations to redesign their structures and develop new ways of working, says Dudu Msomi, chief executive of research-orientated strategic advisory and consultancy Busara Leadership Partners. This, she says, has caused employee dissatisfaction and placed heavy pressure on middle managers tasked with finding ways to facilitate changes while keeping organisational culture relevant. This has required consultants to step in and equip middle management “for the change management role that is required to shepherd organisations through these uncertain times”, as well as imparting “more conceptual and interpersonal management skills”.

These are not the only trends worth noting. Scratch the surface and other far-reaching shifts pop up, many of which point to the changing client-consultancy relationship.

**‘Trans-disciplinary teams will become the norm’...**

Dudu Msomi



## 1. Intelligent digitalisation for modernisation

Adão says that “probably four in every five digital transformation initiatives don’t achieve the promised return on investment, because they started with the technology or treated the digitalisation process as separate from the organisation’s strategic intent.”

He stresses that the goal of modernising or digitising a business shouldn’t differ from the business’ corporate strategy, it should augment and accelerate it. Yet, technology uptake and digitalisation is often an uneasy fit for companies if they approach agile new tools with an old-fashioned “ownership”

outlook. Adão sees a role for consultants as conduits connecting clients to the correct, deep and authentic skills. This requires a shift from strong technical capabilities to an ecosystem understanding of the challenges and practicalities around activating a strategy, transforming an organisation or commercialising a new product.

**‘It will be hard to challenge the big firms and their range of offerings’**

Valter Adão

## 2. Developing an ecosystem mindset

An ecosystem evolution might look something like this: organisations may partner with consultancies or specialists to access skills. They may partner with other organisations to access markets or broaden their product offerings. Irrespective of which route emerges, Adão says the value must be clear and “well engineered”.

The positive for clients, if the right personalities and skills come together, is heightened value. For the consulting industry – particularly the big players – it would mean moving away from the model of holding all these diverse skills inside the business.

According to Msomi, “Over the next three to five years, there will be greater ‘[co-opetition](#)’ between academics, researchers, technology companies and consultants as innovative solutions are sought for client challenges. Trans-disciplinary teams will become the norm, not just from one company, but populated from diverse organisations to create the most effective products and services to meet client needs. The focus will be on skills sets rather than qualifications for their own sake.”

This shift, together with heightened leadership challenges, will continue to give bespoke solutions the edge over “the commoditised services that the big consulting firms, particularly, have been known for”, believes Msomi.



Adão agrees this is a development with which some big firms are struggling and that their risk processes may require that, even in a partnership, “they need to be the primary player”. This, he says, isn’t necessarily a bad thing for mid-tier players who can benefit from the ecosystem evolution while letting the big primary partner “catch all the headwinds and all the administration” – that is, if the co-opetition partnerships are transparent and carefully formulated.

## 3. A focus on partnerships

Rodriguez notes that Accenture is increasingly “being asked to potentially orchestrate additional partners. One thing that is becoming evident is that the asks are becoming more complex and, in some cases, it requires a management consulting firm to bring along other partners to really get what a client wants to be done. This makes management consulting a very different business to what it was a few years ago.”

These are not trends one expects to see playing out in three to four years, says Rodriguez, “it’s significant now and will probably be more significant in the coming years”.

In some cases, these partnerships might also extend to valuable cross-industry connections, be they in South Africa





or throughout greater Africa and the world. This is particularly true when consultancies are tasked with guiding clients to scale geographically, says Rodriguez, and might have to play the role of “orchestrating and connecting them with potential clients”.

The notion of partnerships extends beyond the consultancy ecosystem, and is increasingly becoming relevant in the client-consultant relationship. While Covid-19 had a mixed impact on the global consulting sector, Adão believes his company’s focus on growth and modernisation, together with a willingness and ability to co-invest or participate in value creation with clients (under the correct and appropriate conditions), is “the strongest expression of our confidence in our capabilities”. He says this changes the dynamic of client relationships and has made them a more attractive option.

Rodriguez adds that these evolving client partnerships could take any number of commercial forms, from co-investing or sharing risk and upside.

## 4. Agility and opportunities

The ecosystem-partnership evolution is causing clients to think differently about consulting, says Adão. This could, in time, translate into mid-tier firms rising to the surface and “bringing a bit more variety to the South African market”. Adão would like to see South African executives and companies becoming more curious, giving smaller entities with highly experienced people and solid track records an opportunity to create value in their environment. He admits it will be hard to challenge the big firms and their range of offerings, so smaller consultancies must find uniqueness in their proposition in order to succeed.

“Reflect on the digital market just five years ago,” he says. “Many of the big players entered the digital space by acquiring the small ones.” This highlights how the big players need to be broad in their offerings while the successful smaller firms must be uniquely differentiated and, ideally, ahead of the game in terms of trends and changes.

That said, for clients there is convenience in having everything in the same environment. South Africa is a corporatised environment with a distinct preference for big brand names, but as companies continue to face new and unprecedented challenges, Adão believes they will start to explore different perspectives.

## ‘Look at Tesla, what is it? A car manufacturer, a software or data business?’



Luis Rodriguez



## 5. Breaking traditional definitions

In another shake-up to the existing way of working, Rodriguez notes that consultancies are being asked “to go beyond traditional industries in search of opportunities and assets – sometimes those at the intersection of industries”.

“Look at Tesla,” he says. “What is it? A car manufacturer, a software or data business? What are telcos? What is MTN or Vodacom? The same goes for banks, which are going into platforms and retail spaces. Hotels are going into spaces like financial services. There is a clear breaking down of traditional industries.”

This merging and intertwining of industries has significance for the next trend: innovation.



## 6. Innovation for growth

Guidance on how to approach innovation is a key area of focus in South African business currently, and one where many clients still need help. “You can’t approach innovation in the same way that you do your core business,” says Rodriguez, “but if you make it very distinct or completely outside your core without connecting it at some point that also creates issues. It’s a tricky thing to solve and it is hard, but it’s a common ask and it’s not easy – you can’t just use a copy-and-paste template.”

Adão says the way companies move the needle on growth lies beyond core innovation. They must explore adjacencies to their core business or leverage innovative thinking to broaden their offerings. “That’s where you take a company’s assets – access to market intelligence, IP, balance sheets, geography – and create a new service or offering, or to enter a new sector in a differentiated way,” he explains.

Adão, who was previously the founding and managing partner of Monitor Deloitte in Africa and managing partner for Deloitte Digital, was attracted to the field of innovation-for-growth, which he saw as instrumental in helping large listed entities “leverage their hard and soft assets and establish new capabilities to generate new value, and revenues”. This is the type of thinking all organisations should be embracing to increase their relevance and resilience, he believes.

Coming up with ideas is “the easy part” of this process, says Adão, who believes that building and monetising million-dollar ideas is where consultancies will increasingly play a key role, particularly if they offer execution and closer partnerships.

# THE FUTURE OF MANAGEMENT CONSULTING

In addition to staying on top of trends impacting both the consulting sector itself and the changing needs of their clients, commentators such as Harvard Business Review and The Economist believe the industry will be disintermediated by artificial intelligence (AI).

Barry Libert and Megan Beck wrote in 2017, “We agree that consultants provide insightful advice and guidance. However, a great deal of what is paid for with consulting services is data analysis and presentation. Consultants gather, clean, process and interpret data from disparate parts of organisations. They are very good at this, but AI is even better.”

*The Economist*, meanwhile, predicted in 2018 that the impact of AI would pit tech giants against existing consultancies.

Both of these predications were published prior to the 2020 Covid-19 outbreak, which escalated global uncertainty and disruption and caused fresh shifts in thinking around the future of consulting. Far from being pushed out of the inner sanctum, the consulting industry now seems to be moving towards even deeper partnerships underpinned by risk mitigation, diversity and innovation. Far from eschewing consulting, companies are asking more of the advisers, consultants and academics they’ve turned to in the past, not for solutions of the “simple, off-the-shelf” variety, but altogether more holistic and creative interventions.

For Cadena Growth Partner’s Valter Adão the boldness to embrace new disciplines and the economics of new forces shaping the world of business, such distributed ledger technology (the blockchain), will increasingly become a differentiator for companies looking for a consulting partner. A willingness to co-invest and participate in value-creation with organisations adds another interesting layer.

## A glimpse into the future

When Adão left Deloitte Africa for innovation advisory and venturing firm Cadena in 2021 he did so fully expecting that Cadena represented the direction in which “advisory is going”.

“I’ve felt for many years, there’s a strong correlation between confidence of knowledge, and how well a programme runs,” Adão says. “In fact, MIT put out a study which shows a very strong correlation between the performance of an organisation and the levels of fluency inside the organisation.”

Busara Leadership Partners’ Dudu Msomi adds that “one of the biggest challenges for South Africa, and globally, is that the demand for certain skills, qualifications and experience exceeds supply. There is a dearth of leadership, strategy, communication and governance skills.” Her consultancy works with leaders – specifically board members, executives and entrepreneurs – to master these “necessary scarce skills”.

## Diversity of talent

Finally, diversity will continue to be a differentiator. When Accenture’s Luis Rodriguez started his career in consulting two decades ago it was a more homogeneous industry than we see today. “We were all the same, mostly males, with similar educational backgrounds,” he recalls. “That doesn’t work now. You need diverse skills, diverse backgrounds in terms of education, gender, ethnicity. It’s about diversity first.”

Another key change is the way consultancies operate. Previously working 18 hours straight might have been one way to crack a problem, but the complexity of issues today sometimes means teams need more than one sprint. They might need to rest and sprint again. “If all you do is put in long hours that’s not all that is needed ... Sometimes the answer is not that easy,” says Rodriguez. “It requires being in the right frame of mind to come up with an answer rather than [producing] something mechanical. That requires diversity and different ways of working, which is different from the past when, if you followed a process, you’d get the answer.”

## The way companies move the needle on growth lies beyond core innovation

### 7. Quick, clear impact

The final, pervasive trend relates to what Accenture calls “compressed transformation”. Rodriguez explains that this client need boils down to “whatever needs to be done, it needs to be done a lot faster”.

The need for speed is critical. “It’s not enough to get value ... it needs to be delivered in a shorter time,” says Rodriguez. This has implications for delivering fast turnaround as well as tangible value.

Every industry is going through some form of disruption currently, which means consultancies are facing a constant ask “to help grow the core of a business but also to help the business to manage innovation”, explains Rodriguez. “So, there is a constant ask and a [struggle between creating the new and growing what already exists](#). And that’s a constant across every industry.”

In order to meet the demand for rapid rollouts, “we as consultants need to bring stuff that exists, is doable and realistic”, believes Rodriguez. Get this right, and clients will see the appeal of partnering with a consultancy that can quickly tap into design skills and knowledge to make the journey “just a little less risky ... and, of course, faster”.



## ACCOUNTABILITY MEETS AGILITY

Valter Adão from Cadena Growth Partners believes consultancies will continue to help companies achieve their quest for growth and relevance. However, as uncertainty fuels new challenges, these offerings and propositions, as well as the calibre of consultants, must stand up to close scrutiny.

“Unfortunately, there is a low barrier to entry into consulting,” explains Adão. “Anyone, irrespective of whether you have a consulting history, can say they ‘do strategy’. So, it takes a bit of time for people and smaller companies that aren’t good enough to get washed out of the system.”

While he does not advocate for onerous regulations as a response, Adão says “it’s probably not a bad thing to bring some kind of accountability into the environment”. In recent years several leading global consultancies have been under fire for their role in South Africa’s state capture scandal. **GIBS**





## ‘There’s a glut of advice about strategy.’

Besides, while much of what’s on offer by the management ideas industry is touted as “thought leadership”, most of it is more accurately described as “thought followership”. The same old ideas are tweaked, rebranded and recycled again and again. There’s a thimbleful of stuff that’s really necessary, and a minefield of hype, mumbo-jumbo, unfounded assertions and misleading “must-do’s” that might be entertaining and lead to a lot of happy talk, but can safely be ignored.

Another reality is that more strategy tools are of a “technical” or “mechanical” nature than those of most other managerial disciplines. Strategy is an intensely human function. But because it involves risk and requires analysis, choices and trade-offs, it makes sense to bring graphs, charts, matrices and spreadsheets to the task. These, along with value chains, strategy maps, balanced scorecards and project plans, inspire confidence that the future is predictable and success can be assured. Just crunch the numbers and tick the boxes; no thinking required!

Strategy is the most critical of all executive functions. But it has been democratised, commoditised, and bastardised like no other business discipline. The term is attached, with no concern for its meaning, to vague intentions and specific goals; to plans, projects, activities, and roles. Companies have “strategies” for everything; nothing is left to chance.

Nor is actual experience required for someone to be called a strategist: the title is often just used to attract a new employee, or as a pat on the head or a substitute for a pay rise or promotion. So not surprisingly, anyone and their dog feels confident about spouting advice on strategy. People who’d hesitate to venture opinions on HR, IT, procurement, logistics and other key disciplines don’t hesitate about holding forth on this, the function that informs all others.

Because of this, I often bang heads in strategy sessions with someone who is not in a meaningful strategy role, or clearly has a superficial knowledge of the subject, who tries to tell me why the approach I’m advocating is wrong and what I should do instead. “Let’s talk about our purpose,” they’ll tell me. Or, “We need to find a blue ocean.” Or, “We have to be disruptive” or aim for “shared value”.

They may have a point. As company insiders, they may have an invaluable take on things. But a little knowledge can lead to a lot of confusion, fruitless work and needless costs. And there are many ways to skin the strategy cat.

What’s more, these individuals can make a nuisance of themselves back at work by challenging everything that’s said in strategy discussions, second-guessing decisions and banging on about whatever approach or tools they favour. The Dunning-Kruger effect on reckless display!

Strategy is not a plug-and-play or paint-by-numbers task. The formula doesn’t exist that will get you from where you are to where you’d like to go if you just follow the instructions. Buzzwords do not lead to high performance.

That said, knowing what’s necessary and settling on a well-founded approach and a strategy toolkit with just a few tools in it would be a big step up for most managers. Instead of flailing about for the latest answer to their problems and fumbling with this or that hot new fad, they could spend their time with their people, or out in the field talking to their customers, watching their competitors, and thinking about how to seize new opportunities.

Strategy is essentially a communications tool — a point of view about where and how you’ll compete. It should help you focus your organisation’s resources — not just money, infrastructure and capabilities, but also time, attention, and energy — on the actions most likely to bring success.



Management consultant Peter Drucker

## **‘Strategy is not a plug-and-play or paint-by-numbers task.’**

Peter Drucker told us about 60 years ago that leaders must constantly think about what their business is today and what they want it to be tomorrow. And doing this requires that they address three key questions:

1. Who will we serve?
2. What value will we deliver?
3. How will we do it?

As simple as that. And to this day, nothing has changed.

It’s also worth considering these views from three of today’s most influential experts:

- “Strategy is a way through a difficulty, an approach to overcoming an obstacle, a response to a challenge.” (Richard Rumelt, author of *Good Strategy, Bad Strategy: The Difference And Why It Matters*)
- “The primary purpose of a strategy is to inform each of the thousands of things that get done every day, and to ensure that those things are all aligned in the same direction.” (Michael Porter, Harvard Business School)
- “Strategy is the smallest set of choices and decisions sufficient to guide all other choices and decisions.” (Eric van den Steen, Harvard Business School)

The point is, strategy is not rocket science or an esoteric subject that only the most senior executives can understand or be trusted with. Rather, it’s a practical matter, whose fundamental purpose is to tell Annie or John or whoever else what to do today.

Making good choices quite rightly gets a lot of attention in strategy-making. This, after all, is the sexy part, involving foresight, creativity, argument, vision, courage and so forth. And being described as “a great strategist” hinges almost entirely on an ability to create apparently brilliant strategies.

But that’s by no means enough. Choices are only as smart as the actions they trigger. And countless studies show that strategy execution is much harder than strategy design, so many “good” strategies wind up failing.

Often, when chief executives have briefed me on their strategy needs, they’ve told me: “We need a moonshot. Some fresh thinking. More innovation. Out-of-the-box, blue-sky stuff”. But when I dig into their businesses, I usually find that they’ve misidentified the problem.

Their real challenge is not to cook up a new vision or mission, but rather to execute their strategy properly. To make “the difference that matters” that they promise to their customers. And job number one is to be sure they’ve got the basics right — to “fill the tank and pump the tyres” — so they don’t let profits fall through the cracks, and have a well-oiled business with which to pursue their future dreams.

As an outsider, I can often put my finger quite quickly on what’s really troubling a firm, and what must be done to improve its performance. My know-how and independence enables me to objectively challenge the assumptions, politics and practices that hold it back and to see possibilities where they only see problems. I can ask the “right” dumb questions and press for clear answers when there’s bullshit in the air.

But I’m also aware that I can’t possibly know as much about a company as the people inside it. I will never fully understand what’s in their heads as I was not around as they travelled to where they are today. And I respect deeply what they bring to strategic conversations and the value in bringing them into those conversations as early and often as possible.

## **‘Strategy is the most critical of all executive functions. But it has been democratised, commoditised, and bastardised like no other business discipline.’**

Becoming a strategist does not happen overnight. It’s not as simple as taking an MBA course or reading a book. It takes years of learning and practice, special qualities of insight, foresight, intuition, imagination and judgment, plus the ability to synthesise a range of facts, opinions, ideas, impressions and memories. It also requires an acute sense of the context in which strategy is being made — of world affairs, customer and competitor behaviours and so on, which make certain choices sensible or risky. And it requires a deep and wide grasp of management thought and practice, so that smart decisions can be made about which tools to use, and how best to use them.

My purpose is not only to help companies solve tough strategic problems, but also to help their people develop the strategy wisdom that will help them solve those problems for themselves.

