WHAT WE'VE LEARNT:
Insights to take into 2022 and beyond

How to:
- Manage change
- Foster tech innovation
- Unlock your IP potential
- Refine a SAFE agreement

your business

Inspiration | Advice | Opportunities

December/January 2022 DIGITAL EDITION
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Set the right price point

- Key to running a profitable business

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Vehicle recovery, fleet management and security solutions for fixed and mobile assets

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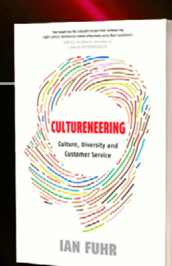
REWRITING THE LEADERSHIP STORY + HOW TO PLAN FOR SUCCESSION

CYBERCRIME: REDUCE YOUR RISK EXPERTS PREDICT WHAT'S NEXT

BUSINESS BOOKS UP FOR GRABS!



Snap-on BUSINESS OPPORTUNITY

For more than a Century Professional Technicians have reached for Snap-on Tools

In 1920, with the turn of a socket wrench, the founder of Snap-on Tools Joe Johnson, revolutionized the tool industry. His ingenious "5 do the work of 50" Interchangeable sockets & handles, set a new standard and Snap-on has been innovating ever since. Snap-on founders also pioneered direct sales & delivery of tools to technicians at their place of work in a mobile shop-fitted store.

Today, as a proven business model, with more than 5000 business units worldwide, owning & operating a **Snap-on Mobile Dealership** as your own business is worth investigating.

RUN YOUR OWN BUSINESS

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DIGITAL IDENTITIES AND THE IMPORTANCE OF CERTIFICATE DISCOVERY

There is a drastic increase in the number of digital identities that organisations must deal with, creating headaches for the cybersecurity teams.

Each unknown identity on the network could be a potential security risk.

There are two reasons why organisations experience the increase in digital identities:

- The increased adoption of Internet of Things (IoT) devices.
- Users working from home due to the pandemic.

It is critical that a good identity management system be in place to deal with all the identities in an organisation's environment.

A certificate discovery tool will scan a network and will find and catalogue all the certificates on the network.

All the certificates can then be managed from one central dashboard to make the management easier, relieve the administrative burden on the cybersecurity team and reduce the number of security risks.

The advantages of certificate discovery:

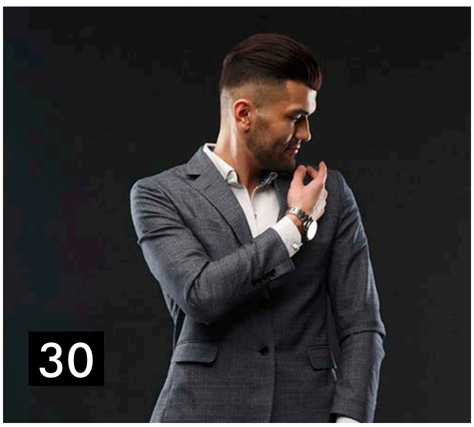
- Avoid costly application outages. Discover certificates that are about to expire and renew them before they create a costly outage.
- Defend your organisation. Protect your organisation's brand and reputation by preventing data breaches.
- Prove compliance. The certificate discovery tool can provide reports to the audit team to ensure that all the certificates in the organisation are compliant with the organisations' security policies.

Certificate discovery tools are easy to implement and will assist any organisation to close security gaps and prevent costly security incidents.

IN THIS ISSUE

DECEMBER 2021/JANUARY 2022

ON THE COVER: #TEAMDIGIT
Invest in this turnkey franchise brand, offering world-class fixed and mobile asset security solutions.



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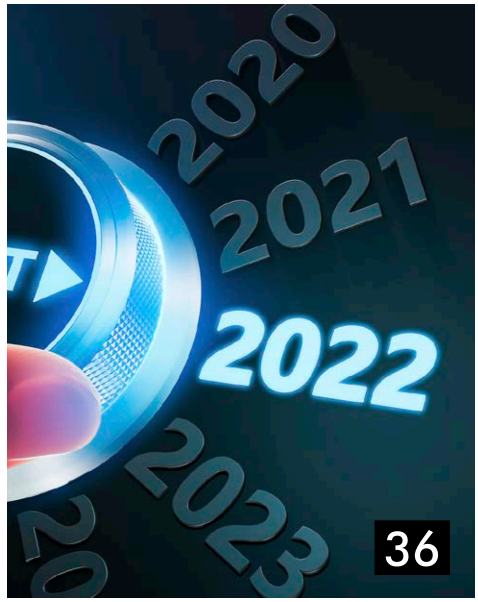
18


2020
2021
2022
2023
36


48

5 Key investment trends to watch

Jacobus Brink, Head of Investments at Novare Investment Solutions, takes a look:

DIGITAL TECHNOLOGY | IoT

Digital technologies in general have enjoyed steady growth during 2021, and this is likely to continue. With the advancement over the past two years, it's actually starting to feel more like 2032 already! Added to this are signs that the semiconductor chip shortage may also begin to ease, which is really good news.

The Internet of Things (IoT) has grown in popularity, mostly as a result of remote working, triggering a wave of private purchases in smart devices, wearables, home computers, and mobile phones. At an organisational level we are also seeing a shifting in spending patterns towards a more sustained investment in their digital initiatives as they race to modernise their systems to accommodate a changing workforce. This business transformation will also be supported by the increased availability of 5G, which will continue to drive cloud migration, with increased infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS) and software-as-a-service (SaaS) growth.

HEALTHCARE INDUSTRY | BIOTECH

Expect the science of genetics to continue to make massive changes to the world around us. The mRNA technology that is being used in Covid-19 vaccines is only the tip of the proverbial iceberg. Research is becoming ever more expansive, with new discoveries almost weekly. Healthcare will inevitably become customised around the human genome, with more personalised medical treatments based on individual DNA characteristics emerging. Already there are a growing number of gene therapies in the works.

