CONGRESS OF BUSINESS AND ECONOMICS

OCT 2023

CBE Focus

CRY THE BELOVED CITY

This title is adapted from the world-renowned novel by Alan Paton, 'Cry the Beloved Country.'

Johannesburg, once a powerhouse and a functioning city, has badly slipped down the ranks to a city almost relegated to the rubbish dumps of history, despite the city still labelling itself "a World-Class African City" in its marketing campaigns, writes **CBE Executive Director, Yusuf Moosajee**





The city is being held to ransom by drug lords, gangsters and criminal syndicates. This is compounded by an inept administration that has failed miserably to address the decay. The recent fires in the inner-city hijacked buildings have brought to the fore the gravitas of the problem.

A report states that in 2016, at least 643 buildings were identified to have been hijacked in Johannesburg. The unfortunate death of 77 people at the inner-city fire-damaged building has to be squarely attributed to an absent administration that failed to implement the rule of law.

The absence of better and effective governance, coupled with a corrupt and dysfunctional government, has created an environment for the leeches and dregs of society to operate with impunity. The country's largest and economically most important city is not even a former shadow of itself. This blatant dereliction of duty can be seen in the volume of street crime, in collapsing city finances and decaying infrastructure.

The inability of city officials to grasp the magnitude of the problem, points to a disproportionate skills match. Far too many officials in our city lack the skills, experience, integrity and competence to fulfil their functions. Yet we have competent skilled people who are able to tackle these challenges for the betterment of society.

Almost 30 years into our hard-earned democracy that many gave their lives for, the government is still grappling with and pursuing a policy of imbalance in employment equity. The imbalance I speak about is on skills measure, and not on populism, as is the government's trajectory.

I am reminded of "South Africa shall belong to all who live in it, Black and White", a primary clause adopted in the Freedom Charter in 1955, which has become the basis of our new Constitution.

This statement expounds loudly that South Africa belongs to all who live in it. No one specific group can legitimately claim South Africa, through the exclusion of others. We all belong here". This seminal document pronounces amongst others political rights, education and work rights. The government will do well to recognize that if we are to tackle the challenges of inequality, we need to implement the first line of the Freedom Charter.

The first most crucial step towards fixing our cities is better governance matched by appropriate skills set. Throughout history, cities across the globe have been at the heart of social, cultural, and economic progress. Can this be possible in Johannesburg?

History has also shown us that where there is a will there is a way. Singapore and Dubai are recent examples. In Africa we have our own example in Rwanda and in particular the city of Kigali. President Paul Kagame stated: "We have understood for a long time that you can't cure poverty without democracy. The only cure is through business, entrepreneurship, and innovation."

Rwanda has come out of the ashes of the 1994 genocide in which one million people were killed. The slow, steady and consistent promotion of entrepreneurship and private sector development has boded well for Rwanda. In particular, the remarkable turnaround that the city of Kigali has achieved in sprucing up the city to be recognised as the cleanest city in Africa has become a world icon in urban transformation.

Many cities worldwide have made efforts toward cleanliness and in the process, have made great progress to begin with. But cleanliness is an effort that must be relentless. Such an effort has been difficult for many cities that have relapsed into low levels of sanitation. What is remarkable is that Kigali continues to be sparkling clean, day in and day out. Additionally, the city stands beautified by flowers on medians, new gardens, more trees, and groups of sweepers working in shifts to maintain roads, footpaths, and public places. Kigali also demonstrates that the rewards for cleanliness are multi-dimensional. The city has become a highly sought-after destination for businesses, conferences, and international tourism, leading to the city and country's rapid economic development.

The city of Johannesburg's Group Forensic Services (GFIS) spokesperson Lucky Sindane says: "The city is committed to ensuring that it stops the rot in the city and make it an inclusive place for our people to live, work and play". A bridge too far or is there a will?

In the words of Nobel Prize Winner Joseph Stiglitz: "It's not only inequality in income and wealth that is making us frail, but inequality of opportunity".

Let us once again reflect on the founding principles of the Freedom Charter to make Johannesburg once again a destination for investment, growth and development as well as a source of pride for its citizens. Kigali has shown that it is possible, if government has the will to take some hard decisions that will reap great long-term benefits in the end.