And to encourage them to practise, practise, practise to develop their competence and confidence. **GIBS**





BY JAMES VAN DEN HEEVER

# Learning From the Military – Again?

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**The war in Ukraine is demonstrating the power of big data and artificial intelligence in setting strategy and predicting outcomes. As is so often the case, business should follow the military's lead.**

There's a theory that the gargantuan porn industry is the hidden force behind many technological advances. VHS won over Betamax in the video wars (remember?) and streaming got the research dollars to become viable because the porn barons and baronesses committed to them.

While this idea makes for great copy, one could argue that there's a more potent hidden force than porn: the military.

The Internet itself, let's not forget, started out as Arpanet, funded by the Advanced Research Projects Agency (Arpa), part of the US Department of Defense. The good news is that the US and other military organisations are ploughing money into how data can be used to develop and fine tune combat strategies, and make the outcomes more predictable.

**Strategy will become evolutionary rather than a programme set at intervals**

It should come as no surprise that Darpa, the renamed Arpa, is one of the many players in the quest to analyse data for purposes of military strategy.

For example, as [The Economist reports](#), the Major Combat Operations Statistical Model (MCOSM), jointly developed at the Naval War College and the Naval Postgraduate School in California predicted that Russia's move to take Kyiv would fail. Its creator says that MCOSM says seven out of 10 forecasts proved correct. This tally is likely to improve as more predictions are correlated with what actually happened — like so much in the software world, ceaseless iteration is the key to success.

The more one reads about what underpins these software programmes, the more one sees the potential for chief executives and boards in formulating and monitoring business strategy — and the pitfalls.

At this stage, it's as well to remind ourselves that the very concept of strategy is one that business ultimately borrowed from the military.

What are our goals? How do we reach them? Do we have the resources we need?

## ‘Strategy data needs to be global in scope’



Prof. Manoj Chiba

These questions have always been hard to answer, but in today’s global and fast-moving business world, it is even harder to do so. As GIBS Professor Manoj Chiba points out, in business there are a large number of interdependent variables that are changing daily. Change is happening in unpredictable ways, and most companies will have to globalise in some way to compete—for example, Amazon opening its doors here in South Africa means all local companies are actually competing globally.

The current obsession with data stems from the insight that the ability to collect and process large amounts of data could help executives understand — and deal with — these changes. But while the benefits of using data operationally is well understood and most companies are on the road to using it for these purposes, [research from McKinsey](#) indicates that artificial intelligence (AI) is most widely adopted in service operations, product development and marketing/sales, with strategy and corporate finance lagging.

When it comes to benefits, however, strategy and corporate finance are right up there, with 76% of respondents seeing moderate or significant value from AI, only slightly behind the highest figure of 80%. However, of that 76%, only 45% report significant benefit as opposed to manufacturing, where 57% report significant benefit.



Antonei Badenhorst

To summarise: AI does deliver benefit in the strategy and corporate finance category, but its full potential in terms of both benefits delivered and overall adoption could be significantly improved.

### Getting to grips with data

Reading the *The Economist* article, one gets a real sense of what the crucial issues are when it comes to using AI in strategy, and they tend to coalesce around data and the multiple challenges and opportunities it encapsulates.

At base, companies need to develop a much greater and deeper understanding of how data works (yes, it has a life cycle) and what it is. Antonei Badenhorst, the divisional director for data enablement at 4Sight, comments that in order for data to be valuable in the strategy context, it has to be broad in scope, and of good quality. The last point takes us back to the venerable, but perennially true, data maxim: “Garbage in, garbage out.”

Strategy data needs to be global in scope, Professor Chiba says; it must also include real-world data, including unstructured data such as photographs, says Sameer Jooma, who is the executive lead for trader ecosystem at Standard Bank. For example, Jooma says, getting data about Africa’s informal economy, particularly in the retail sector, is often difficult and one needs to rely on alternate methods of data collection. He has found photographs to be one of the best forms of alternate data due to the richness of information contained in them. The photographs are usually obtained either by an on-the-ground field force or crowd-sourced through “citizen data gatherers”.

Professor Chiba makes the important point that simply acquiring more and more data does not necessarily lead to better business decisions: it’s vital that companies are intentional about what data they collect and how good it is. “There’s a sweet spot between too much data and too little,” he says.

Goldilocks proves her worth once again.



Sameer Jooma

### What’s hidden in the algorithm?

A profound issue is that software requires many assumptions to be made when the software’s algorithm is constructed, and again when populating it with data. This means that there is a huge dependence on the domain knowledge of the developer who creates the algorithm, and then on the current knowledge and, above all, judgement of the person inputting the data. For example, inputs for a military program would include an assessment of both parties’ specific military skills, such as reconnaissance, firepower, mobility, logistics and so on — areas where there is no firm answer. Such military software could also include estimates of mental or cultural factors such as, for example, an assumption that combatants from democracies would be more creative than those from authoritarian regimes, which discourage personal initiative.

In other words, particularly when it comes to strategy and predictive modelling, hard data rests on a web of assumptions whose accuracy is less certain. The strategist is supremely at the mercy of the software’s inbuilt assumptions and the estimates fed into it.

Two things follow. One is that a much more iterative process is needed when using data to support strategic decision-making.



## 'In a sense, products are the strategy'

The second follows: the strategic horizon has to become much less distant to allow this kind of approach — not a bad thing given the increasing speed at which business moves. But it does surely involve a totally different approach to strategy than the one to which boards and executive teams are accustomed.

### A new approach to strategy?

This iterative process of strategic decision-making from one “Aha!” moment to the next suggests that strategy will become evolutionary rather than a programme set at intervals. It also fundamentally disconnects strategy from a particular individual or group. Ajay Lalu, the chief executive of Q-HOP, a company that develops data-driven solutions primarily in the retail industry, says that large corporations experience too-frequent changes of leadership that inevitably give rise to a strategic review. However, if the strategy is the result of an ongoing process of constantly being recalibrated in response to data, it's possible to have a strategy that is genuinely long term in that it does not depend on who is on the team making it, and that is also flexible enough to respond to short-term shocks while maintaining course.

“You need to get data expertise onto boards, and you need to understand the difference between long-term and operational strategy,” Lalu observes. “Boards will need to spend more time understanding the nature of the data sets available and how they can be used.”

And, as Badenhorst points out, one needs to understand just what methodology is being used to create the insights; each methodology or data model has pros and cons, and these must be well understood.

One could speculate that a growing dependence on data will spell the end of the long-time domination of chartered accountants in the executive and on boards, with engineers becoming more prominent.

Be that as it may, access to data talent is already a challenge. Other challenges relate to the need to allow data to travel freely across the organisation — the corporate tendency towards silos is fatal here.

Another angle comes from Derek Wilcocks, group chief information officer of Discovery, a company that has always prioritised data. He does not draw a clear distinction between strategy and operations: because the company is so product-oriented, strategy begins

there. In a sense, products are the strategy, he argues. As a highly entrepreneurial company, Discovery relies on data to develop and validate ideas; for example, Discovery Bank was only able to develop personalised products with a better cost structure because it had decades of data on which to draw.

To conclude, it's clear that the use of data to create and monitor strategy is in its infancy and is likely to lead to significant changes in how companies operate, many of them unclear at the moment. But, as the Ukraine war is demonstrating, the potential is too great to ignore. Perhaps the last word should go to Professor Chiba: “Data is just an enabler — it guides strategy, it doesn't make it,” he says.

## Understand what data can do for you

A stimulating introduction to data and the kind of “Aha!” moments it can identify is *Don't Trust Your Gut* by Seth Stephens-Davidowitz — it's an entertaining and thought-provoking read. Although he does not address business strategy directly, the examples he uses clearly show how data can deliver insights with the potential to spark profound rethinking of strategies.

For example, we all want to do the best for our children and think we know what we should do. In fact, the data shows that most of the decisions parents make have much less effect than we imagine, and that the most important decision is often fluffed, presumably because nobody really recognises how important it is. That decision is the neighbourhood in which you raise your children, because it has the most impact on his or her future success in life. There, characteristics determine the neighbourhoods most likely to increase a child's chance of success:

- Percent of residents who are college graduates
- Percent of two-parent households
- Percent of people who return their census forms.

Such adults are likely to be smart, have stable lives, and be active citizens. This knowledge would profoundly change one's parenting strategy. **GIBS**



BY JACQUES MARAIS

# Load Warriors

**SA's rural heartland has seen a massive collapse of transport infrastructure, specifically with regards to those road and rail systems that historically served as a logistics backbone to service remote communities. Once again, it seems as if the private sector is the only player prepared to put up its hand to keep things moving.**

Four young guys are riding shotgun on the back of the speeding truck. They are free-styling just behind the cab, with the wind whipping at their faces where they perch upon the spill-over edge of a shifting load of sand filling the flatbed to the brim.

One of them fires up a speaker linked to his phone, cranking up the volume on amapiano's latest kwaito-crossover tune. His mate strikes a match and draws deeply on a brown-paper spliff, then allows the tendrils of smoke to curl from the corners of his mouth. They all whoop at the sky in unison as the ganga aroma veils into the wide Wild Coast dawn.

This land of rolling hills and deep, cleft valleys is no place for pretenders. Just getting there is an extreme challenge in itself, due to the poor condition of the gravel roads in the area. The locals who live and work here refer to their coastal tracks as "iindlela ezivela esihogweni": "the roads from hell".

It is no wonder that Mister Mesani stays fully focused on the strip of gravel unfolding beyond his windscreen as we ascend from the Sihlontweni River valley. "Eish man, these potholes," he mutters, dodging a monster mud puddle. The Isuzu's FTR850 engine hums contentedly. "This baby has done 240 000km since I bought her," Mesani smiles, as he gears down on the approach to the steep climb.

Ahead of us, the gravel road snakes westwards, occasionally lurching to the very edge of the valley's precipitous cliffs. Here and there, we meander through verdant patches of indigenous montane forest, where the raucous calls of

trumpeter hornbills echo from the dense canopy. They flit from branch to branch, like mechanical cartoon caricatures tracking our progress.

It's been a long day. We met Mister Mesani and his crew at 03h30 and set off in the pitch-dark to the first of their designated sand-loading sites. The spade boys set to work; they are barely out of their teens, but attack the dune with intense fervour. Scoop, pivot, hurl, repeat...

They do this a thousand times until the truck groans under four tonnes of sand, their sleek, hard bodies glistening, with rivulets of sweat coursing through the dust coating on their skin. There are no gyms required here in Mazeppa Bay, only honest-to-god hard work and slugs of mageu (sorghum beer) to keep the inner fires stoked.



Low-water bridges and other natural obstacles take their toll on the trucks navigating the Wild Coast roads.



“We do deliveries six days a week,” explains Mesani, while searching for cell signal on a grassy knoll. He is checking instructions for the load, because Google Maps is rarely the best way to navigate the Wild Coast. Satisfied, he beckons us towards the truck, and then slowly judders along the rock-strewn access track.

Minutes later we’re back on the gravel road, with the F-Series bombing ahead of a dust cloud billowing from beneath the rear wheels. Dodging donkeys, cattle, errant sheep and free-range kids, we blitz past Maxambeni, iGqunqe, Kwamanyube, Lusizi, and a scattering of villages so small that most South Africans will never know of their existence.

The crew makes short shrift of the unloading, shifting a couple of tons of sand into the yard of a grateful gogo (Xhosa for grandmother). She smiles from ear to ear, counting out R1 200 in crumpled bank notes, all while explaining the additions she is planning for her small home.

Mister Mesani nods away, but mentally he is already onto the next project, furtively checking his phone for confirmation.

There’s no time to waste, as we need to pick 400 breeze blocks in eGqurha (or Butterworth, if you will), making for an arduous five-hour round trip. Nothing happens quickly on these roads ...

“Our biggest problem here is the infrastructure”, Mister Mesani explains as we thump through the umpteenth pothole. He’s right, of course: the 48km to the closest centre with a hardware store (eGqurha, on the N2) takes well over two hours by car and there is no public transport system to speak of.

Remote villages have therefore become utterly dependent on the Wild Coast truckers trading these godforsaken routes, and without them and their trucks, the local economy would surely collapse. It seems as if every community hub has a truck or three languishing under a lean-to or a tree, and the roads are abuzz with these “load warriors”.

No job is too big or too small, and in true African fashion, you can share the load; going half-half or four-up, with final cost-to-customer calculated according to distance, size, weight, time and road

condition. “If it is a bad road, we must charge more, because of the damage to the truck, and wear and tear on especially the tyres,” Mister Mesani explains.

Sand and building materials make up much of the local freight, but anything goes ... Cattle and sheep need to get to markets; the small family hotels dotted along the coast need groceries, furniture and appliances; fresh produce and FMC goods flow to hundreds of tiny spaza shops; and there is never a day when the shebeens do not need their Zamalek stock replenished.

One of the key community needs is water. During the dry season here, villages often run dry, and the only way to survive is once again to depend upon these hardy trucks. “When the rain does not come, they load up those Jojo tanks and bring drinking water to my house,” Mama Ntsendwana explains over a cup of Joko tea.

Her spotless parlour is all chintz and velour, and she regally sprawls in a polka-dot dress on a plush, upholstered couch. Next to her, her little granddaughter boldly eyes the camera, pulling funny faces. The Ntsendwana spaza shop



Mister Mesani guides one of his unstoppable Isuzu trucks through the outlying villages to the north of Mazeppa Bay.



Employment opportunities on the Wild Coast are scarce, therefore being part of the loading crew (Asenathi Bhonca, Phila Mkhokeli, Thembela Vumani, Thembelani Vuman) is highly valued.

services the outlying community here, and it is once again the truckers who keep their shelves stocked.

“Those trucks and those drivers, hey, they never stop working,” Mama Ntsendwana continues. “My son Lunga grew up in this village. Clever boy, always with a plan, he ended up working for Isuzu; that’s why everyone here drives one of their trucks, I think.”

Despite many financial obstacles, the people here on the Wild Coast make do as best they can. I’ve come to realise the trucking community is integral to the survival of their rural economy,

handling everything from the delivery of bread to spaza shops, building material from towns, drinking water to private homesteads, as well as all the countless other necessities.

This is Africa, and our work here is never done. And these are the truckers that keep Mzansi moving, literally helping to feed millions of mouths, while servicing customers both in South Africa, and across the length and breadth of the continent.

They are the true “Kings of the Wild Coast”.

**‘The purchase price of a truck amounts to only 5-8% of actual cost over its lifecycle. Real value calculation for any owner should focus on the vehicle’s ability to earn an income over its lifespan.’**

**– Tim Hendon:  
Isuzu senior marketing  
manager (ROFA)**

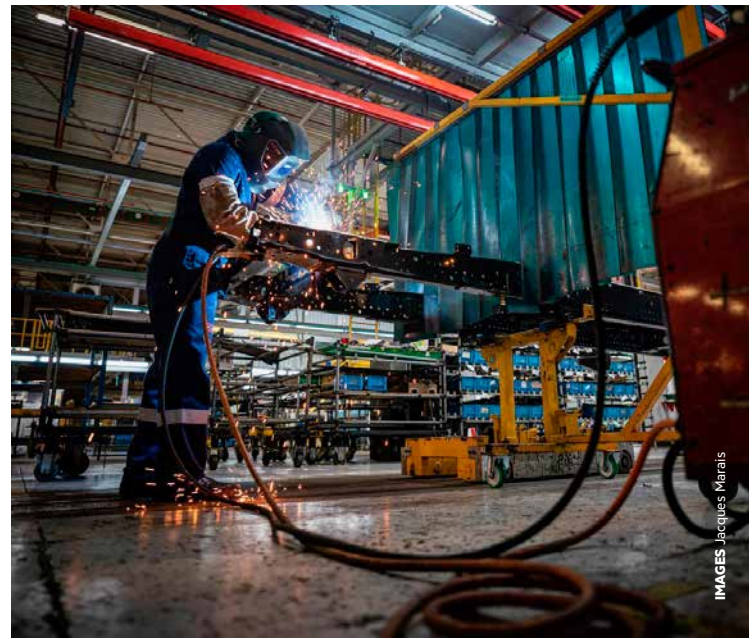


Defensive driving on these back roads is a necessity, with errant cattle, goats and donkeys a constant hazard.





The Isuzu truck manufacturing plant rates as one of the most advanced mechanised factories in Africa.



IMAGES Jacques Marais

## The truck manufacturing sector – an overview

Most contemporary truck brands, including Volvo, Fuso, Tata, Isuzu and the likes, specifically aim for the emerging market in Africa. This SMME sector has shown robust growth over the past decade, and marketing campaigns as well as their related finance offerings are generally tailored to address their needs.

“Fuel economy, build quality and service reliability are what we continually strive for,” explains Tim Hendon, the senior marketing manager (ROFA) at Isuzu. This outlook is echoed by the truck industry as a whole, and with the automotive industry as a whole valued at R640-billion just in South Africa, it packs a massive economic punch.

“The actual purchase price of a truck only amounts to between 5-8% of the actual cost over a truck’s lifecycle,” explains Hendon. “I can’t say it is insignificant, but the real calculation for an owner should focus on the vehicle’s up-time, which practically equates to that truck’s ability to earn an income over its lifespan.”

Globally, the truck manufacturing sector rates as a major market segment. A study by Deloitte estimates that global truck unit sales will approach nearly four-million units by 2024. Projected figures for the African continent come to approximately 100 000 units, a mere fraction of global sales, but still accounting for a sizeable financial injection to the continent’s economy.

The good news is that Africa is seen as having exceptionally high market growth prospects. A range of reforms and regulations is bringing the continent in

line with international markets, with the Association of African Automotive Manufacturers (AAAM) aiming to institute both tax holidays and duty exemptions to stimulate future market growth.

Improvements in road and related infrastructure in Africa see many countries on the threshold of achieving status as “developed” countries, with a corresponding increase in earning potential certain to kickstart vehicle ownership, and therefore a corresponding uptake in sales.

South Africa continues to lead the continent as the main automotive industry economy despite a marked collapse in sales and manufacturing capacity since 2019. For example, commercial vehicle output dropped by 3.07% with registered sales figures down to 181 233 units in 2019.