One must therefore consider how both medical and life sciences are increasingly collaborative in developing new innovations. There is exponentially more data shared across pharma, biotech, biology, biomedicine, nutraceuticals, neuroscience, and a host of environmental sciences than ever before.

We're also seeing an uptick in digital assessment and diagnosis, from remote doctors' appointments, to virtual clinics, and to IoT health wearables of every kind. Virtual diagnostics and telepractice is becoming mainstream.

MACHINE LEARNING AND AI

Artificial intelligence (AI) will also continue to progress in leaps and bounds, along the path to becoming the most transformative technology ever. Every day we engage with more and more artificially inspired agents at a service level, with low-code and no-code AI being used to construct more and more complex engagement.

In marketing, AI is refining qualified leads into more conversions. In engineering, AI and machine learning are being used to predict wear and tear, and for predicting maintenance interventions. In cybersecurity, AI is learning to recognise patterns that suggest types of cybercrime.

RENEWABLE ENERGY | SUSTAINABILITY

Since the dawn of the pandemic, the only form of energy that has seen an increase is renewable energy and the International Energy Agency (IEA) estimates that as much as 40% more renewable energy will be generated and used during 2022 alone.

Beyond that, emerging energy sources such as biofuels, liquid hydrogen, and even nuclear fusion continue to become more viable. We have seen an unprecedented number of extreme weather events and other climate impacts. That these escalating extreme weather events are led by global warming is hard to deny.

CRYPTO CURRENCY | BITCOIN

Over the last decade, cryptocurrency has overtaken stocks, commodities, oil and even gold, not only as an apparent hedge against inflation, but also against systemic risk. Nonetheless, it remains a very volatile medium of exchange.

Bitcoin first breached the $1000 mark in early 2017, then rose rapidly to briefly touch around $20 000 before falling back, towards the end of the year. As the Covid-19 pandemic started suddenly, in October 2020, bitcoin breached $10 000. It then soared up to around $65 000 by April 2021. Despite several drops and recoveries, it is currently hovering around $60 000; hardly the type of stability one would expect from a global form of exchange.

We are likely to see more big names considering bitcoin payments for product purchases, with both Amazon and Tesla having toyed with the idea in 2021. Countries, especially those in the developing world, may soon follow. Nevertheless, considering it is still marked with uncertainty and speculation, it is best to not invest what you cannot afford to lose.

So, what should you do?

Markets are dynamic, more so than ever and you need to be ready to change your tactical position or instantly seize opportunities. Beware of opportunistic projects and projections. Do your research and ensure you're committing to a bona fide entity. Formulate an extensive view of a variety of investments based on value and potential and keep your portfolio diverse. Don't be afraid to be pro-active. And don't rely on luck. Be smart in 2022 and beyond.

Equity changes on the way

Businesses may be in for a major paradigm shift - and it will be mandatory. It has been announced that the Employment Equity Act of 1998 is being amended, with The Department of Employment and Labour hoping that the amended act will take effect in 2022.

One of the major changes in the works is that the Employment and Labour Minister will have the authority to set specific employment equity targets for different sectors.

According to the Government page, the Amendment of the EE Act of 1998 is intended:

- To reduce the regulatory burden on small business
- To empower the Employment and Labour Minister to regulate sector specific EE numerical
- To promulgate section 53 of the EEA for the issuing of the EE Compliance Certificate.

Some sectors have warned that the new targets could be a disadvantage to the economy, despite other sectors welcoming the proposed changes.

Pabi Mogosetsi, Employer Branding Advisor and Country Manager for Universum South Africa comments, "Business at large is collectively holding its breath to see the ultimate effects of the new legislation in action. Whatever those effects may be, however, it would seem that the change is inevitable – whether it proves to be economically sustainable or not. Businesses should brace themselves for the change."

Year of the online payment

This year, South Africans embraced e-commerce, mobile commerce and digital payments like never before - all four major banks have seen massive increases in these payment methods since the start of the pandemic.

"This trend will only increase in the coming years with more convenient solutions that meet the customer on the platforms of their choice like WhatsApp for example," says Andrew Springate, CEO of technology and financial gateway service provider PAYM8. He looks at three developments that stood out in 2021.

- **DebiCheck goes live:** The time of rogue debit orders is gone, or at least, it should be. Authenticated collections, known as DebiCheck, replaced NAEDO and AEDO on 1 November 2021.

"DebiCheck requires debit orders to be authorised by the debtor before processing and will do away with the debit order abuse that has plagued South Africa in recent years - whether that was companies processing invalid debit orders or consumers unfairly disputing debit orders with their banks," explains Springate.

- **Instant EFT under the magnifying glass:** The South African Reserve Bank cautioned South African consumers as well as the payments industry on the risks associated with instant EFT.

Springate elaborates: "Instant EFT payments use a method called screen scraping, which raises a possible concern of having your bank account data compromised by making it potentially possible for a third party to access a clients banking credentials. The SARB said it does not support the use of screen scraping to effect payments, given that it exposes consumers to data leaks, fraud, financial loss and even a breach of contract with their bank's terms and conditions which regulate internet banking."

- **RPP gets the go-ahead:** The Payments Association of South Africa announced the arrival of the Rapid Payments Project (RPP) next year. "RPP will allow people to make real-time bank account-to-account payments using an identifier like a cell phone number or email address, without the need of remembering the account detail," says Springate.

Some estimates say that by 2023, RPP will be the most preferred e-payment option in South Africa. "It will also deepen financial inclusion and contribute to building a safe, reliable and efficient national payments system," adds Springate.

Setting EPIC Goals

We all have heard the popular expression from the book *Alice in Wonderland:* "If you don't know where you are going, any road will get you there."