CBE WOMEN'S DAY













In 2014 the Congress of Business and Economics (CBE) inaugurated the Women's Month event. With the exception of a break during the Covid-19 lockdown period, it has subsequently been hosted every year as a celebration and recognition of the immense role that women play in all facets of our society.

We have over the years had very inspirational speakers sharing their journey with our guests. The CBE Woman's month event has fast become a keenly awaited one, on the Johannesburg social calendar. For the past two years CBE has hosted the Woman's Month event jointly with HEELS International.

This year we have decided to introduce Special Recognition Awards to women who have played a specific role in leadership and in helping create a better future for South Africa. We chose three recipients for the "CBE Excellence in Leadership Award" this year.

Ms Yasmin Sooka, a leading human rights lawyer and transitional justice expert. Sooka was appointed as a Commissioner on the South African Truth and Reconciliation Commission and also served on the Truth Commission of Sierra Leone. In July 2010 Yasmin Sooka was appointed to the United Nations Secretary General's Independent Review Panel for Central African Republic, investigating allegations of sexual abuse by foreign military forces there.

She currently chairs the U.N. Commission on Human Rights in South Sudan and is the Executive Director of the International Truth and Justice Project Sri Lanka.

Ms Sophie de Bruyn's life represents an extraordinary journey of courage, moral conviction and sacrifice in the pursuit of a democratic, fair and equal South Africa. She was the first recipient of the Woman's Award for exceptional national service, and is the last living leader of the 1956 Women's March. On 9 August 1956 she led the march of 20 000 Women on the Union Buildings in Pretoria along with Lilian Ngoyi, Rahima Moosa, Helen Joseph, Albertina Sisulu and Bertha Gxowa to protest the requirement that women carry pass books as part of the pass laws. Sophie de Bruyn was only 18 years old, making her the youngest of the leaders.

Ms Gadija Brown is a politician and banker who is a member of the Free State Provincial Legislature for the ANC, And the provincial Member of the Executive Council (MEC) for Finance.

Ms Brown officially joined the Free State Provincial Treasury as MEC for finance on 28 May 2019, after serving the department of Public Works and Infrastructure as Head of Department (HOD) since 01 April 2018.

Prior to that, she also served at the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) in the same capacity as Head of Department for a period of two years.

Her extensive experience of almost two decades in strategic managerial and leadership positions in both the private and public sector has equipped her to serve in her current position as the MEC for Finance For Free State Provincial Treasury. □

"Women, whether subtly or vociferously, have always been a tremendous power in the desMny of the world." - ***Eleanor Roosevelt, in her book "It's Up to the Women".***

"It's not about being perfect. It's not about where you get yourself in the end. There's power in allowing yourself to be known and heard, in owning your unique story, in using your authenMc voice." - ***Michelle Obama in her book "Becoming".***












Changed global and local landscape is impacting South African economy

FAKIR HASSEN

The rapidly changing global and local landscape is seriously requiring a rethink of its impact on the South African economy, two of South Africa's top economists, Fuad Cassim and Goolam Ballim, said at the annual Economist Review hosted by the Congress of Business and Economics (CBE) at Ozzies in Wynberg on 14 September 2023.

CBE President Ashfaq Dawood said that this was the 10th anniversary of the annual event which is always keenly anticipated by CBE members and other guests who attend.

"It started off as an information tool so people could understand what was happening in South Africa. Today its has become an absolute necessity as the business sector now stands in a climate and country that provides uncertainty," Dawood said.

Cassim, a specialist in macro economics and political economic development, was an adviser to the Minister of Finance. He highlighted how there were important global and local issues which were underemphasized or underestimated.

"A large part of that depends on what happens globally. To locate and understand what is happening in South Africa, it is very important to understand what is happening in the global economy," Cassim said as he detailed two global trends - deglobalization and geopolitics."

Cassim said that crises not only generate conflict and despair, but can prove to be genuinely transformative as he distinguishing between unproductive and productive crises.

"Productive Crises are when fundamental items such as food or fuel become scarce, prices rise, and require new channels of production and distribution. A central question for politics is how to respond to the challenge of dramatic price movements.