The National Association of Automobile Manufacturers of South Africa is confident that the country’s status as a hub for exports of passenger and commercial vehicles will see capacity spike, with accelerated growth expected beyond 2022.

Most of the figures available currently are for passenger vehicles, but solid growth in export sales during January 2021 (22 771 units) points to a healthy year-on-year increase of nearly 40%. This positive growth has seen major global brands expanding operations in the country, generating major investments from Ford, Nissan and Isuzu.



Isuzu employees take pride in their work, and are responsible for taking these trucks from the drawing board to the Wild Coast roads

## Ten SA motoring facts and figures

1. The automotive industry constitutes the largest manufacturing sector in SA's economy.
2. Seven of the world's major automotive manufacturers are represented here.
3. As an industry, it contributes 4.9% to the country's GDP, despite a 2% post-Covid drop.
4. Total earnings through the SA automotive industry is projected at R641-billion for 2022.
5. The automotive sector accounts for more than 30% of SA's manufacturing output.
6. In 2018, vehicle exports equated to R201.7-billion (or 15.5%) of SA's total exports.
7. A record 387 125 vehicles (worth R148-billion) were exported in 2019.
8. Vehicles and components are exported to 151 international markets.
9. The South African automotive industry is our fifth-largest exporting sector out of 104 sectors.
10. SA's automotive manufacturing industry employs roughly 120 000 people, and is responsible for approximately 457 000 jobs across the economy's formal sector.

Based on figures supplied by the National Association of Automobile Manufacturers of South Africa in 2019. GIBS

### SOURCES:

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BY CARA BOUWER AND DR JILL BOGIE

# A Blueprint For Impactful CSI

Strategy is not just the preserve of management and business; it also has a place in the hard-to-define world of social upliftment and corporate responsibility. That is, if you're doing it right.

**“You cannot be everything to everyone”**



Setlogane Manchidi



For 17 years, Setlogane Manchidi, head of corporate social investment (CSI) at Investec South Africa, has built and embedded a strategic approach to CSI that aligns with the Investec core business strategy. For those seeking a recipe, Manchidi shared his question-based approach to crafting an effective, long-term CSI strategy in his book *Corporate Social Investment: A Guide to Creating a Meaningful Legacy*.



In 2018, when the book was published, it met with a positive response from the likes of educationalist Professor Jonathan Jansen, who noted that it “should be required reading by every CSI practitioner in Africa and abroad – much time, money and energy could be saved”. The same year, during a Trialogue CSI forum, it was noted that “the most common reason for companies exiting projects was lack of strategic fit”.

Strategy, along with defined objectives, focus, synergistic partnerships and internal buy-in all form part of Manchidi’s approach, but embedding this

thinking within Investec didn’t happen overnight. It took two years before a common vision for doing good by “supporting initiatives that enable people to become active economic participants in society” was embraced across the business.

In a newly-published GIBS case study, Manchidi explains how then-chief executive Stephen Koseff ensured access to key executives and top management teams to sell the vision and gain “acceptance and enthusiasm for Investec SA’s social development efforts”. As Manchidi told *Acumen*, this was a demanding period, but looking back from the vantage point of the Covid years, Manchidi admits “those two years are really paying off now”.

## Start with a clear vision

For Manchidi, strategic CSI must always start with vision. “You always hear people say, ‘I want to make a difference’. But when I ask them what kind of difference they can’t define it,” he says. It takes time to define a clear vision and purpose, but this is absolutely critical to building a CSI strategy, he believes.

**‘A strategic approach welcomes deliberate measurement’**

**‘It takes time to define a clear vision and purpose’**

Furthermore, Manchidi takes it further by creating space for independent reviews and input to help measure and evaluate impact, which in turn enables the constant refinement of projects in line with the overall vision.

## Maintain focus

While calling the expectation that any single entity can solve all the world’s problems “unrealistic, unfair and unachievable”, Manchidi notes that by staying on course and aligned to the stated vision it is possible to “hone in and become very deliberate and intentional about the context and where you are best positioned to make a difference”. This is the polar opposite of the “spray and hope and pray” attitude, which is evident in less structured CSI efforts.

“You cannot be everything to everyone,” stresses Manchidi. “When you get approached 101 times and you can only respond 51 times, you’ve got to think carefully and strategically about the best ways in which to achieve the opportunity cost of CSI.”

## Long-term thinking

For Manchidi, a long-term approach that considers issues of sustainability and succession helps a CSI division to deal with the constant demands, not all of which they can undertake. Adopting a forward-looking view that is deeply aware of the context, country and the specific social needs has far more likelihood of achieving the desired impact. That said, it is always necessary to remain flexible.

“Of course, we’ve got to respond to aspects of the here and now, but we’ve always got to contextualise it. That is why I say be clear on the vision you want to make and the difference you want to make, because it forces you to think ahead,” he says.

## Be context-cognizant

While corporates may prefer the word “nimble”, Manchidi feels that in the CSI context it is better to “talk about being adaptive and being responsive”. He also believes any response to a changing world must be led by “what is happening around you, by the use of data and observation”. He explains, “You can’t have blinkers on, particularly because we are not dealing with science. We are dealing with people, and because of that anything is possible in the context in which we operate. So be very, very adaptive, be responsive, and be open to being persuaded by facts and data.”

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Even if you shift – as was the case with Investec’s [Promaths education programme](#) in 2020 (see sidebar) – this doesn’t mean you’ve changed course, he stresses. It just means you are paying attention to shifts and spotting new ways of increasing your engagement and creating opportunities. Specifically referring to [Promaths’ move into the online space](#), Manchidi says, “We may have changed the way we reach our people and engage, but the broader strategy hasn’t changed.”

## Be measured

The nature of CSI makes it easy to focus on anecdotal, good-news stories and heartfelt calls to action rather than cold, hard facts, but Manchidi contends that “if ever there was a place where we run the risk of not wanting to apply a measured, impact-driven approach it’s CSI”. However, a strategic approach welcomes deliberate measurement.

Manchidi recalls that in August 2022 Investec’s chairperson, Philip Hourquebie, was on a roadshow with shareholders and the Promaths story featured prominently in his presentation. “He was talking factually about Promaths, drawing on the numbers, to show that we’ve reached the point where the programme is an easy plug-and-play for anybody to come on board,” explains Manchidi, who adds that subsequently a shareholder approached him for an exploratory engagement. The reason? “Because he got a sense from the discussions that Investec CSI’s approach was calculated and that the thinking behind it was well structured and logical.”

For Manchidi, this is what differentiates strategic CSI from the pack: the willingness to be measured and to be guided by those insights and data. For a profession where saying “no” is regrettably part of the job, drawing on strategic thinking makes it possible to make hard decisions without losing heart.

## The inspiring case of Promaths

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Early in 2022 a case study on Investec South Africa’s Promaths education programme was published by Ivey. The authors, GIBS faculty Dr Jill Bogie and independent writer and researcher Cara Bouwer, worked closely with Investec’s head of CSI, Setlogane Manchidi, the protagonist in the case.

In “[Investec South Africa CSI: Harnessing Crisis to Scale Up Delivery and Impact](#)”, students meet Manchidi at his home office in Johannesburg. It is April 2020 and the world is scrambling to make sense of a global pandemic, social distancing and lockdowns. However, Manchidi has already done the hard work of embedding a strategic approach to CSI and is able to leverage existing partnerships, talent pipelines, and digital evolutions to ensure that any adaption is aligned with Investec CSI’s vision.

Framed as an opportunity to explore how a [Theory of Change approach](#) can be aligned with a company’s core business strategy to develop CSI initiatives with the potential to make a meaningful contribution to addressing societal needs, the case is a meaty read for students of strategic change, change leadership and the agile art of adapting in times of crisis or disruption. Leveraging partnerships and clear digital business strategy to build capacity, to scale up and to boost impact are also clear takeaways.

### What is Promaths?

[Promaths](#), an award-winning maths and science education programme, began in Soweto in 2005 after a chance meeting between Manchidi and Tumelo Mabitsela, a school principal. Mabitsela’s Kutlwano Centre for Maths, Science & Technology would become Investec CSI’s long-term non-profit partner on the project. Promaths set out to address endemic issues in the country’s education system, from overcrowding in government schools, to the shortage of quality, qualified teachers, the lack of time spent on critical subjects like maths and science, and challenges making teaching materials accessible to learners. In 2019, Promaths students achieved 224 distinctions in mathematics and 459 in science.

### So, what happened?

Promaths was built on the back of face-to-face teaching in small classes of no more than 25 students. When Covid-19 derailed in-person teaching, Manchidi was determined not to let this impact the Promaths students. However, shifting the entire curriculum online came with its own challenges. Since 2020 there have been profound changes to the Promaths programme, and more are in the pipeline. “Obviously we aren’t going to give anything away,” say the authors, who suggest students read the case before scouring the internet for answers. GIBS



Sanitised example of a Strategy on a Page

BY CARA BOUWER

# No Airs and Graces - Just a Game Plan

Why having a strategy on a single page just makes common sense.



**Without a clear strategy, companies lack direction, focus and internal alignment. This is why leaders allocate time, effort and resources to developing a strategic compass. But what happens when strategy becomes unwieldy and gets in its own way?**

The solution is simple: refocus your efforts by reducing your strategy to a single page.

Back in 2011, author and venture capitalist Anthony Tjan wrote in the *Harvard Business Review* about an approach to strategy he'd been introduced to by his business partner Mats Lederhausen, a former managing director of McDonald's Ventures and head of the fast-food giant's global strategy. Tjan explained how Lederhausen used so-called [strategy trees](#) to distil strategy down to its grassroots purpose. Once the purpose was clear, this could be expanded to flesh out the value proposition, target market and goals. Ideally, everything should be summarised on a single page.

Tjan explained the process as follows, "It comes down to asking the 'why, what, who and how' of your business, arraying it across one page in a way that makes it extremely useful as an alignment tool amongst management or board members. This is hardly a novel concept, but it falls into the category of common sense that is not so commonly done."

### Why a single page?

Craig Gillham, managing director of Gauteng-based boutique management consulting firm Step Advisory, is a proponent of what his company calls "strategy on a page". Gillham believes, "Given the massive complexity in the world today if an organisation can't articulate its strategy in a page there is a high chance it is going to be lost in translation."

## 'Companies do sometimes need someone to look over the fence'

This makes the process of distilling a complex strategy into a visual and simplistic one-page object — be it an A1 poster or an infographic printed on a mouse pad — as important as the end result. The visual representation helps to make the one-page roadmap relatable and memorable, but it must still retain the elements of the company's strategy, he explains.

Creating a visual document can be challenging, but there is a scientific basis for this approach. Research from 3M Corporation tells us that visual messaging is processed 60 000 times quicker

## 'It falls into the category of common sense that is not so commonly done'

than [text-based information](#). Our brains' [ability to decipher visual elements](#) faster than writing was something that psychologist Albert Mehrabian wrote about extensively, explaining why a quick, visual roadmap is often a more effective way of communicating a complex strategy to a variety of stakeholders.

### A considered, flexible process

The strategy on a page is really "just the endpoint and the output after quite an in-depth strategy, formulation and facilitation exercise", explains Gillham, who notes that the starting point is when the executive heads come together to ask the right questions. "The core is the growth strategy of the business, the overarching purpose and the values that underpin the business."

Tjan wrote that purpose is the root system of any good strategy, but Gillham explains that even purpose and values must be adaptable given the context in which a business operates. "You aren't going to change your purpose every year, you'll probably keep it for a good five to 10 years," he explains, adding that businesses today are often disintermediated well before a decade has been reached. Similarly, in a complex and changing global environment, the overarching headline strategy might only remain valid for around three years.

Underpinning the headline strategy are the strategic themes. Once a company has determined its three to five strategic themes — such as evolving a customer base or expanding the geographic footprint — then the focus turns to determining the objectives under those themes.

"Often businesses don't articulate their purpose, so we work with them to enable them to underpin their purpose as an organisation," explains Gillham. "It might seem quite simplistic, and of course everyone is different, but by asking the right questions, companies learn to articulate their formula for success and what they are trying to achieve." Then, putting this clarity down in writing is an act of commitment.

### The challenge of context

Drawing an executive team together, particularly when they have divergent views on a subject, is an important part of the process, but increasingly Gillham notes that external market context is something business leaders are not considering sufficiently.

"Often businesses know what's going on but they aren't necessarily looking at external trends or factors influencing the business," says Gillham. This can be as simple as spotting



Craig Gillham

notable market disruptions or knowing what the three biggest competitors are doing. “Often the CEO and the leadership teams are so busy operating their business that they aren’t always looking and staying up to date with what their competitors are up to.” This insulated view can cause misalignment when it comes to priorities and strategic themes, which muddies the water when it comes to focus.

“Without punting for external facilitation, we do see the value in helping executive teams to prioritise strategic themes and identify misalignments,” says Gillham. “Companies do sometimes need someone to look over the fence, to look outside, to look to the broader world, and then take the time themselves to think and to get the right market context.”

## Behind the scenes

Due to the level of introspection required when creating a strategy on a page, Gillham believes ownership of the process should ideally sit in the C-suite with a leader in the business. While the shepherd of the process doesn’t have to be the chief executive or chief operating officer, Gillham recommends that it should be an executive team member who is in the succession line.

Ultimately, the strategy needs to live on, so “companies with foresight involve some of the team members who are next in line”, says Gillham. “I think this approach stands the organisation in good stead to drive the continuity of the strategy into the future.”

## ‘Gone are the days of using unilateral forms of decision-making and execution...’

Gillham also warns against allowing operational imperatives to swamp a strategy with detail and agendas, no matter how well intentioned. “The process we use in our workshops and co-creation sessions is quite collaborative, and sometimes I have to ask a CEO to please let me, as the external facilitator, hear from other team members and to keep the conversation at an appropriate strategic level,” Gillham says.

He adds that time to “see how things land and resonate” is also key. “Often a business will ask us to do a strategy on a Tuesday and a Wednesday, and we’ll say no, because you can’t do it over two consecutive days. The process needs time to settle and people need time to reflect.”

While the process of arriving at all the inputs is a collaborative co-creation, it doesn’t mean that prioritisation is always democratic. “When doing a prioritisation exercise with a full team during a facilitation workshop, it’s excellent to indicate direction, but you need time to reflect and determine if these are the big-ticket items,” says Gillham. “This is why we spend time with the CEO prior to finalising the strategy to genuinely see if those priorities are the five big-ticket items that will be the focus of the business over the next five years.”

## The secret sauce is in the execution

Once the co-creation process is complete and the message has been distilled to one page, then the focus shifts to executing on the strategy, and how best to track and measure its success.

This is the critical point and one where many companies fall down, believes Gillham. “The teams get sucked into the day-to-day operational stuff and when it comes to delivering on the strategy they’ve formulated, they often say they don’t have the capacity. But if you are not driving your objectives and breaking them down into quarterly sprints with well-articulated key results, then you are going to wake up at the end of the year and anything you’ve achieved will be by chance.” Not surprisingly, Step Advisory’s latest offering focuses on implementation and helping companies to achieve strategic traction.

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This, Gillham admits, is a difficult ask for any business, even his own. However, he feels his company's approach to execution has such merit that it is currently taking on a project "where we are taking a risk, not fee based, because we know that by changing habits and changing the way you execute and focus on your strategy that you are going to better results".

Only by effectively measuring the impact of strategic execution on a business is it possible to counter author Daniel Prosser's claim that [87% of business strategies fail due to poor implementation](#).

Ultimately, having a framework to follow is just one way to help companies to follow through on the process of making strategy more accessible and embedded. If he had one piece of advice beyond that, Gillham would suggest companies "simplify strategy, make it practical and make it implementable, because if you don't get that right, you're not going to get the results".

After all, once you have a simple roadmap, the key to success is to use it.

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**Visual messaging is processed 60 000 times quicker than text-based information**

## How Covid reshaped strategy

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While Craig Gillham does not believe the now-waning Covid-19 pandemic has fundamentally changed the way companies approach strategy — with the exception of needing to refresh strategy documents and approaches more frequently to deal with constant change — he does notice a shift in how artefacts such as one-page visual strategy posters are presented.

"In a hybrid working environment where there is less face-to-face interaction, sticking a poster up on the wall is not going to be effective," he admits. There are, however, new ways to continue integrating a strategy on a page into a company's daily communication approach.

"For instance, I've got MS Teams backgrounds with Step Advisory's '245 strategy' on a page. So, subliminally, we are reinforcing that message during team meetings. Another way is taking the strategy on a page and turning it into a short, three-minute explainer video or using interactive PDFs."

These new ways to activate a strategy on a page using digital means are opening up new and innovative ways to play with this document and keep it alive and fresh.

## How to use a one-page strategy

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A "strategy on a page" helps to ensure a team is "singing from the same hymn sheet", explains Step Advisory's Craig Gillham.

"Rather than using a long PowerPoint presentation, this approach enables executive leaders to disseminate information throughout the business by narrowing it down, so there's a consistent way in which it's communicated, articulated and presented using one artefact," he explains.

A well-structured strategy on a page should resonate with the entire team; whether a factory worker or a board member, he adds. It helps everyone in an organisation to understand where they fit into the bigger picture, which makes it extremely useful when onboarding new talent. **GIBS**



BY NORMA YOUNG

# Send Out the Right SOS

There's strategy consulting. And then there's management consulting. What's the big difference?


Whether it's the excitement of growth opportunities, anxiety sparked by a new competitor in the market, or concerns over financial difficulties, companies constantly deal with change.

In circumstances where in-house skill and expertise can't provide adequate guidance to deal with required adjustments, consultants are called in. Based on the needs of an organisation, specialists can range from technological to marketing to legal. The types of consultants most commonly enlisted are in the areas of strategy and management consulting.

There can be some overlap in the scope and responsibilities of each type of consultant, but there are some fundamental differences. Organisations should to be clear on their needs so the right person can be brought in to address them.