It is a simple and yet profound statement. We cannot make informed decisions on which way to go if we don't know where we are going. As it gets to the end of the year and we reflect on what we need to do differently, Neshica Bheem of Coachfluence shares some advice to help you along the way:

- ***Goals are not static.***

Release the pressure! Goals should never be static, and they can (and should) be modified along the way. If you find later on that the goal you set originally isn't something you want, then remember there is also value in knowing what you don't want. And then you refine or redefine your goals.

- ***Goal setting should be holistic.***

When setting career goals remember that your career cannot be separate from your life. When setting a goal, think about how achieving that goal would impact other aspects of your life and if you would be comfortable with its impact. Set goals for every aspect of your life that is important to you, family, finances, career, relationships, health and spirituality.

- ***Don't be SMART about it, make them EPIC!***

We have all heart about setting SMART (Specific, Measurable, Attainable, Relevant and Time Bound) Goals. And whilst this may be useful in other contexts it can limiting when setting goals, especially career goals. So don't have SMART goals, rather make them EPIC (Expansive, Purposeful, Imaginative, Calculable):

▪ **Expansive** – Allow yourself the freedom to think big. That may mean setting goals that seem unrealistic in your current circumstances. But all great things start out being slightly unattainable until you do it. Or it could mean broadening the scope of your goal rather than making it too specific.

▪ **Purposeful** - How does the goal align with who you are and, your purpose. This creates the inspiration and the drive to actively work toward achieving your goals.

▪ **Imaginative** – Goals are future focused, and what may be constraints now, may not be so in the future. So, imagine the future, your future! Visualise achieving your goals and consider what resources you would need to attain this future state. This will assist when you break down your goals into actions.

▪ **Calculable** – This is what distinguishes dreams from goals. Think about when you want to achieve the goal and how you will calculate and assess progress. How will you know when you have achieved your goal? What would it look like and how would it feel?

- ***Make it a habit.***

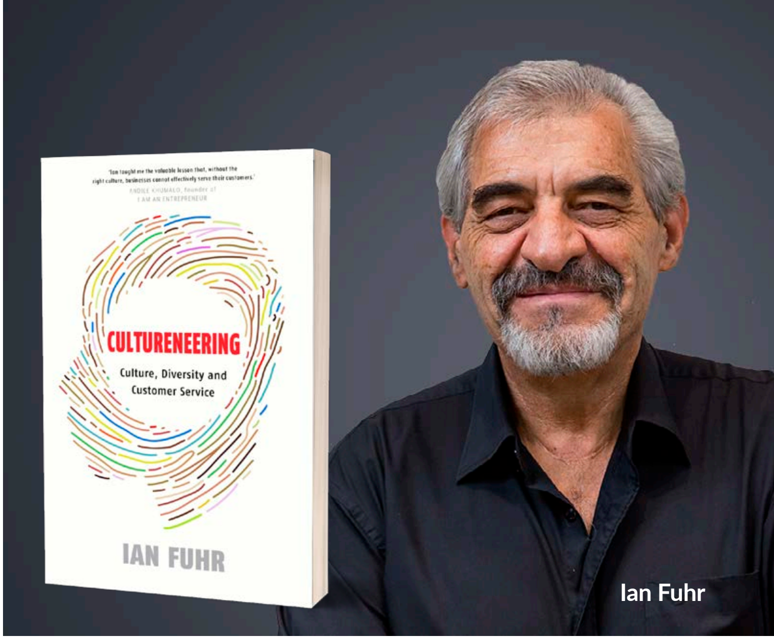
View, review and refine your goals regularly. Write it up somewhere visible so that you can: Remind yourself of your goals; Look for relevant opportunities to grow or gather resources; Catch yourself when you veer off-course; and use your experience to refine your goals.

Be deliberate about setting and working towards it. As Alice thought to herself, "I don't see how he can ever finish, if he doesn't begin."

ON OUR BOOKSHELF

Cultureneering

In his latest book, serial entrepreneur Ian Fuhr delves into Cultureneering: Building a strong business culture in a diverse workforce that delivers obsessive customer service.



Ian Fuhr

Cultureneering: Culture, Diversity and Customer Service is Fuhr's third book, and is based on almost four decades of experience in building successful companies and brands. The book takes a deep dive into the philosophy and framework that Fuhr developed and then perfected during his 15 years at the Sorbet Group, Africa's largest beauty salon chain.

"I have always been convinced that despite the complexity of the South African socio-political landscape, if you can create a working environment that is based on a sense of belonging and a common purpose of obsessive customer service, you have the recipe for a successful business," says Fuhr.

Within days of leaving Sorbet after exiting the business following its sale to Long4Life, Fuhr had already begun to develop a new business idea based on his culture blueprint, which he was ready to share with other entrepreneurs and business leaders through *The Hatch Institute.*

"The definition of Cultureneering is building a strong business culture in a diverse workforce that delivers obsessive customer service," says Fuhr. "Any business that employs people and serves customers can benefit from Cultureneering. It's a framework that gives businesses the building blocks to create a strong workplace culture that is based on a community of individuals who respect each other and feel safe and heard.

"This does not mean a homogenous workplace where everyone is the same. Running a business in a racially polarised country with a melting pot of diversity, requires leaders to understand the complexity of building an inclusive culture out of a fragmented workforce," says Fuhr.

"A workplace that is authentic, transparent and guided by Culture Driven Leaders who understand that their role is to serve employees, who in turn serve customers, is designed to deliver extraordinary value to the customer, which should be the main purpose of the business."

According to Fuhr, a strong culture is not only focused on chasing financial objectives, but is based on trust, equality, respect and mutual tolerance. "When you put people before profits, the profits will naturally follow, however, money is the reward for exceptional service - it should not be the goal of the business," says Fuhr.