"The yoyo moves lead to revolutions in government as well as in business organisation. The supply crises thus generate new institutions and market innovations, but also states that are stronger and extend their capacities. Such institutions change the way people conceive of interactions or of the economic process," Cassim said:

"We have to admit that bad governance is a real crisis in the economy. If we don't improve on that, we generate further crises down the line," Cassim added.

Supporting globalisation, Cassim, said what was needed was globalisation that does not produce the ill effects of hyper-globalisation, as well as globalisation that is more inclusive to bring more people into the economy.

Ballim, the Chief Economist at Standard Bank, divided the economy of the world into roughly 30-year eras, from the immense economic prosperity post World War II and the era of contention from the 1970s; to the era of markets from the 1990's and the latest era post Covid.

Ballim described the direction that the new era was moving in, commenting on the world order changing from being unipolar to multipolar; from global to regional and from being moderate to polarized.

He also mentioned how technology platforms have moved from being unconstrained in development to the current challenge of Artificial Intelligence.

Demographic forces have changed from a young world to an ageing world; with growing intra-country equality to new social contracts; while climate neglect and resource abundance has now shifted towards competition for scarce resources and an ever-increasing emphasis on renewable energy as part of climate change mitigation.

In terms of capitalisation, Ballim said the Asian century had arrived, especially as countries like China and India grow globally in an unprecedented way.

Attendees at the presentations expressed their delight at the information shared, which they said would greatly assist in their decision on how their businesses needed to address the changed local and global landscape.









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Six countries to become new members of BRICS

FAKIR HASSEN

Six countries, mainly from the Middle East, will officially become members of the BRICS bloc from January 2024, President Cyril Ramaphosa announced on Thursday morning at the conclusion of the 15th BRICS Summit.

"We have reached agreement on the guiding principles, standards, criteria and procedures of the BRICS expansion process, which has been in discussion for quite a while.

"We have decided to invite the Argentine Republic, the Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia, the Islamic Republic of Iran, the Kingdom of Saudi Arabia and the United Arab Emirates to become full members of BRICS," Ramaphosa said.

Four of the six states are Islamic countries, but BRICS leaders said this had not influenced their decision in any way.

Ramaphosa said the five BRICS partners had reached consensus on this first phase of the expansion process and other phases would follow.

"We value the interest of other countries in building a partnership with BRICS. We have tasked our foreign ministers to further develop the BRICS partner country model and a list of prospective partner countries and report by the next Summit," he said.

Ramaphosa said the dialogue taking place on Thursday with almost 50 leaders from the African continent and the global South in the Brics Africa Outreach and the BRICS Plus Dialogue would further enhance BRICS cooperation.

"This is so we can have an inclusive dialogue on key issues affecting developing economies and identify action that we can take together towards a more equitable, inclusive and representative world," Ramaphosa said.

President Lula Da Silva of Brazil said the admission of the new members was mitigation for disproving the view of those who saw BRICS as just a grouping of divergent countries.

"Our diversity strengthens the fight for a new international order that includes more countries in terms of economy, geography and politics in the 21st century," DA Silva said.

Russian President Valdimir Putin, joining the meeting virtually, said: "This was a challenging task and President Ramaphosa showed unique diplomatic mastery as he negotiated all the positions," Putin said as he also mentioned his desire to continue with an issue which was not resolved at the Summit – having a common BRICS currency.

Chinese President Chi Jinping said the membership expansion was historic. "It shows the determination of BRICS countries for unity and cooperation with the broader developing countries. It meets the expectation of the international community and the common interests of emerging market countries and developing countries.

No consensus yet on common BRICS currency

There has been no consensus yet on a common BRICS currency after business leaders debated the issue at the BRICS Business Forum on the periphery of the 15th BRICS Summit hosted by South Africa.

In their addresses at the Summit so far, the leaders of Brazil, Russia, India, China and South Africa made no or scant references to the issue.

"The Forum discussed the international payments system in detail. Participants also debated the question of whether a BRICS currency is possible or desirable, with strong views expressed both for and against and little consensus reached," bank executive Sim Tshabalala told several hundred captains of industry from the partner countries and over forty other countries from across the globe at the Summit. Most were from the African continent.

Tshabalala was delivering the report from the BRICS Business Council Forum.