## Key distinctions

Abdullah Verachia is a senior faculty member at GIBS, and chief executive of The Strategist, a strategy and innovation consulting firm. "Strategy consulting is a subset of management consulting," he explains. "Management consultants are more broad. They look at the operations and efficiencies of a business, whereas strategy consulting is more boutique and specific. It's a niche skill that looks at where an organisation is going, how it's going to create or capture value, and what systems will be able to deliver."



**'Strategy consultants should not get involved in the day-to-day administration'**

Abdullah Verachia

Verachia highlights that strategy consultants should not get involved in the day-to-day administration of a company because this can take away the strength and capabilities of the people who work in them. "I get very weary when strategy consultants go and take over the running of an organisation. We must delineate between the running of the organisation and rather guiding, steering, managing conversations, and assisting organisations in terms of building a coherent plan for how they create and capture value."

Trained as a mining engineer, Terry Twala is a GIBS MBA graduate and chief executive of Philanabo Consulting. His company provides services such as project management, social labour plans and stakeholder engagement to mining companies. He says the key differentiators between strategy and management consultants are the levels at which they operate, the time horizons they cover and their deliverables.

"Strategy requires a medium- to long-term view while management consultants are concerned with short-term goals. Working at the executive level of an organisation, strategy consultants impact organisational orientation and capability while management consultants work at the tactical and operational levels and are expected to deliver tangible short-term results," says Twala.

A project outline for a strategy consultant might, for example, task them to identify trends in the market and find a niche for the company in that market. They'd do an assessment of the competition and of the client's company. This might entail facilitating analysis of both the internal and external environments of the organisation, so that opportunities and threats to competitiveness and internal strengths and weaknesses could be understood and dealt with adequately.

The strategist would then facilitate the definition of the desired state and the current state with the aim of quantifying the gap between the two. High-level action plans would be formulated and targets set at a strategic level. They would work with the company to formulate a strategy comprised of decisions and actions.

Their scope tends to end at this juncture, whereas this is where the management consultant might begin. Execution of strategy, monitoring of implementation, processes and systems for delivery fall within the ambit of management consultants.

Conventionally, companies will choose which expert they most need. But sometimes, they do require both types. In these cases, each consultant must have their own phase.

The strategy consultant should be employed first to help with the grand plans. The organisation may want to implement their strategy on their own at first and call in management consultants to help with areas of weakness. “The management consultant should follow the strategy consultant so that they implement the latest and most appropriate strategy,” advises Twala.

Whichever type of consultant an organisation may choose to enlist, a benefit they bring is their outsider perspective. Unlike founders, leaders or current staff, they aren’t likely to be emotionally invested. This makes it easier for them to properly identify challenges and provide solutions in the best interests of a business.

## ‘The management consultant should follow the strategy consultant’

Terry Twala



## Aid is at hand

Boost your knowledge and enhance your practice with these easily accessible resources.

### ON STRATEGY

#### Book

*On Grand Strategy* by John Lewis Gaddis  
Having lectured on the topic for decades, the Pulitzer Prize-winning author has distilled his teaching into a comprehensive book. He covers strategic theory and practice from the ancient world (Herodotus and Sun Tzu) to more recent times (Queen Elizabeth I and Franklin D Roosevelt).

#### Podcast

*Masters of Scale*, hosted by Reid Hoffman, co-founder of LinkedIn

Episodes include “How to Find and Keep Your True North” with Susan Wojcicki, chief executive of YouTube, and “How to Take on Goliaths and Win” with Drew Houston, co-founder and chief executive of Dropbox.

#### TED Talk

*Your Strategy Needs a Strategy*, delivered by Martin Reeves, chair of the BCG Henderson Institute

Running at just 11 minutes, this video is a succinct but impactful solution to one of the most common problems: when a long-term plan becomes out of date shortly after conception. Drawing from five patterns of success, Reeves offers a new strategy for devising and executing effective strategies.

### ON MANAGEMENT

#### Book

*Radical Candor: Be a Kick-Ass Boss Without Losing Your Humanity* by Kim Scott

Drawing from her experiences as a top manager for companies such as AdSense and YouTube, Scott shares guidelines on how to be an effective leader.

The book espouses her belief that good managers truly care about their employees while also being able to challenge them appropriately.

#### Podcast

*Moonshots*, interview with Ken Blanchard

Blanchard talks about his bestselling book, *The One Minute Manager*. He recounts the three techniques of an effective manager and talks about the value of checking in and scheduling reviews rather than assuming everything is okay. Blanchard posits that good management is about mindset and behaviour.

#### TED Talk

*Management Lessons from Chinese Business and Philosophy*

Management consultant Fang Ruan recounts fascinating case studies of businesses that are thriving in China right now. These include the founder of an insurance company with a management style she calls “steering wheel”, and the founder of an internet company who values a collaborative work environment. She also talks about the founder of a dumpling business who, despite Ruan’s pointed question of “Are you sure?” when she first heard the idea, developed and implemented what he describes as a “two-hat approach” for his regional managers. **GIBS**



GIBS MBA & Consultant Nicol Mullins

BY WENDY DU PLESSIS

# The Future Is Now. Are You Ready?

## Digital transformation and your organisation

The rapid acceleration of digital transformation across all industries and sectors, driven in part by the Covid pandemic, has left many companies scrambling to catch up. Digital leaders from the tech industry, academia and advisory professionals addressed the recent GIBS Digital Transformation Conference at Leaderex 2022 in Johannesburg on what it means to be truly digitally transformed.

### Leadership Capabilities and mindsets

“Digital transformation is here to stay, and it is accelerating a lot of change,” the chief financial officer of Microsoft South Africa, Welela Dawit, told the conference. “If you want to be relevant, you have to adopt it. An attitude of continuous learning is absolutely critical.”

Speaking to GIBS Dean, Professor Morris Mthombeni, Dawit said, “In a digital world, leaders must learn to be comfortable with being uncomfortable. They have to be able to experiment and fail fast.”

Mthombeni pointed out that many organisations rush into digital transformation and are disappointed with the eventual outcome.



Microsoft SA CFO Welela Dawit & GIBS Dean Prof. Morris Mthombeni

“Digital transformation is more than just a mission statement,” Dawit explained. “To drive an effective digital transformation strategy, you must have a clear vision that is cascaded to all levels of the organisation. The strategy must be appreciated and understood at all levels in order to drive culture, and people have to understand how it is going to benefit them and their career trajectory.”

Distributed decision making is important to drive accountability and shared responsibility, which in turn feeds into a coherent strategy.



Leaders in a digital world must develop a growth mindset for themselves and create a culture that encourages the same for their employees. “It is essential that today’s leaders have the ability to unpack complexity and think critically. Drive and encourage unconventional thinking, as this is where learning, development and change happens,” Dawit said.

“Digital transformation is an imperative of our time,” Dr Roze Phillips, the executive director of value creation at GIBS, told the conference. However, “leadership is not ready, enabled or equipped for the change,” she argued.

“The problem is transformation, not digital,” Phillips said. “Leaders are equipped to deal with the past, but they need to change their mindset to lead the future.”

The way in which we think about the future is fundamentally flawed due to a linear progression fallacy that anticipates incremental, stable change, she explained. However, technology changes exponentially, and not in a linear fashion. “Because of this, we tend to miss the early, weak signals of major future trends.”

“Technology is going to provide opportunities for us to do things that we never imagined, including poverty alleviation and slowing down climate change,” Cathy Smith, the managing director of SAP Africa, said.

Speaking to Howard Fox, managing executive of marketing, digital and commercial at GIBS, Smith said tech for good is what excites her most about the future.

She suggested that digital leadership requires those who steer organisations to acquire a certain level of knowledge and invest their time and energy in educating themselves about technology.

“They can no longer outsource to the IT department. You have to keep yourself current and up to date in an attempt to understand the future. Attitude and passion are what matter. You must want to learn every single day.”

However, she advised leaders not to try to compete with the experts. “Your responsibility is to create an environment where they can thrive and perform.”



Howard Fox, GIBS Managing Executive of Marketing, Digital and Commercial with SAP Africa MD Cathy Smith



Dr Roze Phillips, adjunct faculty at GIBS.

Anesu Charamba, founder and management consultant at the Ithaca Consulting Group (ICG), explained that modernising technology alone is not a digital transformation strategy. “The business also needs to change its processes, people and culture.”

He advised those embarking on a digital transformation strategy to “have a plan, stick to it, and make sure everybody has a sense of ownership. Don’t add more complexity to the strategic execution than is necessary, and effectively use the tools available to you to outcompete.”

## Ways of working – building a future-fit workforce

### Remote working and the new normal

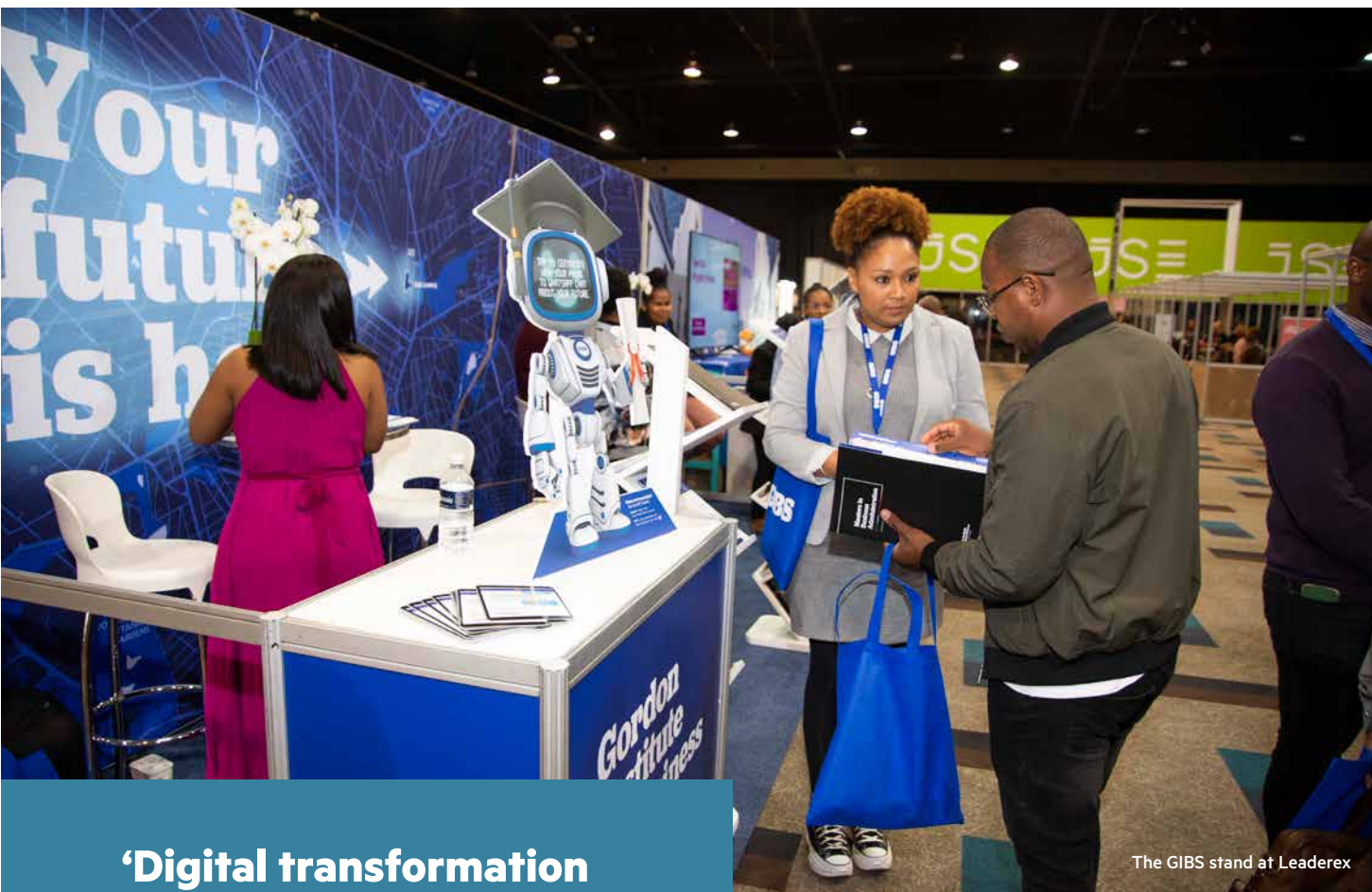
Remote work, enabled by digital channels and accelerated by Covid lockdowns, transformed our mindsets and caused many to question the very meaning of work, Phillips said.

“As organisations struggle to attract employees back on site, we are trying to solve for location and productivity, where in fact there is a values mismatch,” she said.

“Remote and hybrid working are here to stay,” Microsoft’s Dawit said. “Mental health and well-being are a priority for employees, and companies have to bridge the physical and digital space through investments in both their offices and technology to allow for flexibility.”

The flexibility of hybrid working has its advantages, as does the connection and energy produced by working together as a team in the office. “The question is how to make the commute worth it for many employees to attract them back on site. Flexibility means the office isn’t the only place where work can get done, but we also have to be aware of digital fatigue.”

Dawit said digital transformation is an enabler to allow individuals and organisation to do more. “We have to use digital tools on top of the foundation we already have to create efficiencies. It is important to upskill our existing talent as they have the institutional memory.”



**‘Digital transformation is in actual fact cultural transformation. Be sure to develop your future consciousness and future orientation in order to create the understanding that there are multiple possible futures.’**

**– Dr Roze Phillips**

The executive director of faculty and director of the MBA programme at GIBS, Hayley Pearson, told the conference that the workforce of the future will need to upskill, reskill and engage in continuous learning. “The World Economic Forum (WEF) estimates that by 2025, just three years away, 50% of all employees will need to reskill due to adopting new

technologies. One-third of essential skills in 2025 will consist of tech competencies not yet regarded as crucial to today’s job requirements.”

The half-life of a skill learnt today, or the time it takes for that skill to be considered obsolete, is four years, while that of tech skills is two and a half years, Pearson explained.

“How relevant and competitive will you and your organisation be in five years’ time?” she asked.

The WEF’s list of skills needed for employment in 2030 includes, among others: Analytical thinking and innovation; active learning; creativity, originality; influence; reasoning and complex problem solving.

“Creativity and dexterity cannot be replaced by artificial intelligence (AI),” Pearson said.

Neither can curiosity: “Leaders must build a workforce that is deeply curious and continuously learning. There is an excessive amount of content available for continuous learning, including online courses, massive open online courses (MOOCs), video courses, bootcamps, podcasts, audio books, ebooks and open courseware. But people must want to learn.”

## The tech

### Which technology and why?

Digital technology is often the most daunting aspect of organisational digital transformation. AI, automation, the cloud, big data, the internet of things – the list of new technologies available to make business more competitive seems endless.

Professor Johan Steyn, who is an author and AI and automation thought leader, advised delegates to use the right technology, for the right reason, to enhance their competitiveness.

Steyn's comments on automation could be applied to the general principle of digitisation: "The end goal of automation (or digitisation) is efficiency and effectiveness gains. Embark on projects to automate the right things, for the right reasons and in the right way."

Often, when navigating the challenges of digital transformation and assessing your organisation's digital readiness, "the tech is the easy part of digital transformation. The difficult part is deciding what the problem is you are trying to solve," Riaan Singh, partner of strategy and digital transformation at PwC South Africa said.

Digital transformation is not a destination, but rather a journey, he added. "Digital transformation is an ongoing initiative, not a project. The aim is to build long-living teams and structures."

**'Technology is going to provide opportunities for us to do things that we never imagined. Tech for good is what excites me most about the future.'**

**– Cathy Smith**

Many organisations are looking to digital in order to unleash corporate innovation, agility, and efficiencies, Rory Moore, the tech innovation lead for emerging markets at Accenture, said. "Innovation and collaboration are a team sport: First there was collective genius, and now we have moved onto augmented genius, which is collaboration with computers, humans and machines."

However, this should not be cause for concern: "Machines of the future will do the dull, dirty and dangerous jobs. The future is changing. Either you change with it, or you get left behind."

## Use cases

### Automation:

**Prof. Johan Steyn, author and AI and automation thought leader**

"Automation is here, and it is powerful."

"You shouldn't fear that a robot takes your job; you should hope they take the repetitive stuff and remove the admin burden."

"Experience cannot be automated; decisions made by intuition cannot be automated."

### Big data and the internet of things (IoT):

**Professor Manoj Chiba, GIBS**

"Digital transformation is not about one or two trends, but rather a combination. Artificial intelligence cannot work without data."

"IoT is a source of data that can connect in real time. Big data is pulling together different data. It takes multiple intakes to create understanding. The value of data is when you are able to pull it all together."

### Artificial Intelligence (AI):

**Dr Jefferson Yu-Jen Chen, GIBS**

"Companies must ask how they can use AI to better serve their customers and outcompete. The idea is to take the robot out of the human, as this will reduce menial and routine tasks."

"The goal of AI is to give your organisation an artificial intelligence dividend, which is a competitive advantage. AI is not the goal in itself."

"The power of AI comes from the combination and facets combined. Without data, there is no AI." **GIBS**





BY TAMARA OBERHOLSTER

# The Science of Decision-Making

**You can't control your luck, but you can control your decisions, so it's worth improving the quality of your decision-making process.**

In business and in life, any outcome is a function of only two elements: the hand you're dealt, and the decisions taken, says Wayne Borchardt, decision scientist and adjunct associate professor at Nova School of Business and Economics in Portugal. While you can't control your luck, you can control your decisions, which is why he believes the best way to improve business outcomes is to improve the quality of your strategic decision-making process.

Prof. Charlene Lew, GIBS faculty, who is an internationally published scholar in behavioural science and strategic decision-making, says strategic decisions should be seen as an ongoing process of evaluation and re-evaluation of the direction that a firm wants to take.

"Strategy is the product of the decisions that you've made, whether you're deliberate about your strategy or not," says Borchardt, adding that people such as Michael Porter, the renowned Harvard Business School economist and author, say strategy is about choices.