Cultureneering takes the reader on a journey of personal development and unpacks the unbreakable link between culture and service. It reveals the tools required to build a company culture that is good for its people, its customers and, ultimately, for sustainable growth.

The book is ideal for any leader who aims to drive real growth for the people within their organisation while at the same time delivering exceptional customer service that sets the business apart from its competitors.

Cultureneering: Culture, Diversity and Customer Service is available in all good bookstores and online. RRP: R310.

2 Copies of Cultureneering are up for grabs!

WIN

» CLICK HERE TO ENTER ONLINE

» Or email your name and contact number to competitions@bizmag.co.za with 'Cultureneering' in the subject line.

**Give-away closes on 15 January 2022*

5 Enduring business truths

As one year closes and another looms, we unpack some of the 'truths' that are, in spite of what is going on around us.

As this mad, challenging, ambiguous, stressful and opportunity-filled year draws to a close, what do SME owners and entrepreneurs make of this year that was? And how on earth do we position ourselves to rediscover or hold onto the security that continues to be so impacted by this global uncertainty and mayhem?

Well, in spite of everything, there's some good news in the form of 5 Enduring Truths that remain:

TRUTH # 1:
Business challenges are nothing new

Since 1929, there have been 28 global dislocations of the marketplace at large, starting with the 1929 crash and ending with COVID. These have included war, disaster, weather and greed, and in every one of these massive upheavals to business as we know it, there have been those SME businesses that went bust; those SME's and entrepreneurs who boomed; and those who survived to fight another day - scarred but intact. And if that is so, then surely the secret to surviving is not so much a case of what's going on globally and reacting to this, but rather what can we learn and apply from those businesses that have come through times like these before. They are around and their lessons are available to be learned.

So, your and my current challenges are no exception, they aren't new and others have been where you may be now. In fact, there are businesses in your sector, your market and your geography that are not only surviving, but thriving. The question is: what are they doing you aren't and could?

TRUTH # 2:
Covid has exposed the flaws

Covid hasn't so much caused *all* problems that we as business owners are currently facing. Rather, it has served to uncover what was wrong, but not showing yet. Those things that we chose not to attend to when we should have, or didn't enjoy much, so we kept pushing to one side. Or those niggling but important matters that we did not execute properly, or procrastinated over because we were too busy - or quite simply too lazy!

And we all know the things I'm talking about! The team member we should have fired, but didn't because it would mean adding recruitment to the already-busy plate. Or how about the planning we didn't make time for because we were in a boom period and working long hours? How about the marketing you refused to invest in because word-of-mouth was working so well for you, or the sales muscle that was too scary or too much hard work to build? Or perhaps it was the rainmaking you knew the business needed, but you kept making excuses to avoid because you aren't a big fan of actively pushing your product and services?

The fact is that the flywheel in any business has to be kept turning - rhythmically and consistently. Efficiently promoting to sell on the one hand to secure enough qualified leads to convert into paying customers, and on the other hand, keeping on with our settled capacity to produce, provide and deliver those sales on time, at a profit and better than the competition so that we keep the customers coming back for more.

If we take our foot off the accelerator on either of these two forces (in good times or bad), wrongly believing that the marketplace warrants us cost-cutting our way out of trouble by slashing into our ability to produce, or forgoing active marketing and selling because it's too costly, well then we create a wobble in our flywheel that can be fatal or at the least take years to right.

To borrow an analogy from Arthur Piercy, the secret is to keep the plane (our business) flying while we attend to the emergency lights (the current dislocation) firing on the dashboard, because history tells us that the current storm we find ourselves in always passes - we just don't always know by when. Our job is to ensure that we have built reserves - so that when the storms come, we can hold our course and get through.

To be sure, this can be easier said and done. But these seasons of economic summers followed by economic winters are well-documented and there to be observed and learned from. A savvy owner recognises that investing ahead of the storms to not be blindsided by the change of seasons is essential and learning how to do so a must.

TRUTH # 3:
Business is fixable.

If we have missed the boat, got it wrong and find ourselves in difficulty currently wishing that it could be fixed - take heart. There are best-practice principles that

> *Covid hasn't neccesarily caused all the problems that we as business owners are currently facing. Rather, it has served to uncover what was wrong, but not showing yet.*

can be learned by anybody. Help that actually works *is available*. You too can be a business owner that is making it work - and work *well*.

So if you aren't where you wanted, hoped or need to be, start by taking stock. I recently challenged the business owners we work with at our last Quarterly Strategic Planning session to do just that. They had to get and review accurate, no bullshit numbers and interrogate their marketplace. Then they had to evaluate themselves as owners and leaders using the S.T.A.R. analogy (with 1 being "not nearly - needs much work" and 10 being "fully ready") as a rather neat rating tool:

Skill.
Can I actually do, and do well, what I need to do? Have I invested in the right mindset? Are the team and clients impressed?

Teachability.
Have I made the most of my coaching/personal development/advice from mentors? Am I fixing what needs work? Will I change and do what's needed?

Availability.
Have I opened up time on the calendar for the important stuff, not just the urgencies? Am I doing *my* job and leaving others to do theirs?

Resonance.
Is there chemistry established in my family, team, prospects, supply chain and clients that has people wanting to go to battle for and with me? Am I tending these relationships sufficiently? Am I "dating" well?

Try it for yourself. If your result is an average score of 5 and below on the top 6 tasks a business owner needs to do well, then, fix that urgently!

Continued on the next page

And the top 6 tasks we chose to focus on you might be asking? Well, they were:

- Planning
- Rainmaking
- ROI on the team
- Problem Solving
- Leading by Example
- Being the Chief Attitude Officer.