"From an African point of view, a highlight of this conversation was the discussion of the Pan-African Payment and Settlement System, which has immense potential to stimulate trade and growth by increasing the speed and certainty, and reducing the costs, of cross-border payments in Africa.

"Seen from a banker's perspective, the debate would probably progress more fruitfully if the discourse maintained a sharper conceptual distinction between international payments systems, on the one hand, and reserve currencies on the other," Tshabalala said.

He said that as an example, under certain circumstances, it may be possible to simplify international trade and the attendant payments using a collection of domestic currencies without reference to any international reserve currency.

"It's also important to be realistic about the necessary characteristics of an international reserve currency. These include being a currency issued by a central bank with very high credibility in the implementation of monetary policy; being the currency of a state or supranational entity with an equally strong track record on fiscal policy and meeting its debts; being freely available in large quantities in many jurisdictions; and full convertibility at all times.," he said.

It would take years to establish this, Tshabalala said.

He said that South Africa's freely floating currency, open capital account, extremely skilful and credible central bank, and deep and liquid capital markets guarantee that returns on investment are - and will remain - quickly accessible in the currency of the investors' choice.

The report said that it is likely that sub-Saharan Africa will be the fastest-growing region of the world by 2030.

"Standard Bank's analysts foresee that intra-African trade could double under the African Continental Free Trade Agreement, and that there would be a USD 3.4 trillion investment opportunity in African infrastructure emerging from this rapid growth," Tshabalala said.

Fragmentation inevitable if global institutions do not reform – UN Secretary General Guterres

FAKIR HASSEN

Fragmentation is inevitable if global institutions do not reform in line with the demands of the 21st century, UN Secretary General António Guterres told leaders of almost 50 nations at the Africa Dialogue on the periphery of the 15th BRICS Summit.

"As the global community moves towards multipolarity, we desperately need – and I have been vigorously advocating for – a strengthened and reformed multilateral architecture based on the UN Charter and international law.," Guterres said.

"Today's global governance structures reflect yesterday's world. They were largely created in the aftermath of World War II when many African countries were still ruled by colonial powers and were not even at the table. This is particularly true of the Security Council of the United Nations and the Bretton Woods institutions.

"For multilateral institutions to remain truly universal, they must reform to reflect today's power and economic realities. In the absence of such reform, fragmentation is inevitable," Guterres said.

"We are moving towards a multipolar world. But multipolarity in itself is not enough to guarantee a peaceful or just global community. To be a factor of peace, equity, and justice in international relations, multipolarity must be supported by strong and effective multilateral institutions," he added.

Gueterres's comments were expected to give a big boost to the repeated call in the Declaration, adopted by the leaders of BRIC at the end of the Summit on Thursday morning, for UN organs, especially the Security Council, to be reformed.

"We cannot afford a world with a divided global economy and financial system; with diverging strategies on technology including artificial intelligence; and with conflicting security frameworks. The IMF estimates that such a fracture could cost 7 percent of global GDP – a cost that would be disproportionately born by low-income countries, mainly in Africa," Guterres said.

"I have come to Johannesburg with a simple message: in a fracturing world overwhelmed by crises - there is simply no alternative to cooperation.

"We must urgently restore trust and reinvigorate multilateralism for the 21st century. This requires the courage to compromise for the common good. It requires full respect for the UN Charter, international law, universal values, and all human rights – social, cultural, economic, civil, and political.

"And it requires greater solidarity," Guterres said, conceding that all this would not be an easy task, but was essential, especially for Africa.

"The African continent, a historic victim of slavery and colonialism, continues to confront grave injustices. On average, African countries pay four times more for borrowing than the United States and eight times more than the wealthiest European countries. And Africa accounts for just four per cent of global emissions, but is an epicentre of climate chaos," Guterres highlighted.

The Secretary General proposed two priorities for action and justice.

"First, on the economic front, redesigning today's outdated, dysfunctional, and unfair global financial architecture is necessary, but it won't happen overnight. Yet we can – and must – take practical action now," he said.

Guterres also called for drastically stepping up climate action and climate justice.

"I have put forward a Climate Solidarity Pact in which developed countries provide financial and technical support to help emerging economies – in Africa and beyond – to promote an equitable and just transition to renewable energy," he said.