"Strategy is about choosing what to do and what not to do, but very little recognition is given to the fact that the atomic unit of strategy is the decision," he says. "It's really a collection of decisions that determine where you choose to apply your limited resources. You can't arrive at a strategy without decisions."

Lew agrees. "All organisational results flow from decision-making. The primary role of a manager is decision-making, and the more senior someone is, the more complex the decisions become. It's therefore critical to the success of an organisation that the senior management team develops decision-making competence. And they're not always very good at that. Leaders seldom take the time to reflect on or take stock of the decisions that they've taken, or deciding on the decision approach they should follow for different contexts. Senior leaders don't necessarily know which decision-making approach is best for which circumstances."

## The decision factory concept

Lew explains that behavioural decision-making focuses on the cognitive and emotional processes that decision-makers go through (often subconsciously) in deciding what to do next.

"A famous theory that underpins all of that is dual process theory," she says, citing acclaimed scholars such as Jonathan Evans. The idea of dual process theory has been popularised by Nobel Prize-winning psychologist Daniel Kahneman's book, *Thinking, Fast and Slow*, which explores how some thinking requires slow, deeply analytical processes to decide which direction to take, whereas other decisions are quick, automatic and intuitive.

“Behavioural decision-making is about understanding how those two processes work together and how to grow the capabilities of each in decision-making,” she says. “There’s also an interpersonal component that can determine the effectiveness of a strategy, often specifically at the top management team level.”

Borchardt also references *You’re About to Make a Terrible Mistake!: How Biases Distort Decision-Making and What You Can Do to Fight Them*, by Olivier Sibony, which uses the idea of an organisation’s “decision factory”.

A “decision factory”, Borchardt explains, aims to move people from viewing organisations as mere manufacturers of products or services to seeing them as manufacturers of decisions too.

“This makes it explicit that this is what the organisation (or at least the executive team) is there to do: to make decisions. That then raises questions about how they are making decisions. How much time, effort and attention do they put into improving their process for making tomato sauce or cellphones and achieving operational efficiency and high-quality standards? That part of the ‘factory’ is generally done well, because that’s what the organisation considers to be its core business. But if you

recognise that the only purposeful way we can improve the performance of an organisation is through our decisions, then surely we should be investing in that part of the organisation as a factory as well – improving the decision-making process of the organisation. But very little attention is given to that. Most organisations don’t think about the importance of their decision-making process, especially around strategic decisions.”



Wayne Borchardt

**‘Strategy is the product of the decisions that you’ve made.’**

## Improving decision quality

Borchardt says that improving the decision-making process starts with defining decision quality. “It’s important to define (and continuously improve) the process for achieving decision quality. I’ve asked more than 1 000 executives how they would judge whether a good decision was made, and about two-thirds to three-quarters of people will say the outcome is the determinant of whether it was a good or bad decision,” he says.

Borchardt believes this is fundamentally incorrect as it ignores the role of circumstance. An organisation could do everything correctly and something unexpected – say a pandemic – could throw a spanner in the works. Or the reverse could happen,

where a bad process is followed, but there’s some luck and good timing involved and things turn out well despite this. In that case the “dumb luck” is dangerous because the success might be attributed to that bad process and it will be repeated, placing the organisation at greater risk.

“The only way to determine whether you’ve made a good decision or not is through the process that you follow to make the decision,” Borchardt says. “This is a mind-shift for people. It’s not that we shouldn’t care about the outcome, in fact we design and follow a process with that outcome in mind, but we should not judge the decision on the outcome. We should judge decisions on the process.”

## The right mindset

“Intuition in decision-making has been shown to only be reliable when certain conditions are met,” says Borchardt. These are: an unchanging environment and the experience of having made numerous similar decisions and getting fast, clear feedback on those decisions. He believes these conditions are rarely met when making strategic decisions in a business context. “We therefore need to be very cautious of relying on intuition, which some people might call experience and some people might call judgment. It’s not a robust way to make strategic decisions.”

Lew says that intuition does have a role to play – but usually in situations where an experienced decision-maker has accumulated domain knowledge.

“If you want to make high-quality decisions, you need to correct three fundamental beliefs,” says Borchardt. The first is to recognise the role of intuition, the second is to value the process over the outcome, and the third is to address what he calls “the myth of sustainable competitive advantage”.

Instead of chasing sustainable competitive advantage, Borchardt says organisations need to pursue transient competitive advantage. “The implication of this is that we need to frequently be revising and refreshing our strategy,” he says. “We need to follow a proven practice to develop strategy and to make strategic decisions if we want to reliably deliver higher-value results. You can’t know whether any particular decision is going to deliver value. But if you are following a good process, then you can know that over a portfolio of decisions you will be delivering better performance.”



Prof. Charlene Lew

**‘Improving the decision-making process starts with defining decision quality.’**

## Practical application

Once the right mind-shift is in place, an organisation needs to implement a decision-making process. Borchardt suggests four main steps:

- **Frame the problem or opportunity:** What are you solving for or trying to achieve?
- **Generate strategic alternatives:** Often this is neglected – people have a strategic approach in mind and try to substantiate why it's the best course of action. Instead, all alternatives should be thoroughly considered.
- **Put alternatives into competition with one another:** This step addresses the undue influence of political power. By pitting alternatives against each other and evaluating which is most likely to deliver best on what the organisation cares most about, the option is selected on merit, rather than because any particular person or group suggested it.
- **Convert the chosen alternative into a strategic plan:** Once the best alternative has been selected (which is not always a clear or linear process), it needs to be converted into an executable plan.

## The value of improved decisions

Borchardt, together with co-authors Dan Lovo, Mikael Samuelsson and Ayrton da Silva, [examined](#) the impact of overconfidence on firm performance.

“We analysed the last decade of S&P 1500 financials using overconfidence proxies based on management earnings guidance and found that a third of firm value can be attributed to overconfidence,” he says. “That’s a \$10-trillion opportunity.” Lew’s research, co-authored with Sean Combrink, confirms that overconfidence bias appears even for investment professionals who overrate their own performance compared to their peers.

Overconfidence bias can lead to value being left on the table or even destroyed. Borchardt believes that by focusing on better strategic decisions, firms can counter leadership overconfidence (i.e. debias their decisions) to unlock value. He cites the Woolworths acquisition of David Jones as a classic case of overconfidence and says this bias commonly plays out in M&As, as well as corporate reorganisations.

He speaks of the “3Ms” of lost value – misses (missed opportunities), mistakes (poor decisions) and malice (deliberate damage). Improving strategic decision-making can help organisations avoid misses and mistakes.

Lew adds that poor decision-making affects more than the top management team. Senior leaders need to pick up a mirror and ask themselves about the type of decision-making culture they’re producing. “They need to spend more time understanding whether they are creating a space where people are confident to contribute, and they need to be more reflective in reviewing their strategic decisions and seeking to improve on them.”

## Four conditions for better strategic decision-making

Lew says four foundations need to be in place for organisations wanting to improve their strategic decisions.

1. **Regularly reflect on decisions:** Leaders need to develop the practice of reviewing their decisions and their decision-making processes to see where they can improve.
2. **Balance out biases:** Our biases are unconscious, and at best we can hope to become aware of them. However, Lew says that even this is not very effective in addressing them. What does work, however, is to address blind spots by including multiple and diverse perspectives. There must also be clarity on who has final responsibility for making decisions (and being held accountable for them).
3. **Create an enabling culture:** Indecision is something Lew says plagues many South African organisations. “Often, reasons for indecision relate to fear of making mistakes or taking a wrong decision,” she says. “Leaders need to examine their organisation’s culture to ensure it allows for open sharing of ideas and includes room for failure. Build a forgiving culture and cultivate a willingness to learn and grow in people.”
4. **The room to change direction:** Lew says that it’s important that leaders don’t marry their decisions. There needs to be agility in the decision-making process and the flexibility for leaders to change their minds when presented with new information. **GIBS**





BY TAMARA OBERHOLSTER

# Strategies for Influencing People

Leadership is about achieving goals through harnessing the abilities of people, which requires influencing those people to create change. Leaders, then, must be able to persuade people to collaborate in pursuit of a particular objective. How one does this depends on the context.

## Strategies by group size

Prof. Marwan Sinaceur, professor at ESSEC Business School in Paris, says that interactions can be classified in many ways, but arguably the most helpful when it comes to influencing people is by size.

He breaks strategies for influencing into three size-based types: one-on-one situations (interpersonal negotiation); small groups (influence); and large collectives of people (change management).

“The way you deal with each of these situations will be different,” he says. “The nature of the interaction, which can be determined by size and complexity, dictates your strategy. Usually, you have people looking at this from the micro side (psychologists who seek to understand interpersonal influence and groups) and experts from the macro side (sociologists who focus on large collectives). I try to look at this subject from a manager perspective where the disciplinary background is not important – what’s important is being able to tackle these different situations.”

### One-on-one negotiation

In one-on-one situations, Sinaceur says, you have the most control and the highest chance of influencing the person with whom you are dealing, as interpersonal negotiation is very

interactive. The situations tend to focus on relationship or conflict issues and listening to the other person to understand their concerns and interests is key. “The challenge is often not to understand what behaviours work best, but how to actually adopt those behaviours in any given concrete situation,” he says. “For example, if you are dealing with an unhappy client, colleague, or stakeholder, you know it’s important to listen. However, understanding that doesn’t always mean we do it well.”

He suggests that the best way to improve your interpersonal negotiation is to practise and master effective behaviours, such as active listening and asking questions to understand other parties’ underlying interests. It is also helpful to look beyond verbal behaviours as nonverbal behaviours are another means to efficiently influence others.

### Influence in small groups

In a group or team situation, leaders are seeking to move a group of people in a particular direction towards a goal. Sinaceur says the most important aspect here is for leaders to understand the social dynamics at play within the group, which adds a level of complexity to the strategy for influence.

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“The questions you need to ask are things like, ‘Who has the power? What are the sources of power? Do you have the majority with you, or are most of the people in the group against you? How will social pressure play out in this group? What will influence this group to move in your direction?’ Once you have thought about these things, you can examine the specifics of your strategies to influence the group.”

For example, he says, you might consider how best to organise the group so that discussion is not dominated by certain people, how to structure the format of a meeting to focus on the key issues (rather than getting bogged down in details), or how to run the meeting most effectively when you do not hold the social power. Every group needs different strategies, depending on the specific power dynamics.

“In a meeting, you might have experts and stakeholders who seem reserved, but who could have a big influence on your project,” says Sinaceur. “It’s important to understand that the extent to which people speak up doesn’t necessarily represent real power.”

To avoid discussions being dominated by certain stakeholders who have a particular agenda, you might make a rule that the group will map out all the issues and possible scenarios before you start speaking about possible solutions. “Discussing processes and ways of working first is particularly effective across many group situations,” says Sinaceur.

## Influencing large-scale change

According to Sinaceur, effecting influence in large collectives is the most complex situation as you have the least control and interaction with the people whose behaviour you are trying to change. This type of influence often boils down to change management, and Sinaceur says the first step is a thorough understanding of both any psychological and any organisational barriers to change.

He says the Covid-19 vaccination campaigns are a recent example of where governments were trying to influence people to take specific actions (namely, to get vaccinated). To develop a strategy to influence vaccination uptake, they needed to start with understanding vaccine hesitancy. “If you want to overcome vaccine hesitancy, you need to understand what is at the root of it. Is it a case of people not believing the messages that vaccine campaigns are seeking to deliver, or is the problem related to a lack of access to that messaging, or a lack of means to implement the action?” he says. “We’ve seen that studies show that making

it easier to adopt the behaviour can have a dramatic effect on vaccination rates. There is a multiplicity of factors that need to be taken into account.”

He says that one important challenge that needs to be acknowledged when it comes to influencing large collectives is that there’s usually not one way of doing so. Global warming is a case in point. Many organisations around the world agree that behaviour change is necessary, but they may not all have the same strategy or messaging in mind to facilitate change. One might focus on encouraging people to take up personal responsibility; another on corporations’ carbon emissions.

“You also need to consider the timing of your change management programme,” he says. “Are you going to roll out your strategy over a long period, or all at once? This will depend on what you are trying to achieve and whether you are targeting incremental change or revolution.” For example, you might put in place several measures to encourage behavioural change (a step-by-step approach) or, alternatively, implement a new policy to effect immediate change (an all-at-once approach).

He says other strategies for effective change include how to approach categories of people within the larger group, for example people who will resist your change management programme; how to strategically tap into any allies you have available to you; and using pilot testing and proof-of-concept data to effectively develop your implementation strategy.

## The role of neuroscience in persuasion

Ian Rheeder, who is a part-time member of the faculty at GIBS and a chartered marketer (SA), says that understanding a few key basic neuroscience concepts can also assist leaders as they seek to negotiate, lead and influence.

**‘In one-on-one situations  
... you have the most  
control.’**

## SCARF IN ACTION

Rheeder says implementing Scarf into your persuasion tactics will help you to get people to buy into your strategy. For example:

- **Status:**  
Engage with people respectfully. Take the time to understand their culture and subjective situation. Ask “What’s important to you about...?”
- **Certainty:**  
People today are overwhelmed by decision fatigue. They are more likely to be persuaded by leaders who can articulate challenges and solutions with clarity and certainty.
- **Autonomy:**  
People want options and the room to choose between those for themselves.
- **Relatedness:**  
Everyone wants to be liked. Gallup studies show that people are more likely to be engaged at work if they have a friend within the organisation, and that a manager or team leader alone accounts for 70% of the variance in team engagement. Working on interpersonal skills can help you improve your ability to influence people.
- **Fairness:**  
Humans are hard-wired to want fairness. Striving for win-win situations and ensuring people are treated equally goes a long way in generating support.

“Dr David Rock’s 2008 neuroscience model called Scarf (status, certainty, autonomy, relatedness and fairness) explains the five basic needs of human beings,” Rheeder says. “For managers and leaders, understanding this can help to influence and inspire people to change. It illuminates why, when we persuade, we need to make the other party feel like they are important, help them understand exactly what the offer is, give them an option B, and make them feel they are liked and are being treated fairly.”

He says leadership is about inspiring people to move towards a goal through a top-down approach of giving them hope, energy and “a why”, while management is about influencing people to do things through a bottom-up approach.

### Persuasion levers

Rheeder says managers and leaders are able to draw on seven levers of power to influence people by tapping into their primary motivations. Most of these relate to trust, which is essential.

Persuasion is also possible through visionary power (joy motivation) and coercive power (fear motivation), but Rheeder cautions that overusing fear results in a person’s rational “human” brain shutting down cognitive and creative reasoning of the prefrontal cortex and reverting to the ancient mammalian brain (limbic system), which operates on “fight or flight” mode.

Ian Rheeder

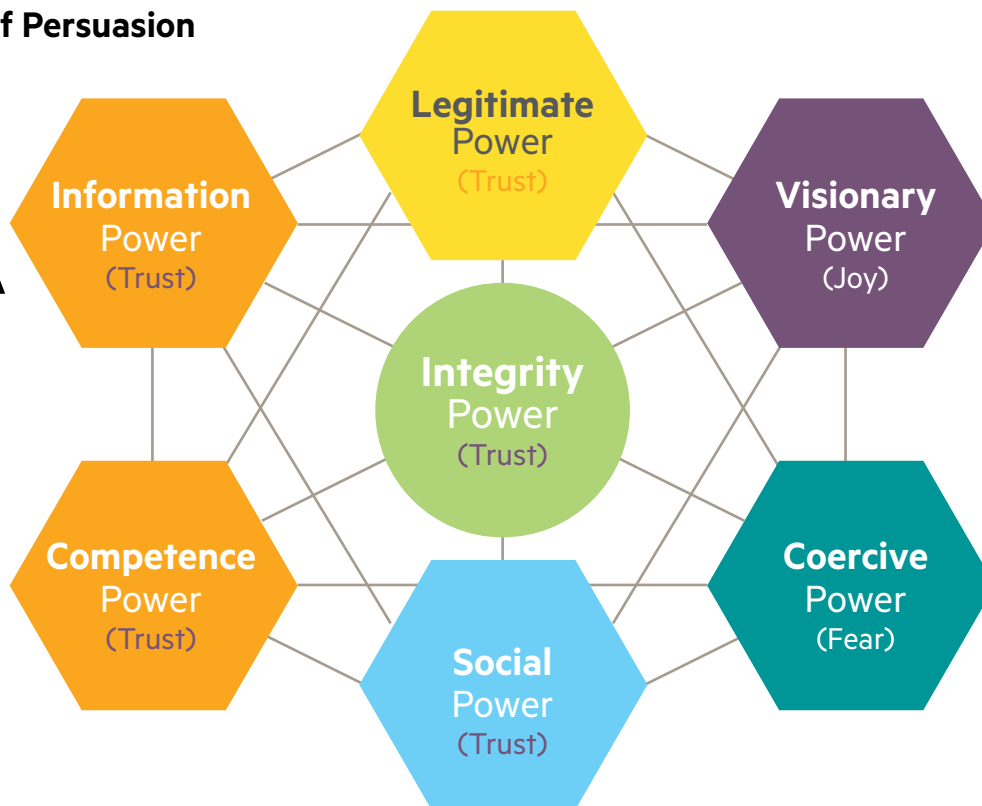


**‘People are strongly motivated by the emotional engagement of trustworthy relationships.’**



## 7-Levers of Persuasion

**BIG  
DATA**



Trust is at the centre of any successful persuasion strategy. Trust also underpins integrity power (“Can I trust this person to do what they say they will do?”); social power (the clout needed to lead); information power (having the right information to lead); legitimacy power (valid leadership status); and competency power (the capability to lead).

Rheeder says the most effective leaders will use a mix of these levers. Ignoring any single lever completely will damage persuasive power in the long run.

## PRACTICAL POINTERS

“Modern neuroscience shows us people are strongly motivated by the emotional engagement of trustworthy relationships,” says Rheeder. “Building on from that, there are some golden nuggets we can use to persuade people and get their cooperation in a high-trust way, without forcing compliance.”