TRUTH # 4:
Successful owners soldier on

The business owners who are succeeding now are doing so because they are willing to do what others won't - not because they are special, more resourced, lucky or exceptional in some shape or form.

These owners are leading the way for their teams to adapt and flexing to learn new and different competencies, ways of doing things and how to engage with our new market realities better and faster than the competition. This means we'll have to learn some 'new' stuff, unlearn some 'old' stuff and relearn some stuff, which is undoubtedly going to take effort at a time when we may already be feeling overwhelmed and exhausted.

We have to think of it like going to war. As a conscripted soldier fighting to protect our country, we'd never get away with being too tired or disinterested to get up. We couldn't blame blisters or bad weather or not feeling like it as the reason for not showing up. No way, we *have* to be up and at it whatever the weather, the odds or how we are feeling. That sounds like a good place to start as a business owner!

TRUTH #5:
Being grateful to train in the rain

Whatever is going on around us, as owners and entrepreneurs we have to continue to be the most positive, passionate people in the room. And no, this does not mean that we retreat into a disingenuous Kumbyaaa mode where we resolutely ignore the blatant challenges and difficulties we have to resolve. No, it's rather a case of choosing to focus on what is also true:

- Finding what there still is to be grateful for and ensuring that we express this as loud as we do the problems we face.

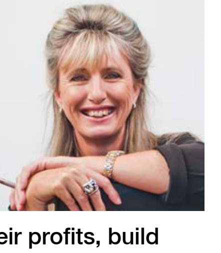
- Celebrating the real privilege of having these problems to solve. So many thousands who are unemployed and desperate would love to have our office door to open and the issues that keep us awake at night, but they don't and we dare not forget that.

- We can choose to delight in the challenges before us because they present opportunity as well as difficulty. It may just be the galvanising reality we need.

> *Whatever is going on around us, as owners and entrepreneurs we have to continue to be the most positive and passionate people in the room.*

- There is a misunderstood mercy in every closed door and valuable lessons in every failure that can teach, protect and inform us in ways that make us better, fitter, stronger, more resilient humans able to tackle not only our businesses, but the myriad of social and environmental challenges that need our robust, unified and courageous response.

- We can refuse to quit when it gets hard and uphill. We can learn to take extreme ownership of where we have been suboptimal, lazy, procrastinating, proud, stubborn, scared and overwhelmed. We can learn to train in the rain even if it isn't pleasant and how to go to war for what matters to us, our family, our lives and those we care about. And if we don't know how, we can put up our hand and ask those who are making and have made it for help.



Kathi Clarke is a registered Industrial Psychologist, an internationally-certified Business Coach and an award-winning business growth expert. With over 30 years' experience in growing businesses on the African, Australian and European continents, she has helped hundreds of entrepreneurs to significantly grow their profits, build great teams and buy back their time and freedom. Contact her at: Building Best Business on +27 63 624 4492.

Why go anywhere without it?

DigitFMS prides itself on providing the best price vs performance fixed and mobile asset security solutions to a much-needed market riddled with crime and opportunists!

Imagine the average South African buys a new car within their allowed budget today in 2021. It is very likely to have an engine, 4 doors, 4-5 seats, aircon, power steering and electric windows - even within some of the toughest of new car budgets.

Now imagine: The ultimate, most sophisticated of vehicle brands that offer all of the above and so much more, such as; lane assist, seat massage, climate control, auto boot open/close, heads up display, fatigue alert, speed control, accident avoidance, remote start, autonomous driving, hand gesture, park assist, launch control, tyre pressure monitoring, adjustable suspension just to name a few; propelled by the most modern, powerful and efficient of engines!

Now, what if we told you that you could have the second vehicle within the same budget? Which vehicle would you prefer for a 1000km round trip? This is exactly who and what DigitFMS represents: Price vs Performance. Why would you go anywhere without it?

This uniquely South African brand started from humble beginnings late in 2006, and followed with registering the company "Digicell" in 2007. From starting out with bedside tables, soldering irons and long hours in a single garage, DigitFMS has grown into a unique brand and DNA with 20+ security and management-related solutions in both the fixed and mobile asset portion of the market. Today, these solutions are successfully distributed through over 100+ branches in RSA and selected neighbouring countries.

WORLD-CLASS SOLUTIONS

DigitFMS brings to the market world-Class electronic management and security solutions for fixed and mobile assets, including:

- **Vehicle Tracking and Recovery**

Digit D-CUT safely disarms and stops any vehicle in the event of high-jacking or theft, supported and monitored by dual control rooms dispatching some of the best ground forces in the country. Whilst risk-free, enjoy viewing and monitoring your vehicle from an interactive mobile app, reviewing your own trips or managing your alarm preferences in a real-time environment giving you the confidence that your Digit unit is 'on-it' and always functioning!

- **Fleet Management Solutions**

This high-end telematics solution is specially designed and targeted at the serious and professional fleet owner. Real-time updates, detailed electronic log books, driver identification, multiple exception reports, stationary alarms, fatigue management, expense management, delivery scheduling, route deviation, temperature monitoring and so much more. DigitFMS has tailor-made and dominated fleet management solutions since 2007, and is servicing tens of thousands of vehicles in RSA and abroad.

- **Diesel Management and Monitoring**

In 2011 DigitFMS Pioneered the fleet and fuel management industry by successfully integrating electronic fuel measurement into telematics, giving fleet owners the ability to identify fuel theft in a real-time environment with the added benefits of autonomised fuel consumption reports.

Today, 11 years later with 5 times more competitors in the market, Digit still dominates and leads this sector, offering fuel monitoring and management solutions, from unattended dispense management systems for bulk diesel tanks, to complete comparison reports of what was dispensed, easily comparable with what was received and lastly consumed. Diesel-from A-rrival to B-urn Digit FMS has you covered.