Guterres said developed countries must also finally keep their promises to developing countries by meeting the $100 billion goal, doubling adaptation finance, replenishing the Green Climate Fund, and operationalising the loss and damage fund this year.

"As a matter of justice, Africa must be considered a priority in all these efforts," he said.

Guterres also touched on the impact of new technologies and geopolitical conflict.

"New technologies are raising red flags, without a global architecture to deal with them.

"Geopolitical divides and conflicts are multiplying with profound global implications, especially the impacts from the Russian invasion of Ukraine," he said.

The High Cost of Global Economic Fragmentation according to the International Monetary Fund:

Growing trade restrictions may reverse economic integration and undermine the cooperation needed to protect against new shocks and address global challenges.

In a shock-prone world, economies must be more resilient—individually and collectively. Cooperation is critical, but greater protectionism could lead to fragmentation, and even split nations into rival blocs just as fresh shocks expose the global economy's fragility.

New wave of protectionism incompatible with WTO rules undermine global economic growth and development

The protectionism and resultant unilateral measure practised by some countries are incompatible with WTO rules and undermine not only global economic growth and development, but also impacts the global economic change achieved by BRICS in the past decade, President Cyril Ramaphosa said as he opened the 15th BRICS Summit.

Ramaphosa joined President Brazilian President Lula Da Silva, Indian Prime Minister Narendra Modi and China's Commerce Minister Wang Wentao – who spoke on behalf of his President, Xi Jinping – on stage. Russian President Vladimir Putin delivered his address virtually after the leaders met for the BRICS Business Forum Leader's Dialogue. He faced arrest in terms of an ICC warrant if he had to come to South Africa in person.

"The changes that have taken place in BRICS economies over the past decade have done much to transform the shape of the global economy. However, the new wave of protectionism and the subsequent impact of unilateral measures that are incompatible with WTO rules undermine global economic growth and development," Ramaphosa said.

The President said BRICS needed to reaffirm its position that economic growth must be underpinned by transparency and inclusiveness.

"It must be compatible with a multilateral trading system that supports a developmental agenda. We require a fundamental reform of the global financial institutions so that they can be more agile and responsive to the challenges facing developing economies," Ramaphosa said, citing the New Development Bank (NDB), established by BRICS countries in 2015, as leading the way in this regard.

"Since its formation, (the NDB) has demonstrated its ability to mobilise resources for infrastructure and sustainable development in emerging economies without conditionalities," he added.

Ramaphosa said that BRICS economies have emerged as powerful engines of global growth.

"Yet the rapid economic, technological and social changes underway create new risks for employment, equality and poverty in many BRICS countries.

"We therefore call on the business community to join hands with us to identify solutions to these and other challenges affecting our respective economies," he told the gathering of several hundred captains of industry attending the Summit.

The president also highlighted the opportunities that BRICS countries have to contribute to and participate in Africa's growth story.

"This can be achieved through greater cooperation in areas such as infrastructure, agriculture, manufacturing, new energy and the digital economy," Ramaphosa said.

Da Silva promised huge increases in infrastructure development opportunities in Brazil, which he said would be of interest to investors from BRICS countries.

Putin decried the role of some countries in exploiting markets, but did not name any specifically.

"It important that this forum focuses on such pressing issues as increasing volatility in stock, currency, energy and food markets, coupled with strong inflationary pressures stemming from, inter alia, the irresponsible large-scale money emission by a number of countries seeking to mitigate the effects of the pandemic, which has led to the accumulation of private and public debt," Putin said..

Modi said that despite global volatility in global makes, India would soon become a five trillion-dollar economy.

"There is absolutely no doubt that in the coming years, India will be the growth engine of the world," Modi said.

"The reason for this is that India has turned crises into opportunities for growth and development," he added.

Wentao said the world today had become a community with a shared future.

"What people in the various countries long for is definitely not a new Cold War or a small exclusive bloc. What they want is an open, inclusive, clean and beautiful world that enjoys social security and a common prosperity. Such is the advantage of historic logic and the trend of our times," Wentao said

What is Protectionism?