These include:

- **Asking good questions:**  
Rheeder suggests following Dale Carnegie’s 1936 advice: “Ask questions the other person will enjoy answering.” Ask questions that build rapport, trust and confidence. Think carefully about your question sequence to help people to think deeply about what they really want.
- **Tapping into humans’ social nature:**  
“Multiple studies show that, in sales, customers single out the calibre of the salesperson as being 200% to 400% more important than the products they sell,” says Rheeder. “What this tell us is relevant small talk (and asking questions) is critical at the start of negotiations. People are most likely to follow you if they relate to you, so find similarities (i.e., shared values) and give genuine praise.”
- **Promoting trust:**  
“One of the best ways to influence is to build trust by showing empathy,” says Rheeder. “And one of the fastest ways to build trust is to be the first to do a small favour (servant leadership). Remember that even a tiny loss of trust – through perceived unfairness or dishonesty – can cause a disproportional loss of influence.”



BY GAYE CROSSLEY

# The Nuts and Bolts of Using a Consulting Firm

Your business is ready to expand, change direction, or simply needs a strategy to thrive during uncertain economic times. The services of a consultant may be the best option. To ensure you get value for your investment, as a business leader, you need to choose your consulting partner carefully and then have the right processes in place to make sure you get maximum benefit.

## Why use a consultant?

A consulting firm can offer a business an external, objective view on issues in the business. Nicol Mullins, managing partner at Africa People Advisory Group, says, “It is a partnership that exists between two independent parties, that helps the client-organisation to move forward in the direction that they want to go.”

Sujeet Morar, a partner at Kearney, says, “Clients hire consultants to deliver a range of projects, from large transformational programmes, discrete pieces of work or expertise or they are looking for an independent view on a specific topic.”

Consultants are there to support business leaders to make big decisions. The relationship sees parties work together for a beneficial outcome for the business. The choice of consulting firms will be directly linked to the expertise and capabilities they can offer their client.

## When to bring in a consultant?

Typically, there will be a trigger to bring in consultants. Business leaders might believe they have a problem that cannot be solved with their internal expertise. Chad Schaefer, the managing director of Schaefer Management Consulting, says, “Companies may be looking to improve their overall performance through adopting more efficient ways of running their business or operations. Or they may be looking to reconfigure or transform their business.”

Mullins explains that consultants are then brought in to complement or enhance the skills already in the business. “The intersect is like you are completing a rectangle, which is made up of two triangles. The consultant brings the expertise and the subject matter, the organisation brings the internal knowledge

of the workout and why it is practical.” He adds that it is about finding the right consultant to fit the business’ need.

Typically consultants are brought for an agreed term. Morar, however, says he has seen too many firms use consulting firms



Nicol Mullins

to fill vacancies instead of employing a full-time expert. As consulting services are expensive, this is not a good use of company resources.

## Selecting your consultant

Before selecting a consulting firm, businesses have to be clear on what their needs are and why they want to bring in consultants. Some consulting firms offer generalist business and management solutions, others are more specialised, such as mining, engineering, or environmental, for example. Consultants can also work by function or department, for example, finance, logistics or human resources.

Once a business is clear on why it is bringing in consultants, it can then look to choosing a firm. Mullins says that this choice needs to be based on three criteria: credibility, capability and most importantly, compatibility. He says, "Compatibility means, does this work from a relationship, finance, time-zone, and/or expertise point of view, but the relationship is essential."

The next step is to decide whether you want to use a large multinational firm or a smaller niche consultant.

**'This choice needs to be based on three criteria: credibility, capability and ... compatibility.'**

## Big vs small

Morar says, "If you want to execute over multiple geographies, you have to consider a larger consulting company that has a footprint, understands the nuances of each market, and will be able to contribute meaningfully."

**'Too many firms use consulting firms to fill vacancies instead of employing a full-time expert.'**

Sujeet Morar



Mullins adds, "If it's depth of expertise, or at least a wider group of expertise that is important to solve the problem, then a smaller firm unfortunately isn't going to be able to deliver. The value of the larger firms does come from the collective insights, the fact that they may have done this elsewhere globally, they've learned through the process and gotten better."

While big firms may have global capability and have the ability to offer a broader range of services at a greater scale, Mullins says, "I find that many bigger consulting organisations use a cookie-cutter approach, whereas smaller organisations would be able to be more flexible and tailor the solution to the needs of the clients specifically." He adds that smaller companies are often nimbler and more flexible in their approach. And, with typically lower overheads, smaller consulting firms can often be more affordable.

Ultimately, the decision on whether to choose a larger or smaller consultancy will come down to the scale of the services required. "It's about understanding the kind of roles and services a firm can provide," says Morar. The consultant a business does choose, however, must have the resources and capabilities to deliver on the required solution, but the size of the firm should not be the ultimate determinant, believes Mullins.

## Selecting and vetting your consulting firm

Morar urges businesses to take the selection of consultants seriously. He says it should be a rigorous process, where the services provided are evaluated against the fees being charged. Then the

business has to do a thorough reference and background check on the consultants they want to use. Consulting firms should be able to provide written or contactable references so that they can ensure that the firm or person they are hiring is capable of the job. "At our level, and the type of work we do at Kearney, we are subject to these requirements, it is just part of the process."

Mullins agrees and says that business must be careful not to fall foul of good marketing. "Often marketing is the best skill a business has, and there is no substance to what they have marketed," he says. He stresses that while you need to make sure that the person or company you are dealing with can deliver on what they are promising, you also want to find out how they conducted themselves, especially when under pressure. Are they on time, do they present themselves professionally, are there any red flags? He says the best references are word-of-mouth referrals.

And word-of-mouth may be the best way to find a top-notch smaller consulting firm. Morar says it's easier to find out about big consulting firms, they are known for their expertise in an area, actively publish thought leadership articles and insights which can help a company to look in their direction. There are also usually many articles about the business and their partners. He says, "The challenge comes with smaller, more niche firms that don't necessarily publish as much or are in the press as much. Verification is important when it comes to understanding who it is that you are bringing on board."





## ‘Great consultants creates exponential value for their clients.’

Chad Schaefer

### Preparing for consultants

Businesses, however, cannot expect consultants to come in and simply work their magic. They have to prepare themselves ahead of a consultant's involvement.

Schaefer shares these tips with businesses when they are about to bring in a consultant:

- Set out clear expectations around engagement objectives, key results, and ways of working
- Communicate these expectations to both the consultant and key engagement stakeholders
- Establish a steering committee and appoint a client-side sponsor who is senior enough and available to make decisions impacting the engagement
- Identify and schedule client-side resources that will be necessary to engage or work with the consultant
- Anticipate and collect relevant data to help inform the context – the more accurate, complete, and timely the data is, the fewer assumptions need to be made
- Critically assess organisational readiness to work with a consultant, while operating the business as usual, and the ability – both time commitment and cash investment – of the organisation to implement recommended solutions

### Measuring value

Measuring the value a consultant delivers is tricky. Schaefer says, “Great consultants creates exponential value for their clients by designing and implementing growth strategies that build future revenue streams and assets, by supporting leaders and their teams to collaborate and to make better decisions, and by helping to shape appropriate cultures that embed the right behaviours.”

This value, however, is not always easy to measure. Morar explains that a business might spend R1-million in fees but may not see that translated into R10-million in revenue. He says, “In some cases, the measurement can be about risk mitigation, rather than whether it delivered a specific value. So did we avoid a bad decision, rather than did we make money out of

it? Or did the independent opinion of an adviser or consultant provide more clarity about making a decision?”

Morar says, “Realising the value of your consulting engagement is not necessarily straightforward. I think it's important to understand the kind of value potential even before you engage the consultant.”

### Fee structures

When you start the discussions around bringing in a consulting firm, it is important to understand the various fee structures that can be adopted.

Fee structures will typically be project dependent and offer different incentives to your consultants to get the job done successfully, while offering different forms of protection to the client.

The four most common fee structures are:

- A value is placed on the work and the consulting firm charges you a percentage of that value.
- Retainers are put in place for the duration of the project.

- The consulting firm charges you a project fee. This is a set fee for the whole project.
- An hourly rate is charged for services rendered.

The consultant-client relationship centres around strong interpersonal connections. Parties must not only work well together but should respect, and, ideally, like each other. Morar says, “When relationships are very transactional, this can be the root of any challenges that come up in the project.”

Mullins concludes by saying that, ultimately, the key to consulting is that the outcome of this relationship must be a win-win for everyone.

## KEY TAKEAWAYS:

Hiring a consulting firm, key steps:

1. Identify the problem or solutions your business needs help with.
2. Select consultants who are compatible with your business, including costs, time zones, expertise and an alignment of cultures and values.
3. Thoroughly vet your consultants through reference checks before bringing them on board.
4. Prepare your business for consultants to come in.
5. The value of consultants can be measured in financial terms, but also through how much they helped mitigate risk.
6. Consulting is about win-win solutions and good interpersonal relationships. GIBS

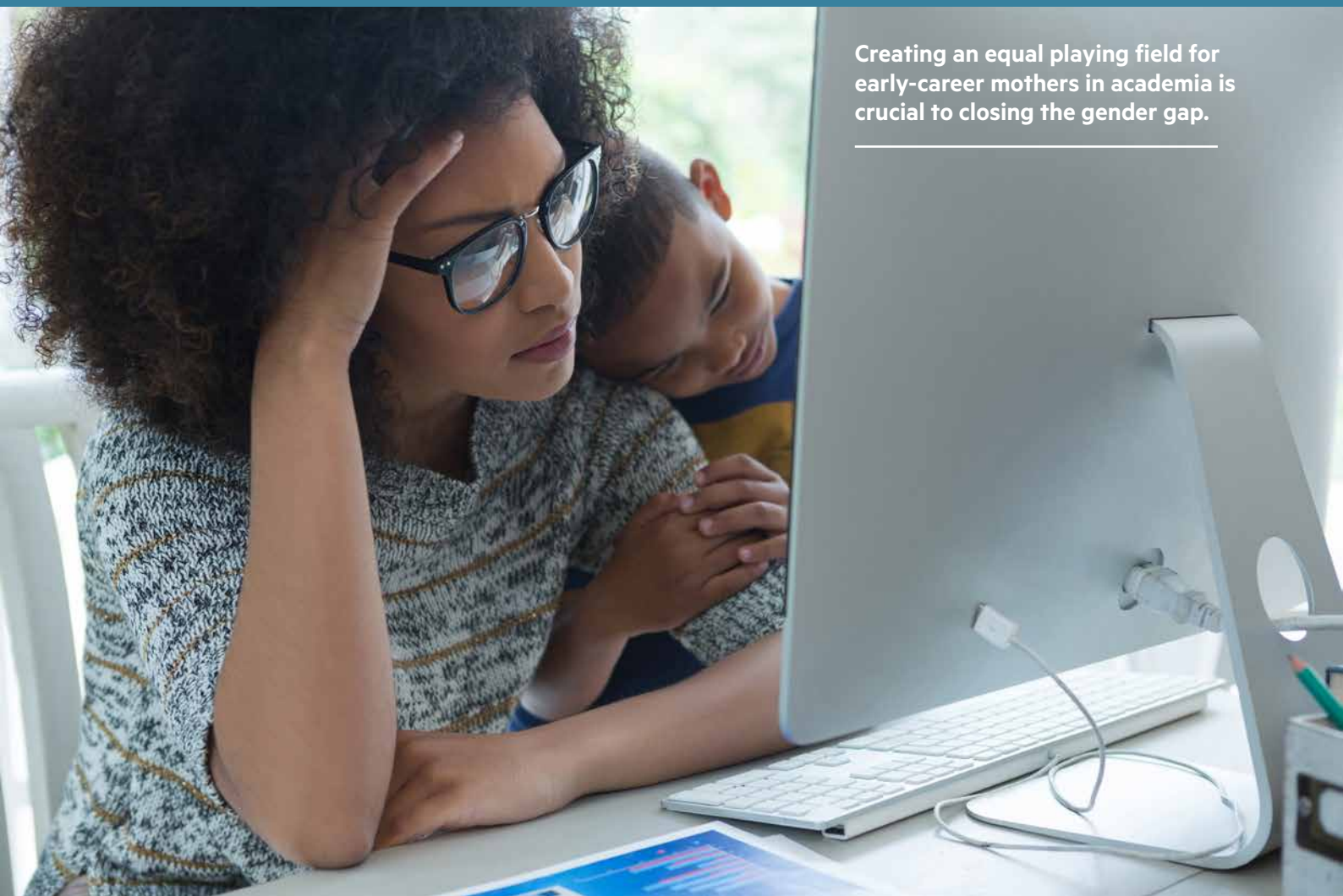
**DR MOTSHEDISI MATHIBE**

*Dr Motshedisi (Tshidi) Mathibe is a full-time faculty member at the University of Pretoria's Gordon Institute of Business Science (GIBS). Her research interests are in the field of social entrepreneurship, women entrepreneurship, informal sector, township economy, and base of the pyramid markets. In addition to teaching and research responsibilities, Tshidi is involved with the [United Nations' Global Compact Young Sustainable Development Goals Innovators Programme](#).*

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**BY DR MOTSHEDISI MATHIBE**

# Academic Mothers: A Conundrum



Creating an equal playing field for early-career mothers in academia is crucial to closing the gender gap.

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Female academics in South Africa have always trailed their male counterparts when it comes to research and publishing. [This gap persists today](#), despite a continuing increase in the number of women academics in the country.

On top of this, Covid-19 has drastically changed the way the world works, and seemingly exacerbated certain gender-related challenges and gaps, both in the corporate sphere, and in academia.

Given that for academics, research and publication are critical aspects of performance evaluation and career progression, it's important to understand and work to address this gender disparity in research and publication output if we want to create an equitable academic environment. One of the ways we might consider doing this is by providing better support to early-career mothers in academia.

## Drawing on personal experiences

When the government instituted Covid-19 lockdowns in South Africa, normal life ground to a halt for everyone. As work moved online and most physical spaces, such as offices, schools and shopping centres, were closed, we all grappled not only with fear and uncertainty, but with trying to navigate this “new world”. As a mother to young children, like many others, I found myself not only having to try to adapt to managing my work remotely, but also taking care of home-schooling and childcare, 24 hours a day. I found that I was often only able to get to my work in the evenings, once my children were in bed. And that was my routine work – not maintaining the required research and publishing outputs.

As I tried to figure out how I was going to manage my caring responsibilities, as well as my career ones, I began Googling to see what others in similar positions were doing. I was struck by the fact that globally, women, and especially early-career mothers, seemed to be hardest hit by the effects of the pandemic in terms of remote working.

[In one 2020 study](#), Alessandra Minello, Sara Martucci and Lidia KC Manzo aimed to identify the challenges academic mothers faced working remotely with children present, and describe the perceived effects of the pandemic on their future career. The results showed that the pandemic changed the priorities of academic mothers in a direction unfavourable to their careers: mothers devoted most of their time to teaching duties and stopped research. Moreover, they felt an increased gap in their relative competitiveness with male and childless colleagues.

## ‘Childcare slows the productivity of early-career mothers when working remotely.’

Similar studies in [Japan](#) and [Germany](#) (Yamamura & Tsutsui, 2021; Möhring et al., 2021) found that Covid-19 increased the burden of childcare, especially for mothers caring for children in primary school.

In an [article](#) they describe as “a feminist, heartfelt, autoethnographic account”, two academic mothers, Batsheva Guy and Brittany Arthur, recount their experiences working from home and raising children during the pandemic. They touch on everything from the realities of working from home meaning a lower productivity rate for academic mothers in particular, to the mental health challenges wrought by isolation and the trauma of the pandemic, detailing the increased burden they felt.

“Moving forward, it is clear that our society needs to do a better collective job being more mindful and realistic of its expectations of working mothers,” they write.

From the literature, it became evident that childcare slows the productivity of early-career mothers when working remotely. However, accessing additional childcare support also comes at a high cost, making it difficult for early-career mothers to afford.

As early-career academic mothers remain disproportionately responsible for childcare and family responsibilities, they are at a disadvantaged position to fulfil their work duties and achieve their workload, compared with men and non-mothers at equivalent stages of their career.

This echoed my own experiences, and so I began to look at solutions proposed and to consider what might assist women in my position to compete academically, even while working remotely, or, as the pandemic lockdowns eased, in a hybrid situation.



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## Developing sustainable solutions


Guy and Arthur detail a range of coping mechanisms they applied as individuals to help them manage their family and work obligations, which included:

- **Creating spaces to connect with others.** The authors developed a group chat with colleagues where they could brainstorm ideas and provide support for one another. They later added check-in meetings and virtual lunches to intentionally carve out time for connection.
- **Communicating needs to family members.** For example, one of the writers is an introvert and had to learn to be honest with her partner about needing some alone time every day to recharge – whether doing laps in the garden after putting her son to bed or taking a 10-minute nap.
- **Making the most of small chunks of time.** In a remote or hybrid working model, where work time may be punctuated by meeting children's needs, it may not be possible to work uninterrupted for several hours at a time. The authors found it helpful to use even the 15-minute slots they had available, as cumulatively these do build towards one's objectives.

While these may be helpful measures, the truth is that to build a level playing field for early-career academic mothers, more must be done by their employers – academic institutions – to support them.

Solutions can be short-, medium- or long-term, and might include:

- **Providing teaching support.** For early-career academic mothers to have the capacity to focus on research, they may need to spend less time teaching or developing new course material. Institutions could support them by relaxing course development requirements or by hiring post-doctoral fellows to assist with this.
- **Improving funding access.** Often, research funding is scarce and those without extensive research experience struggle to compete for it against advanced researchers. Providing more funding specifically for emerging researchers could help in this respect.
- **Invite participation in a broader range of research avenues.** There are many ways to be involved in research – not just through undertaking it and through publication. For example, being a member of a journal's editorial board is one way that an early-career academic could both benefit from collaborating with more experienced academics and bring a valuable, fresh perspective. Academic publications could also solicit opinions from early-career academic mothers on how they could support their increased participation. The issues that could be explored might include, for example, whether they could decrease their departmental or university service level, or whether there were incentives that could make it more appealing for them to undertake research, such as one free open-access publication in the journal per year.