- **Mobile DVR**

It's not what you know - it's what you can prove. DigitFMS partnered with the biggest and most successful Mobile DVR manufacturer in the world to integrate and customise its hardware solution for the benefit of existing and new customers, and so D-Cam was born in 2015.

Digit D-Cam offers fleet owners the ability to get a 360° view of their fleet in a real-time environment. What is the driver doing right now? How far are they with loading? Are there any illegal passengers on board? Fleet owners can easily play back events from a mobile app. or manage footage on their very own evidence centre portal, including real-time alarm events such as video loss, camera cover alarms, impact alerts and significantly more.

This innovative piece of hardware includes the functionality to adjust its operational time, whether the ignition is on or not. To further reduce risk, A.I. is also an add-on option to identify fatigue, distraction, and so much more. D-Cam is like a fly on the wall!

- **Wireless Alarms 2020**

Ajax - where security is art! After many requests from our branch network, Digit proudly associates itself as a national distributor for Ajax solutions. For the past three years running, Ajax has been Europe's No.1 award-winning, aesthetically pleasing wireless home and office security system.

Initially customised and developed for the use of vehicles to assist in protecting loads whilst drivers were not present or asleep, customers very quickly identified the benefit of protecting their offices, warehouses, workshops and homes with the AJAX system.

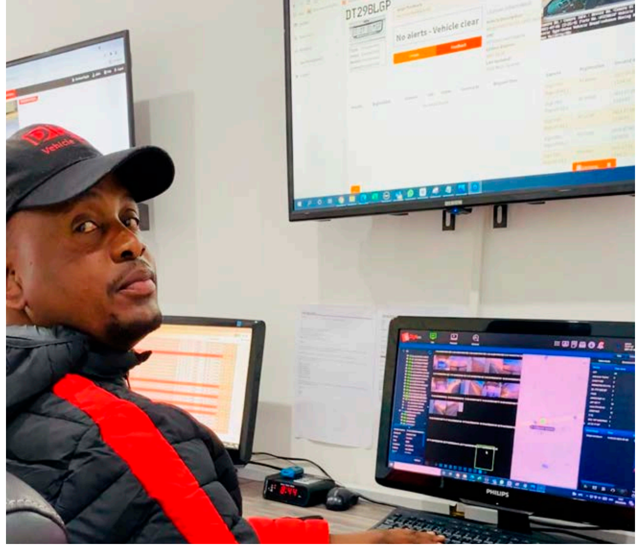
Ajax is a beautiful and super effective wireless alarm system, designed for homes and businesses. It caters for security for small homes right up to complete solutions for super malls. It boasts 50–250 zones controlled by a sexy mobile app and linked to your preferred armed response company.

Customers can enjoy the added benefit of full automation and control: Open/close gates, switch on lights, pool pumps or appliances, arm/disarm your desired zones and schedule any of the above-mentioned automation features from a mobile app from anywhere in the world.

- **D-Pepper Protect 2021**

Early in 2021, DigitFMS acquired a company specialising in non-lethal chilli pepper solutions. DigitFMS further invested into the business and concepts resulting in phenomenal results. It is the ultimate proactive defense system against theft, attacks and looting.

Digit D-Pepper offers high-end chilli pepper activation and dispensing systems for both vehicles and fixed assets, ideal to protect high-risk vehicles, cell phone towers, offices, warehousing, perimeter protection and so much more.



- **ANPR (Automatic Number Plate Recognition)**

ANPR consists of a camera that is linked to a computer/ control room environment. When a vehicle passes by the ANPR camera lens, the camera records an image which is automatically 'read' by the computer and the vehicle registration mark (VRM) is recorded and compared to an existing database to potentially flag false registrations, cloned registration plates and/or registrations that have previously been flagged for being involved in historic crimes.

NPR is essential to business's, complexes and farms to contribute towards a proactive approach to reducing crime before it even takes place.

- **CCTV - The birth of super cameras - 2021**

Through the success of D-Cam supplied to thousands of customers for their vehicles, DigitFMS recognised the demand for bespoke CCTV solutions for customers' homes and business premises.

DigitFMS did not hesitate, and in early 2021 insourced some of the best expertise in the business to offer some of the best hardware in the world. The need for more effective security combined with a technology-driven society has resulted in CCTV solutions that are no longer a reactive surveillance tool, but rather a proactive, full-service security solution. International relationships with leaders in the surveillance industry give Digit CCTV an edge in the surveillance market.

- **Off-Site Monitoring, Control Room and Bureau Services**

In the last quarter of 2019, DigitFMS started its very own control room and bureau services for the benefit of both branches and end-user customers alike. This central location receives and responds to any event from Digit's range of solutions, with the clinical task of communicating, mitigating and reducing risk, ultimately giving its customer base the freedom to concentrate on the business that matters while DigitFMS takes care of the rest. The control room forms part of the services on offer to all DigitFMS branch owners, giving them an array of additional opportunities to generate further profits whilst serving customers with bespoke services.

Why invest in a DigitFMS franchise?

DigitFMS has an exceptional history in franchising with a 100% success rate, having never experienced a failure due to business practice or product failure in 15 years.