Protectionism refers to government policies that restrict international trade to help domestic industries. Protectionist policies are usually implemented with the goal to improve economic activity within a domestic economy but can also be implemented for safety or quality concerns. - investopedia.com

Global South have right to fully reap benefits of global trade and investment—Ramaphosa

FAKIR HASSEN

The entire Global South has the right to fully reap the benefits of global trade and investment, President Cyril Ramaphosa told leaders from almost 50 countries at the BRICS-Africa Outreach and BRICS Plus Dialogue that ended three days of the BRICS 2023 Summit.

"It is the right of Africa and the entire Global South to fully reap the benefits of global trade and investment. Without trade and investment our economies cannot thrive and our peoples' material conditions cannot improve," Ramaphosa said.

"We have to reform global economic, financial and political governance, including the multilateral trading system, so that we create a conducive environment for fair trade," he added.

Ramaphosa said the purpose and role of BRICS in the world today was reminiscent of the Bandung Conference of 1955, where Asian and African nations demanded a greater voice for developing countries in world affairs.

"The Conference called for the recognition of the equality of all nations, large and small. We still share that common vision of a fair and just world. We still seek to overcome polarity and division. We want a world without barriers between North and South, East and West. We still seek a world in which we work together underpinned by mutual respect," Ramaphosa said.

He said the 15th BRICS Summit and the Dialogue should strive to advance the Bandung spirit of unity, friendship and cooperation, likening it to the African concept of Ubuntu – 'I am because you are'.

"Ubuntu is a practice based on the understanding that our success, prosperity and well-being depend on the success, prosperity and well-being of others," the President said.

"We see the BRICS partnership as a catalyst for global growth and development that responds to the needs of all nations," he said as he called for the African continent's substantial resources to be harnessed for the benefit and development of its people.

"The African Continental Free Trade Area, once fully operational, will unlock the benefits of the continental market and generate substantial opportunities for Africa and other countries. To make use of these opportunities, Africa is looking to the BRICS partnership to unlock infrastructure and development financing.," Ramaphosa said, adding that this was part of the founding vision of the New Development Bank.

"The Bank is playing a leading role in efforts to increase the resilience of the Global South, and to bring fairness to global trading and financial systems by strengthening the use of BRICS currencies." Ramaphosa said.

"While many countries of the Global South are seeing significant progress in industrialization, technological development, innovation and the digital economy, they are not fully reaping the economic benefits. By working together, by sharing skills and capabilities, by mobilising resources, we will be able to give renewed impetus to global growth and sustainable development," Ramaphosa advised.

CBE – Ahmed Kathrada Excellence in Leadership Award

It's almost time for the CBE's 8th annual prestigious **'Recognition Awards Gala Dinner',** which will take place on **25thNovember at Qurtuba Convention Centre.** This gala dinner has become a calendar event where the CBE honours people who have played a strategic role in South Africa's democracy, philanthropy, and service to our communities.

The CBE is indeed honoured that the awards are named after one of the great liberation icons of our time, Uncle Kathy. The ideals that Ahmed Kathrada stood for and his unwavering commitment to always speak **"Truth to Power",** should always be the hallmark of organisations like the CBE to strive towards.

The **'CBE – Ahmed Kathrada Excellence in Leadership Award'** is not only a prestigious award, it ensures that Uncle Kathy's legacy will live on for generations to come.

To book a corporate table or to reserve your seats contact info@cbeonline.co.za or call 083 786 1960.



Our entertaining and informative Panel Discussion, which has in the past kept audiences glued to their seats, will also be featured again this year. The panelists will share their personal stories and experiences during the liberation struggle.

How an intervention can save a business and shareholder strife

***Ahmed Seedat,** shares a case study in which strategies suggested by his company, Vector Consulting, turned the business around.*

Amidst challenges faced by family businesses, effective Working Capital Management (WCM) becomes even more critical. This case study delves into applying WCM principles within Katanga Electronics, a medium-sized electronics manufacturing company.

The company sought assistance from Vector Consulting due to internal turmoil resulting from excessive shareholder drawings and a shareholder revolt, threatening the family's wealth and shareholder relationships. By addressing these challenges and implementing strategic solutions, Katanga Electronics aims to enhance operational efficiency, liquidity, and profitability.