**'I was often only able to get to my work in the evenings, once my children were in bed.'**

Dr Motshedisi Mathibe

- **Offer multi-modality events.** There are pros and cons to both in-person and virtual events. For example, virtual conferences and meetings may fast-track decision-making and cut down on travel time. However, these practices take away the human interaction from colleagues, reducing networking and relationship-building opportunities. Offering hybrid options allows attendees, particularly early-career mothers, flexibility in assessing which modality may be most beneficial at that point. For example, they may be able to dial into conferences sessions that they could not otherwise attend due to childcare responsibilities, or to choose to attend in person to have the opportunity to meet and engage with people involved specifically within their research fields, boosting opportunity for collaboration.
- **Flexible working hours.** Although remote and hybrid working are meant to have yielded more flexibility in terms of working hours, the truth is that many academic institutions have not fully embraced this flexibility, still expecting employees to work traditional office hours. These are often at odds with family and childcare commitments. Flexibility in scheduling would ensure early-career mothers are able to mould their working rhythms around childcare, thus maximising their ability to be productive.

## Mapping a way forward

The challenges facing early-career mothers in academia can be addressed, but these mothers cannot do it alone. They need support from their respective academic institutions. Importantly, this requires commitment to testing and room for failure. I would urge the various stakeholders in academia not to waive solutions that have been tested and failed at first attempt, but to seek to understand why and how to better them for a following attempt.

Though remote and hybrid working have advantages for both companies and employees, the challenges of these working models for early-career mothers in academia should not be ignored. [GIBS](#)



BY MPH O MAJORO

# Preparing Business Leaders for a Changing World

"Action learning programmes and projects are critical to what we do in the Business School environment. Case studies assist us to measure how people would, as managers or professionals, handle similar incidents in the corporate environment. It is the test drive, before the main ride."

The modern business environment requires smart, agile, and visionary leaders who can adapt to operating conditions that are rapidly evolving. Organisations have, over time, faced various challenges, from new competition to technological advancements, and most recently, the Covid-19 pandemic. The blueprint for tackling old and new challenges, the positioning of the various business units and operations, among others, is steeped in the discipline that is corporate strategy.

An organisation's overall strategy or corporate strategy provides a compass for navigating new innovations and disruptors. This organisational game plan also serves as a guiding light for overall growth, while keeping the business ahead of the competition. The discipline of corporate strategy has revolutionised the way organisations conduct their business. Before the advent of corporate consultancy firms that specialise in helping entities formulate and execute their strategies, there was not much

consideration for the importance of effective strategic thinking. Over time, however, it became apparent that the success of the organisation depended on a solid corporate strategy, and the participation of everyone in the business.

Thus, there has been growing demand for people who are qualified to design the overall frameworks by which entities conduct business. Business schools the world over play a pivotal role in preparing executives, general managers and ordinary employees to be ready to deal decisively, and strategically, with developments in the corporate environment. For the past three

years, [GIBS](#) has been offering an MPhil in Corporate Strategy. With this academic offering, the school's promise is to "equip graduates with high-level business skills in the areas of strategic foresight, strategic management and strategic leadership".

The MPhil Corporate Strategy is a specialised, academically rigorous postgraduate Master's degree programme. Students who have completed an honours degree or what is known as a South African Qualifications Authority (SAQA)-accredited NQF 8 qualification can apply for the two-year part-time programme. The faculty does also make provision for

**'We have been able to attract the kind of faculty that is not theorising only. It is a faculty that is steeped in business.'**

students who do not have a postgraduate qualification, and for those with no undergraduate qualifications, but who do have extensive work experience.

GIBS' MPhil in Corporate Strategy has been designed to integrate theory on key aspects of strategy, with insights from actual business practice, across a range of industry contexts. GIBS faculty member and corporate strategy lecturer Buyani Zwane says the GIBS programme is strengthened by an impressive and accomplished team of academics who collectively have extensive experience in navigating corporate and business spaces.

"At GIBS, one of the things that we pride ourselves on is that we have been able to attract the kind of faculty that is not theorising only. It is a faculty that is steeped in business. So, what they share in the classroom is not all book-based, they also have street smarts. Many of them have been general managers and executives. They have served in the boardrooms, so they know what investors are looking for," explains Zwane.

## Exploring the fundamentals

During the MPhil programme, students explore the origins of corporate strategy and the extensive volume of academic work produced in this discipline. Corporate strategy took hold in the 1960s with the foundation of the [Boston Consulting Group](#) (BCG) in the United States.

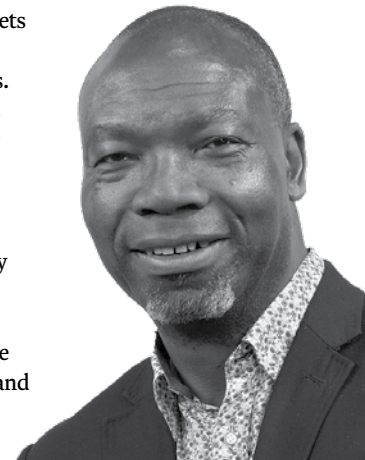
The premise of corporate strategy is to foster cooperation between business units, create value for the organisation, and position the business to be able to maximise opportunities in the market. Its evolution has sparked the emergence of a new academic discipline that is constantly evolving in line with a changing world. At GIBS, students engage, challenge and expand on the works of trailblazing theorists such as Harvard Business School Professor Michael E. Porter, who has been dubbed the father of modern strategy, and many other illustrious scholars. It was the founder of BCG, Bruce Henderson, who inspired generations of consultants to consider the importance of preparing

business entities "to tackle their most important challenges and capture their greatest opportunities".

Students who choose to enroll for the GIBS MPhil in Corporate Strategy open themselves to a learning approach that allows them to be exposed to real-world situations through a range of mechanisms including case studies, immersions and practitioner engagements. Students are challenged to work independently and in groups, to learn to exercise strategic decision making in all scenarios.

So then the question arises, do business leaders need to have a formal qualification to be able to formulate strategies for their corporate entities? Zwane says GIBS' close ties with the business community and understanding of what the various industries need to succeed is an advantage. Through its executive learning programmes, GIBS has positioned itself as a leader in teaching general management, empowering graduates to improve as individuals and team players in their various organisations.

The Covid-19 pandemic has prompted the corporate world to be agile in finding solutions to keep their businesses running optimally. Before the onset of the pandemic, the idea of working from home was a far-removed consideration. Now, companies the world over are finding innovative ways to get the job done. In South Africa, for instance, load-shedding has become so common that, in the same way, corporate entities have had to figure out new ways to continue production and reach their targets amid the ongoing electricity blackouts. Due to the demands of an ever-changing modern business environment, the corporate space has become increasingly competitive, with organisations scrambling to secure the best executives and strategists.



Buyani Zwane

**The MPhil in Corporate Strategy provides students with the necessary tools to be able to find modern solutions to modern problems.**

"As the business school for business, we focus on general management and aim to significantly improve responsible individual and organisational productivity and performance in South Africa, the broader African business environment, and the world. We do this through high-quality business and management education. Action learning programmes and projects are critical to what we do in the business school environment. Case studies assist us to measure how people would, as managers or professionals, handle similar incidents in the corporate environment. It is the test drive before the main ride," he says.

## Finding innovative solutions to modern problems

The GIBS approach to business executive education is to inspire exceptional performance in the quest to advance the business community. The faculty recognises the profound shifts in industry structures brought about by innovations in technology and a rapidly changing geopolitical landscape. Many of the business models and approaches that have driven operations for decades are fast becoming irrelevant and outdated. Thus, the MPhil in Corporate Strategy provides students with the





necessary tools to be able to find modern solutions to modern problems.

Zwane says feedback gathered from regular engagements with business leaders and former students, together with the extensive research conducted in the marketplace, influences the academic offerings at GIBS. Frequent internal and external assessments are done to evaluate whether GIBS' academic programmes are on par with market demands and needs.

In 2020, the GIBS executive education offering was ranked in the global top 50 by the prestigious *Financial Times* executive education ranking. This and many other rankings are testament to the work and commitment of the GIBS faculty in preparing students to compete confidently with some of the best in the world.

"There is a demand because more organisations are finding it necessary to be agile. They need to be able to adapt much quicker to what is required of them. So, it is vital that what we do speaks to existing needs and predicts future needs. When we look at what happened in the advent of the Covid-19 pandemic, for instance, you find that organisations are increasingly needing to ensure that in their arsenal of offerings, they have all the essential elements that will boost their capacity perennially," Zwane explains.

## Educating leaders for the world

The core subjects in the MPhil in Corporate Strategy programme are prescribed, although students can customise their study path to their interests and preferences, within the domain of corporate strategy, through their choice of a wide range of electives and the preparation of a substantive research report. This programme is rigorous and requires a significant investment of time and energy. Zwane says the faculty at GIBS is looking to attract students who are prepared to contribute meaningfully to the growth of the discipline of corporate strategy.

"We are seeking to attract are people who have come to appreciate that they have a role to play in improving how their organisations function. We are also looking for people with heightened academic rigour, individuals who will interrogate the curriculum, and invest time and effort towards building a body of

research that will help this discipline advance," says Zwane.

During the intense research component, MPhil students will be able to conduct advanced research from the wide range of topics on corporate strategy, from development to implementation.

Upon completion of the programme, students will be equipped to become leaders in the field of strategy. In the second year of study, students can pursue the global module. This route is an optional additional module which comprises an international trip, to help understand the key teachings of international business. Students are given several international destinations to choose from.

Choosing to enroll for the MPhil in Corporate Strategy at GIBS is not only about acquiring an academic qualification. Students also gain access to experienced and renowned academics who can help them navigate the corporate maze and help them elevate their standing and connect them to important captains of industry, which will benefit them beyond graduation.

Students who wish to continue to the doctoral level have two streams to choose from, the PHD stream and the DBA stream. The MPhil is recognised as a level nine qualification according to the South African National Qualifications Framework. The design of this qualification is intended to equip students with advanced research skills that will enable them to pursue a doctoral degree. [GIBS](#)

**'It is vital that what we do speaks to existing needs and predicts future needs.'**

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BY DION CHANG

# How the Lockdown Life Audit is Reshaping Company Culture



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**Workforces around the world have been making fundamental lifestyle priority shifts.**

Most business leaders are grappling with the mechanics of a hybrid workforce: managing the reality of co-ordinating remote and in-office teams. But there is a blind spot that almost every company is missing. There have been fundamental lifestyle priority shifts that workforces around the world have made, thanks to the life audits we've all processed during lockdown.

For many companies, the ripple effect is going to be a rude awakening.

**‘All levels of leadership need reskilling’**

## **A global existential crisis**

It is estimated that 6.53-million people died from Covid-19, while 613-million people were infected by the virus. If you were not mourning the tragic loss of one or more family members or friends, or had to deal with the effects of long Covid, then two years of [anticipatory grief](#) would certainly have sparked a process of introspection and re-evaluation of this fragile thing called life.

Currently, we're seeing a manifestation of this life audit in trends such as semigration, revenge travel and the concept of time millionaires, which in turn paved the way for workplace trends like the great resignation and quiet quitting. The first three trends can be attributed to a renewed YOLO (you only live once) attitude – travelling while you can and seeking a more balanced lifestyle. But these are just movements on the surface. They are feeding into an undercurrent that is growing stronger and has started to challenge, and erode, the bedrock of traditional corporate culture.

I have the privilege to work with senior leadership across different sectors and I see the same pattern emerging: an obsession to pick up from where we left off in 2019 while brushing aside any protestations. Some have reluctantly agreed to a hybrid way of working, while others are simply demanding that staff return, full time, to the office. The push-back has already started with some companies losing, not just talent in the lower rungs of the company, but in senior management, reducing crucial institutional memory.

This is a bellwether they are ignoring, and underestimating.

## Labour laws shifting with the times

For the C-suite who don't see the need to re-evaluate their management styles or company culture, they should note the rash of [new labour legislation](#) that supports a new way of working. It's an acknowledgement that it's not so much that people don't want to work, they just want to work differently.

**Law:** The right to disconnect

**Country:** Portugal

**Date introduced:** December 2021

Bosses may no longer message employees outside of contracted work hours

**Law:** Remote working legislation

**Country:** Ireland

**Date introduced:** August 2022

Gives workers the right to request working from home

**Law:** Mandatory right to work from home

**Country:** Germany

**Date introduced:** November 2021

Employers have to offer a work-from-home option if the nature of the job allows it

**Law:** Working from home as a legal right

**Country:** Netherlands and France, with Portugal also considering

**Date introduced:** July 2022

Employers must consider employee requests to work from home (Netherlands) and employers who refuse must justify their reason (France)

## Post-pandemic company culture

While managers must ensure the operational dynamics of a hybrid workforce are functioning, there is a fundamental misunderstanding of the kind of flexibility workers really want.

Marcus Buckingham leads the [ADP Research Institute](#), and has recently conducted a 27-country survey of thousands of workers on what makes them love (or hate) their jobs. When interviewing workers who were forced back into the office, he found that they were both the most and the least stressed. Interestingly, it was the same for remote workers. His assessment was that it depends on the person, rather than the location. "What people are really looking for isn't flexibility of location. It's flexibility of time,"

he concluded. "All hybrid talk misses the fact that it's not the geography or location. It's the flexibility of being a whole human."

The biggest challenge, then, in terms of workforce management is to move from a location-centric mindset to a more human-focused mindset.

What the lockdown years have proved is that people can be just as productive, if not more, when they are given flexibility of time. It's therefore less of a challenge for people to work remotely and manage their time, but rather more of a challenge for managers to adapt to a decentralised way of working: a new skill that was not needed before in traditional corporate culture.



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## Reassessing productivity. Embracing outcomes

One of the new concepts that almost no executives are interested in engaging with is the four-day work week (4DWW), even though South Africa is about to follow other countries around the world and [conduct trials in 2023](#).

The 4DWW inevitably sparks debate about productivity. But this is another metric that the new world of working is challenging. As Stanford economist John Pencavel says, “We’ve taken up the assumption that our output is proportional to hours”, and therein lies another blind spot, and misconception: having workers in a physical space, for a set number of hours, equals guaranteed productivity.

“Productivity” needs to be redefined and separated from time and location-based metrics. Globally, companies are shifting to measuring outcomes and output, and more workers are opting for short-term, project-based contracts measured on task completion, rather than fixed salaries based on hours worked.

## Management’s steep learning curve

Middle managers experienced the steepest learning curve during lockdown. Managing teams via video conferencing was never a necessary skill. But now with an inevitable hybrid future, all levels of leadership need reskilling.

There are many pitfalls in managing a hybrid workforce. There is not only the danger of a two-speed organisation (a disjointed workforce that fails to collaborate) but also ensuring that the more introverted workers don’t become “ghost workers”, and in tandem, ensure there is no “proximity bias” for the employees they see more often in-person.

The role of managers has traditionally focused on overseeing teams and projects to ensure work is completed properly and on time – in essence, project management.

## ‘People can be just as productive ... when they are given flexibility of time’

But now the people-focused elements of their roles have become more important than ever. Just like shifting from a location-centric company culture to a more human-centric culture, managers need to focus more on different styles of people management.

A knee-jerk reaction to remote management during the pandemic was to use digital productivity monitoring tools subjecting employees to a new form of corporate surveillance.

Apart from only tracking keyboard activity – and not factoring in offline meetings, reading and research or other forms of non-digital work – digital productivity monitoring tools have received a backlash from workers who describe this form of scrutiny and surveillance as “demoralising, humiliating and toxic”. Cue a new flood of resignations.

The stereotypical qualities managers were traditionally celebrated for include being “assertive”, “driven” and “authoritative” – traits that imply the ability to accomplish tasks and ensure that a team meets deadlines.

In contrast, words that now describe a preferred management style include “empathy”, “connection” and “flexibility”.

Teuila Hanson, the chief people officer at LinkedIn, captured the human capital zeitgeist by saying, “Company culture is swiftly evolving, and to keep up, organisations must innovate and think progressively. We have this singular opportunity to create the culture and circumstances that will allow each employee to do their best work and to lead their best lives.”

For executives who have adhered to the career mantra of “working their way up the corporate ladder”, this all seems a tad touchy-feely, hence the belief that their company requires no introspection, let alone a culture reassessment.

My counter-argument is that they can dig their heels in all they want, but if there is already evidence that senior leadership are quitting their jobs for more flexible and accommodating pastures then, in the next few years, they will gradually discover that their company is no longer attracting, or retaining, the skills and talent they desperately need. Leadership is at a crucial inflection point. Don’t ignore the winds of change. **GIBS**

# The Business of Motoring

A gorgeous but practical family SUV and a driver's car for the ages.



Looks like a million bucks:  
**Honda HR-V**

## WHAT IS IT?

While this is the third generation of the HR-V, it is so different to the vehicles it replaces that it should be viewed as an altogether new car. It is a practical compact crossover that has had an emphasis placed on its kerb appeal.

## WHY THIS?

This is a practical vehicle, as SUVs must be, and it is gorgeous vehicle, as many SUVs are not. That's a good enough combination for most buyers out there, but there is more depth to the HR-V than that. What really opened our eyes (looks aside) was the incredibly extensive list of active safety systems, almost ironic given the daring appearance.

## OUTSIDE

Honda's compact crossover has joined the global trend of becoming a "sportback" SUV, with a sloping rear design intended more for appearance than the "Utility" in the SUV moniker. The svelte profile, coupled with the colour-coded front grille, the hidden rear door handles, the thin headlights and body-width rear LED light bar, elevates the HR-V into a new stratum of desirability.

The net result is a thoroughly contemporary, premium design that manages to catch the eye in the parking lot, no matter what angle it's viewed from.

## GO GET IT

At R554 500, the HR-V Executive is competitively priced when compared to the myriad of sexy SUV competitors. The Comfort model is more affordable at R469 000. The price includes a five-year/200 000km warranty and a four-year/60 000km service plan as well as a three-year AA roadside assistance plan for additional peace of mind.