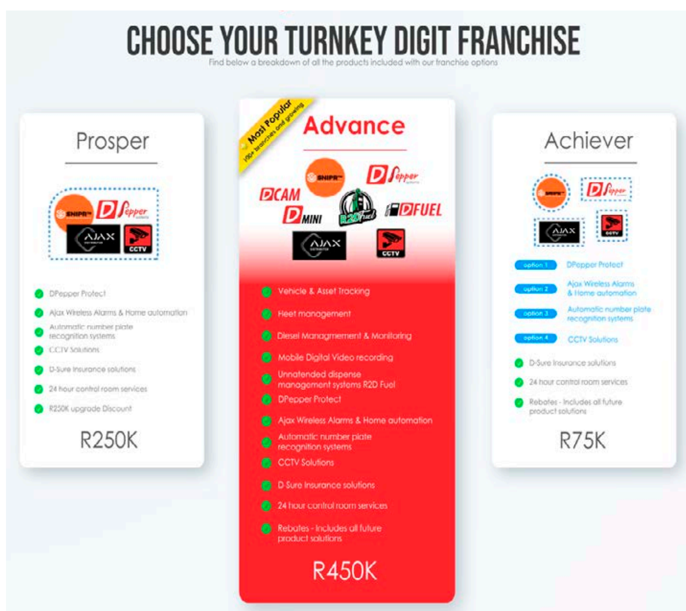
DigitFMS is also the only franchise to its known knowledge that offers a full money-back guarantee should the franchisee follow its business recipe and not achieve their return of investment within the first year of operation. Its 16-year success model is implemented with the attention and dedication it deserves with on-the-job training including the convenience of an online school to further sharpen the skills.

■ No hidden costs. 'Once off' franchise fee

No royalty fees, no management fees, no marketing fees, no annual renewal fees - no hidden costs whatsoever!

■ Recurring income business model

One of the most popular and appealing benefits of the business opportunity is that DigitFMS has developed smart business models within its product ranges that generate ongoing monthly revenue through subscription fees - thus producing continued revenue growth.



In-House funding available to qualifying candidates!

■ Secure business future

DigitFMS offers a secure future in security. Due to the continued forecasted crime and unemployment rates in Africa, we'll continue to dominate headlines. Digit offers the market a much-needed turnkey solution to reduce and mitigate their risk. As claimed, turn the key, start it, and if it does not run...get a full refund!

■ Training and Support

Grow and support your business through the foresight and experience of 100+ like-minded directors in the industry known as the Digit family. Naturally, HQ, offers support and business mentoring advice to all its independently owned franchisees. Digicell realises that if its franchisees don't do well, it too suffers the consequences.

■ Flexibility at your convenience. Work from home, or anywhere in the country

All you need is your vehicle, laptop and cellphone to be on top of your daily business responsibilities!

The world is your oyster with a DigitFMS franchise. Digit offers no area exclusivity, as many clients may have office premises in multiple locations in the country, so it would not make sense to prevent a franchisee from operating there. A huge benefit is being able to offer service nationally with the support of fellow DigitFMS franchisees.

Generally, everything from the introduction, to the sale and installation is done at the customers' own premises due to the commercial environment.

■ Franchisee requirements:

- An entrepreneurial attitude and spirit.
- A passion for the automotive and security industry.
- A strong contact base, sales mentality or business experience will be an advantage in your application consideration.
- Clear criminal record.
- Minimum prescribed funds.

■ Packaged deals to suit you

DigitFMS has designed its offering into 3 packages to suit any aspiring entrepreneur or discerned investor.

Digit Achiever: @ R75 000

Choose any 1x fixed asset security solution such as Ajax Wireless alarms, Chilli Pepper products or CCTV solutions.

Digit Prosper: @ R250 000

This package includes all fixed asset security solutions such as Ajax Wireless alarms, Chilli Pepper products, CCTV solutions, Virtual guarding and Off-Site-Monitoring.

Digit Advance: @ R450 000

This package includes all fixed asset solutions of the above full offering including the very profitable Vehicle Tracking, Fleet and Fuel Management solutions.

Each franchise package includes:

- Training and support for multiple staff members.
- Vehicle branding.
- Website and email domain.
- Marketing and apparel.
- Startup stock.

Should you wish to apply to become part of #TEAMDigit, or to enquire about any of the Digit products showcased in this article, please do not hesitate to contact Lee Bester. Tel: +27 76 860 6203 Email: lee@digicell.co.za. Visit: www.digitfms.co.za

Full turnkey franchise operation
Join 115+ branches

Annuity based income model
No marketing or royalty fees

Independant ownership
Work from home

#TEAMDigit

Franchising in South Africa

Despite volatility and uncertainty in the economy at present, franchising remains a viable option for entrepreneurs wanting to generate a good income and create job opportunities.

In fact, franchising is considered to be a highly feasible area for potential growth in the South African economic sphere.

The Franchising Association of South Africa (FASA) loosely defines franchising as the granting of a right to operate a business or licence under certain specific conditions. At the moment, says FASA, franchise businesses are found across 21 different business sectors in South Africa, including, but not limited to the following:

- Agricultural, mining, manufacturing and industrial services
- Automotive products and services
- Business-to-business and Financial services
- Childcare, education and training
- Building office and home services
- Fast food and restaurants
- Health, beauty and body culture
- The retail and direct marketing services sector
- Personal Services
- Real Estate and Property

Entrepreneurs on both sides

The franchisee has the benefit of entering a business system with an established track record. They are in a position to trade under a well-known and reputable brand, using a business model that has been proven to work.

In turn, the franchisee is required to apply time, effort, and their own business acumen to develop the business - leveraging the brand and business systems.

In this instance, the most obvious entrepreneur is the franchisee, who has the opportunity to create a profitable business and, in turn, generate employment for others. But the franchisor *is also an entrepreneur*.

The franchisor, by nature of the fact that they're licensing other businesses, will create jobs. The franchisor requires an infrastructure, and significant human capital, to ensure that the franchise operation is successful. There is proper oversight, and franchisees can access assistance (such as marketing and training) where required.

South African legislation

The Consumer Protection Act 68 of 2008 (the CPA) attempts to balance the franchisor/franchisee relationship. It requires franchisors to provide prospective franchisees with a disclosure document that sets out specific information regarding the prospective franchise business, including, among other things:

- The financial requirements a prospective franchisee would have to meet to establish the franchise operation.
- The expected ongoing running costs.