Katanga Electronics, a long-standing family business, has historically demonstrated steady growth and resilience. However, internal disputes among shareholders escalated due to differing opinions on excessive drawings. This situation led to a shareholder revolt and significantly strained family relationships.

Recognising the urgent need to address these challenges, Katanga Electronics engaged Vector Consulting to provide a comprehensive solution. Vector Consulting thoroughly assessed the company's financial health, working capital practices, and shareholder dynamics.

Vector Consulting conducted a detailed analysis of the company's financial statements, cash flow patterns, inventory turnover rates, and accounts receivable and payable processes. It then facilitated constructive dialogue among shareholders, offering a neutral discussion platform and focusing on shared business objectives.

Based on the diagnostic analysis, Vector Consulting developed a customised WCM strategy tailored to Katanga Electronics' unique business environment and challenges.

Then followed a step-by-step guidance for implementing the WCM strategies, working closely with the company's management to ensure smooth execution. The collaborative efforts of Katanga Electronics and Vector Consulting led to the formulation of strategic solutions tailored to address the company's working capital challenges:

1. Balanced Working Capital Policy:

Implement a balanced working capital policy that sets optimal target levels for current assets and liabilities, aligning with industry benchmarks and the family business's operational requirements.

2. Efficient Cash, Inventory, and Accounts Receivable Management:

Adopt a just-in-time inventory management system to minimize excess inventory levels and associated costs.

Streamline the accounts receivable process by offering incentives for early payments and maintaining transparent communication with customers.

3. Strategic Accounts Payable Management:

Foster supplier relationships by negotiating favourable credit terms and optimising payment schedules. Prioritise effective cash flow management while preserving positive supplier interactions.

4. Short-term Financing Options:

Evaluate suitable short-term financing options to address immediate cash requirements while minimising financing costs.

5. Cash Conversion Cycle Improvement:

Collaboratively work with customers and suppliers to shorten the Cash Conversion Cycle, bolstering cash flow efficiency and liquidity.

Long-term Benefits and Conclusion:

The intervention proved transformative for Katanga Electronics. The tailored WCM strategies not only addressed the immediate working capital challenges but also led to significant improvements in the family's relationships. The shareholder revolt was resolved by fostering constructive dialogue, and the blame game ceased.

The intervention by Vector Consulting was pivotal in preserving the family's wealth and rejuvenating the deteriorating shareholder relationships at Katanga Electronics. The collaborative efforts resulted in the implementation of effective WCM strategies that improved operational efficiency, liquidity, and profitability.

This case study underscores the value of expert intervention and strategic planning in maintaining the health of family businesses, nurturing relationships, and ensuring long-term success.

Ahmed Seedat, a CBE board member, is a businessman, keynote speaker and published author. Seedat has spent years cultivating his knowledge and experience into holistic solutions, empowering many entrepreneurs globally. He currently holds a Master of Business Administration (MBA) degree exploring the same topic and is a member of the CBE Panel of Experts.



- Rahim put together all the PowerPoint slide presentations for his boss, who very seldom looked at them first before presenting. Rahim felt he worked too hard for his boss to take all the credit, so he decided to do something on the last day before he left for another job, when the boss asked him to please put a joke on the first slide in the final presentation he was doing for him.

  As the boss opened his presentation at the Board meeting the next morning, the first slide showed Rahim's payslip with the words "overworked and underpaid" endorsed across it!

- In his new job, Rahim wrote speeches for his new boss. But he got fired after he asked his boss why it took him nearly an hour to deliver the ten-minute speech he had written for the boss.

- The ageing businessman always knows everything about the economy when it comes to recessions and inflation. Usually, his hairline is in recession and his stomach is more often than not undergoing inflation. Both together puts him into depression.

- Mahesh came home from work and told his wife how it had been a difficult day because there was load shedding for six hours, so he missed his usual eight cups of coffee daily. But worse than that, his hands were sore because the cards for his Solitaire games kept sticking together all day because the air-conditioning was not working.

- The CEO got the Marketing, Sales and Engineering Departments together and showed them a half full glass of water as he asked for their comments.

  The marketers said it was half full because Sales had not done its job properly, Sales said it was half empty because the marketers had not done their job properly. The engineers said there was something wrong, because the glass was twice the size that it needed to be.