## INSIDE

The cabin doesn't stretch the envelope to nearly the same extent as the exterior – it's a clean, functional space with soft-touch finishes and some classy elements, but potential buyers might feel that the interior doesn't live up to the exterior's promise of modernism.

It is *full* of features though, including an eight-inch touchscreen, clever air-con that diffuses cool air through the car without blowing it in your face (unless you want it to), clever storage compartments, a panoramic roof in the Executive model, hands-free power tailgate... The so-called Magic Seats are brilliant too, folding completely out of the way when extra space is needed.



Little has been spared in terms of safety, with a host of radar-assisted safety systems: collision mitigation braking system (CMBS), adaptive cruise control (ACC), lane keeping assist system (LKAS), road departure mitigation

(RDM) and auto high-beam (AHB) – you'll have to stuff up quite monumentally to have a fender-bender in the HR-V.

This car isn't Mary Poppins' bag or Harry Potter's tent, though – you can't fit more into it than physics allows, and the svelte slope of the posterior does limit the luggage capacity.

## THE DRIVE

Oh, for this car to be available with one of Honda's beautiful manual gearboxes, or even a traditional automatic transmission. Instead it comes with a CVT, the most fuel-efficient option, but also the least exciting to drive and most tedious to live with.

The engine, a familiar 1.5-litre petrol unit, produces 89kW and 145Nm, which is neither enough power nor torque to do this car justice. Throw a turbo on there and pair it with a six-speed manual and you'd have a car we'd all be raving about. A hybrid version is probably going to arrive sometime and that may well solve any shortcomings.

Performance isn't everything, obviously. Fuel consumption is good at a claimed 6L/100km and ride quality is excellent.

## FINAL WORD

So, how do we feel about the Honda HR-V? It looks like a million bucks and costs around half that, so it's good value in the rand-for-looks department. The rand:drivability ratio is less flattering, though, with what is otherwise a fantastic car let down by the familiar drone of a CVT gearbox and lacklustre performance. In the end, it depends on where you place your value and what you're happy to settle on.



## OUTSIDE

I don't understand the colour that Hyundai chose to hero the i30 N. In whose little book of colour suggestions does baby blue scream, "I am power, hear me roar"? I just put on my rose-tinted sunglasses and pretended my test car was red...

Even in red, the i30 N isn't a car that will one day end up in the New York Museum of Modern Art. It's a hatchback that has had some performance bits bolted on, like big red brake callipers and burbling exhausts, a little wing on the tailgate, 19-inch forged alloy rims with a little feather of rubber around them. A fastback version is available internationally that makes a bigger design statement but unfortunately that hasn't made it to Mzansi.

Fast and fizzy:

## Hyundai i30 N

### WHAT IS IT?

This is the Golf GTI for everyone who wants a GTI that isn't actually a GTI. In fact, many say that this is the superior vehicle, a hugely provocative statement to make anywhere near a VW fan. The i30 N, Hyundai's first true performance vehicle, was given an enhancement recently, making an already brilliant car a little bit more refined.



### WHY THIS?

I love the idea of a sleeper car or "Q car" – a car that doesn't boast by looking flashy but lets its performance do the talking. The Hyundai i30 N isn't quite that, but when you compare it to cars like the Renault Megane RS 200, you'll realise how subtle and restrained the styling is.

But that's not what I'm saying - you'd buy an i30 N because it goes brutally fast, takes corners like a Jack Russel and has a soundtrack to match. Speaking of soundtrack, there's a variable exhaust valve system that adds fizzes and pops to your driving experience.

### GO GET IT

The price of the new Hyundai i30 N DCT is R749 900, and for such a capable car that is quite reasonable by today's standards. This includes Hyundai's seven-year/200 000km manufacturer warranty; a five-year/75 000km service plan; and roadside assistance for seven years or 150 000km.



## INSIDE

It's easy to be distracted by the exciting bits like the leather and artificial suede bucket seats, the sport steering wheel, the baby blue buttons that change the drive mode (including Sport mode and

N mode) and the metal pedals, but that glosses over how tactile and intuitive the controls are. There's a touchscreen for most of the user interface, but there are also physical dials and knobs for things that you use often, and the result is an interior far more intuitive and functional than its rivals. It's spacious too, with enough usable space for four adult passengers and luggage.

## THE DRIVE

I don't know why you read the bits before this – driving the i30 N is what it's all about. The updated version still has the same two-litre, four-cylinder turbocharged petrol engine as before, but power has been upped from 202kW to 206kW while torque is now 392Nm, up 39Nm. An eight-speed dual clutch transmission is now standard, and acceleration is now 5.4 seconds for 0-100km/h, which is 3% faster.

Hyundai has done some amazing things to the i30 N with sufficient electronic trickery to make it smart enough to do its own tax returns, but we don't need to know what they are, just what they do. This is an absolutely phenomenal car to drive quickly around corners, taut and sure-footed with a resonating warble from the engine and enough power to keep even great drivers on their toes. You'll find yourself planning routes on Google Maps that incorporate more corners, no matter how long it takes you to get there. This handling comes with a drawback – the ride quality is firm and can be uncomfortably so.

Warning: If you already grimace when you pull into a petrol station, think twice about ordering an i30 N – the claimed fuel consumption figure of 8.9L/100km is optimistic at best.

## FINAL WORD

If you need your car to shout about how fast and powerful it is, the i30 N might not be the car for you. If you're of a more restrained ilk and prefer actions to speak for themselves, you would be incredibly hard-pressed to do better than this. Is it better than a Golf GTI? As an all-rounder, no, it's not. As a grin-inducing driving tool? Amazingly, it probably is! **GIBS**



# Techno for Business

## iPhone 14 Pro Max

### It's all about the camera

Price: R20 500 to R41 500

Apple's annual iPhone launch this year in September was predictable on the phone front, but there were a few surprises coming on the Apple Watch front – more about that later.

The new iPhone 14 phones launched may have been incremental, but the consumer numbers globally speak volumes about the Apple brand. iPhones in the US, for example, reached an impressive milestone during September. Apple has for the first time topped the 50% mark of all US smartphone sales in 2022, which is a significant achievement considering how many Android brands are out there and how tough the competition is.

Globally, though, according to Counterpoint Research, Samsung still dominated. In the last quarter Samsung had a 21% share of global smartphone shipments with Apple in second place controlling 16% of global sales.

When it comes to the premium phone sector globally, Apple dominates. It owns 57% of the smartphone market for phones costing \$400 or more and a whopping 78% of the market segment of phones costing \$1000 or more.

So, let's talk about the new iPhones and their top-of-the-range device, the iPhone 14 Pro Max.

Apple announced four new phones, the iPhone 14, iPhone 14 Plus, iPhone Pro and the iPhone 14 Pro Max.

The iPhone 14 (6.1-inch) and the 14 Plus (6.7-inch) both use the A15 bionic chip whereas the Pro and Pro Max use the new A16 bionic chip. This means increased performance and a much better battery life. You will also notice a floating notch design improvement around the front camera and an always-on screen display. The camera system features a new 12 MP main lens and an ultra-wide lens which shoot great photos in low light conditions.

The iPhone 14 Pro (6.1-inch) and Pro Max (6.7-inch) are the phones that made a big jump when it comes to cameras. They both have three lenses in the rear, a main spectacular 48-megapixel, a 12-megapixel wide-angle camera and a 12-megapixel ultrawide and a telephoto camera with 3x optical zoom.

The Pro Max is the big daddy, featuring a massive 6.7-inch screen and better battery performance.

The new iPhone line-up includes new safety capabilities in the event of an emergency. A dual core accelerometer that's capable of detecting severe G-force changes can now detect a severe car crash and call and alert emergency services on your behalf.

Apple also introduced an Emergency SOS via satellite service, enabling the user to message emergency services when outside of cellular or Wi-Fi coverage. Although this service is only currently available in the US and Canada, it will be a matter of time before it becomes available globally.

The depreciation of the rand against the US dollar and the price increases over the last few months have pushed the new devices into a different price range. They are on average around 20% higher compared to the iPhone 13 models of 2021.

The big question everyone is asking: is it worth the upgrade?

It's a tough one. The Pro cameras are superb and if you take your photography seriously, then it's a resounding yes!

If you have an iPhone 11 or 12 it will be a big jump to the 14.

Many users who have a 13 are holding back and waiting for the 15 next year, which if you look at Apple's historical design updates, will be a substantial jump in design.



# Apple Watch Ultra

## The ultimate watch for adventure seekers

Price: R19 000

The biggest surprise at the Apple launch wasn't the new iPhones, nor Apple Watch Series 8, nor the AirPods Pro, but for me it was Apple Watch Ultra.

This is a totally new design and category for Apple, as they go after the ultra-sports people, the serious rugged adventurers and people who dive.

It is also much larger than previous Apple Watches. The 49mm titanium case has a flat sapphire front crystal making it the biggest and brightest Apple Watch display yet. The battery life now goes up to 36 hours so if you plan on running a marathon or doing the Iron Man, it will just keep on going.

It is also designed for water sports and dive enthusiasts. The WR100 rating means that it can withstand pressure of up to 100 metres. The depth gauge monitor is very cool. As soon as the watch is submerged in water the watch starts giving information like water temperature, water depth and time underwater. There are between six- and nine-million active scuba divers in the world so you can understand why Apple sees huge potential in this market. Jacques Cousteau would have been very impressed with this watch.



So, if you are into endurance sports, getting out into the outdoors and exploring, the Apple Watch Ultra is for you.

Here's the thing ... I don't fit into any of the above categories. I am just your average gym-goer and occasional runner, so do I want an Apple Watch Ultra? Oh yes! I LOVE the design and functionality.

# Samsung Freestyle

## The projector for business and leisure

Price: R15 000

The Samsung Freestyle is without doubt one of the coolest and most versatile gadgets of the year! Yes, please don't laugh, I'm getting excited about a projector.

It's no ordinary projector, though. Firstly, you can take it almost everywhere. It is the size of a large mug and the picture quality it projects is extraordinary. You can project on almost every surface, even on a surface that is uneven. It has built-in technology to straighten the image.

If you, for example, stand 2.7 metres away it will project an image the equivalent of a 100-inch TV. In 1080p!

And it also has sound. The speakers are featured around the base of the Freestyle, giving you omni-directional 360° sound – so you can literally hear from every angle. And if you get really bored, it even has Alexa for voice commands.

You just tap your phone against the Freestyle and your phone content is mirrored onto the surface being projected. And it also works with an iPhone.

The battery life lasts up to three hours, but you can also plug in an external battery.

Just think of the applications. You could be on the go and want to do a business presentation to a group of people. Or imagine training in a remote area! It is literally a smart theatre and projector on the go. **GIBS**



# Books

## After Steve How Apple Became a Trillion-Dollar Company and Lost Its Soul

Tripp Mickle

HarperCollins – R380

So what really happened at Apple after the 2011 death from pancreatic cancer of legendary founder, Steve Jobs? *Wall Street Journal* writer Tripp Mickle lays out an exhaustive and depressing case, which argues that although Apple has become the world's most valuable company and a favourite of investors, it has lost its dedication to the stunning industrial design which made it so successful in the first place. Apple's "It just works!" philosophy

had at its core an obsessive search for perfection in form and detail, which applied to both hardware and software. Mickle's thesis is that that has been replaced by dedication to operations, cash flows and profits.

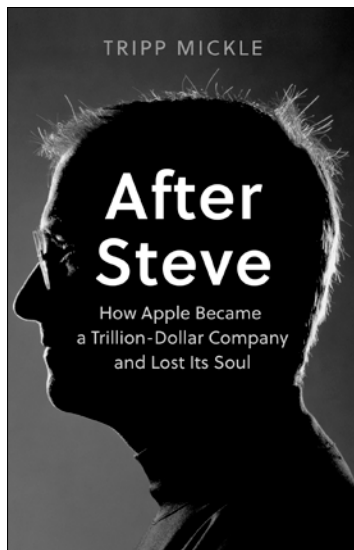
On one side of the argument is another legend: British designer Jony Ive, who partnered with Jobs to produce the iPod, iPhone and iPad, as well as the MacBook Air and the iMac G3. Jobs described

Cook grows up in the small town of Robertsedale in Alabama, before taking an engineering degree at Auburn University, followed by employment at IBM, where he also takes an MBA from Wharton. More big jobs follow on the operations side of IT companies, including Compaq, before Cook is headhunted by Apple to run its operations, which he does with ever-increasing success.

There is no doubt that the death of Steve Jobs affected Jony Ive very badly. By his own admission, he was wracked by grief. But he does return to the company and throws himself into designing Apple's new corporate headquarters as well as the Apple Watch. Mickle argues that Cook allows Ive to become embroiled in company politics and downgrades his design team, formerly "gods" at Apple, to something altogether more prosaic. Finally, in 2019, Ive and Apple part company. Cook and the company remain, making more and more money but with questions about whether Apple will ever again be able to produce products that are "insanely great" or just further iterations of things that have gone before, like the mighty iPhone?

Mickle makes a compelling argument but I'm not sure it's right and I wonder if he has not been seduced by the apparent narrative symmetry of "good design-genius" Ive versus "bad bean-counter" Cook? My central concern is something Mickle chooses to downplay: it was Steve Jobs himself who chose Tim Cook as his successor, overlooking Jony Ive. Clearly, Jobs understood that if Apple's massive growth were to continue after his death, the company would lean more heavily on its supply chain and operational excellence – Tim Cook – and rather less on astounding design – Jony Ive.

Time will tell. It's worth noting, though, that the recently released iPhone 14 has drawn lukewarm reviews and suggestions that there have been design missteps. Is there a "next great thing" in Apple's pipeline? Mickle reminds us repeatedly that Apple is famously secretive, but indicates that its attempt to produce a driverless car has been shelved. Whatever your view and whether you agree with its conclusions or not, *After Steve* by Tripp Mickle is a compelling read and fascinating insight into one of the world's great companies.



Ive as his "spiritual partner at Apple". On the other side is the man who succeeded Jobs as Apple chief executive, Tim Cook. Mickle portrays Cook as cold, uninterested in and prepared to sacrifice design on the altar of operational efficiency and cost reduction.

Mickle's technique is to switch back and forth from Ive to Cook, chapter after chapter. We learn about Ive's childhood and the influence of his father, a specialist in design education. Ive comes top of his class at the prestigious Newcastle Polytechnic, one of the UK's most sought-after vocational design schools. After a stint working in London, Ive heads to California and shortly thereafter to Apple, where he catches Jobs' eye.



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## Don't Trust Your Gut Using Data Instead of Instinct to Make Better Choices

### Seth Stephens-Davidowitz

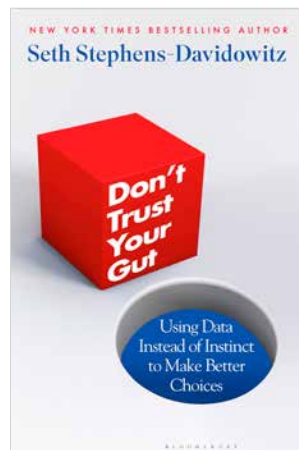
William Collins – R380

Decisions, decisions! As we go through life, love and business, there are so many to be made, often with significant consequences. Yet we have come to realise over the past dozen or so years, through books like Daniel Kahneman's *Thinking Fast and Slow*, and other research by Kahneman and Amos Tversky, that we get many of them wrong, often through unconscious biases.

Data scientist, author and Harvard economics PhD Seth Stephens-Davidowitz provides some help in this regard. As the title of his latest work warns us, we should certainly not trust our gut instinct, but turn rather to big data. Using swathes of research, some his own, but also plenty from other academics, he makes a compelling case. The facts are there if we just choose to look for them.

For example, what business should you be in if you want to become a millionaire? Conventional wisdom holds that you should probably drop out of university mid-way through your degree, behave like an outsider, and start an IT company in your parents' garage. After all, that worked for the likes of Bill Gates, Steve Jobs and Mark

Zuckerberg, so why not for you? Stephens-Davidowitz runs the numbers and comes up with a startlingly different conclusion. The average really successful tech entrepreneur is no teenage drop-out: he is in his early 40s, and is very much an insider, with a long and impressive track record inside the tech sector.



Should you even be thinking about IT if making money is your aim? Not at all, says Stephens-Davidowitz. Rather buy a car dealership or a beer distribution company. Alternatively, you might think about leasing real estate or becoming involved in activities related to real estate or owning a market research company. These conclusions come from data culled from the US Census and research into US tax returns. It's also worth noting that unless you're Tim Cook at Apple or Jamie Dimon at JP Morgan Chase, who collect mega-salaries, you need to own your own business rather than work for someone else.

Nor is this a book that's just about money and finance, important though those things can be. Stephens-Davidowitz explores areas like parenting, education and happiness. Did you know that there is, in fact, an app called Mappiness, which helps researchers from the London School of Economics map happiness around the UK? You download the app, and the researchers will ping you one or more times a day and ask you simple questions about whether you're happy or not. The result is a massive database which really does get to the bottom of what makes us happy.

Stephens-Davidowitz goes into this subject in considerable detail and I won't spoil the book for you by revealing what he calls "the data-driven answer to life". It's a single sentence that sums up with whom and where you need to be, what the weather should like, and what you are likely to be doing to generate maximum happiness. And all of this just from a careful analysis of the numbers.

What makes *Don't Trust Your Gut* a delightful as well as a truly interesting read is the way Stephens-Davidowitz handles those numbers. There is considerable wit, tinged with a particularly Jewish sense of humour. My only gripe is that nearly all of the facts and figures – Mappiness excepted – are derived solely from America. I'm sure that the general principles involved in decisions like what business to enter apply here in South Africa, but you may need to exercise a degree of caution. The bottom line is clear, though: if you're making any kind of major decision, search out the data. It will almost certainly exist and is very likely to give you a far better answer than your gut or instinct. **GIBS**

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