In addition, the CPA provides that the franchise agreement must contain specific information and that the franchisee, after signing the agreement, is entitled to a 'cooling-off period' in which they can terminate the agreement.

The following must be included on the front of every franchise agreement:

"The Franchisee is advised that, in terms of Section 7(2) of the Consumer Protection Act No. 68 of 2008 ("the CPA"), the Franchisee may cancel a franchise agreement without cost or penalty within 10 (ten) Business Days after signing such Agreement, by giving written notice to the Franchisor."

IP in franchise relationships

There are three main types of intellectual property (IP) that play a role in franchise relationships: copyright, trade marks, and possibly know-how. Therefore, when a franchisor licenses IP to a franchisee, all three should be included in the franchise agreement under the definition of "Intellectual Property".

▪ *Copyright*

Copyright would normally subsist in the operations manual, computer programs forming part of the system, and fixation of the know-how (when the know-how is removed from one's head and recorded in a document), whether incorporated in the operations manual or in any other documentation or computer program.

The franchise agreement should make clear to the franchisee that copyright in the operations manual vests with the franchisor, and that any copying of it (other than specifically as permitted for business usage) would be an infringement of copyright.

▪ *Know-how*

Know-how, which includes a business's trade secrets, is very difficult to protect. This is because it often exists only in the head of the individual employee. As a function of time, the individual will learn precisely how a particular business venture is conducted, including how to run their own business. In my opinion, this development of know-how should be encouraged, to drive job creation and business evolution.

What the individual employee should *not* be entitled to do is to remove any documentation containing know-how, confidential information, or trade secrets, including customer lists and supplier lists. Restrictions may even include a prohibition on contacting suppliers directly. Know-how is generally controlled through a confidentiality agreement, which should stipulate the protection of confidential information that relates to:

- The finances (income and expenditure) and profitability of the business.
- All confidential, technical, and commercial information relating to the operation of the business (including information contained in the operations manual, and commercial information including customer demographics, cost of product, where the product is sourced from, etc.)

As far as trade secrets are concerned, the information to be protected would be confidential information relating to the business of both the franchisor and the franchisee, and the rights granted in terms of the franchise agreement.

▪ *Trade marks*

Registered and unregistered trade marks are protected in South Africa – the former in terms of the Trademarks Act 194 of 1993 and the latter in terms of the common law. The CIPC administers the Trademarks Register in South Africa. Applicants seeking trade mark registration must submit separate applications for each trade mark class of goods or services within which they would like their mark to be protected. Once registered, a trade mark holder is issued with a trade mark registration certificate. Trade marks are valid for a period of 10 years, during which period the trade mark holder has exclusive rights to use the relevant mark, subject to any conditions that may be imposed by the CIPC.

Trade mark registrations may be renewed after every 10-year period, for a further period of 10 years, and a trade mark holder could protect their rights indefinitely. Trade marks generally include trade names, symbols, signs, trade dress, insignia, emblems, logos and slogans the franchisor may adopt and designate for use in connection with the business. Trade marks are usually recorded in an attachment to the franchise agreement.

It is critical for the franchisor to have a detailed knowledge of trade marks and the principles regarding the use of the trade marks in a particular class, who is licensing the use, and who is being licensed the use. It is the trade mark that underpins all franchise businesses, because it is the trade mark that the public is aware of and that attracts customers.

Tips for prospective franchisees

If you are considering becoming a franchisee, it is a good idea to verify and evaluate the IP rights that form part of the licence granted in the franchise arrangement.
You can also, more generally:

- Contact existing franchisees, suppliers, employees and customers.
- Carefully study the disclosure documents and financial statements to check on financial health and forecasted profitability.
- Check whether the franchisor is a member of industry bodies with enforceable codes of conduct.
- Check for any court judgments or poor credit records against the franchise.
- Visit franchised stores/outlets with a view to experiencing the services/goods from the perspective of a consumer.

What's the bottom line?

Whether you're a would-be franchisor or a prospective franchisee, franchising is a highly viable economic methodology in South Africa.

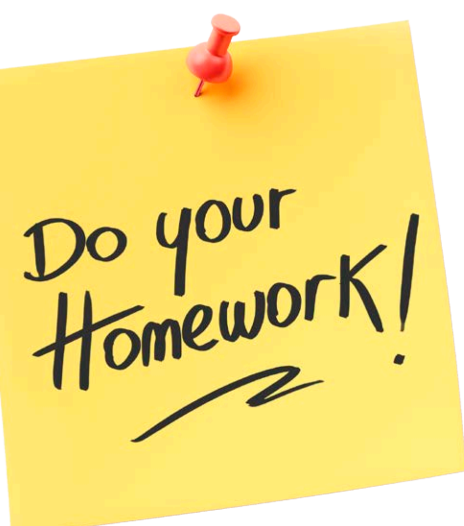
However, while a franchise is one of the easiest, safest businesses to start, it's important that you comprehensively safeguard prevailing IP (franchisors) and ask the right IP questions (franchisees), to avoid complications and risk down the road.

By Hugh Melamdowitz, Partner at Spoor & Fisher South Africa.

Do your homework...

Joining a franchised network is a calculated business decision. The required investment should generate appropriate returns, but there is an important proviso: Being a franchisee is not a passive investment; the onus is on the franchisee to maximise the ROI.

Before you invest in a franchise, you need to do your homework. Investigate the following key points:



▪ ***Your suitability for the role of franchisee***
Find out all you can about franchising before you move into this field, because not everyone likes to work within a relatively rigid system.

▪ ***Your personal interests and your ability to fund the business.***
The franchisor will train you, but unless you have passion for the sector, your success chances will be mediocre at best. And a shortage of capital can derail any new business.

▪ ***The business sector's status and outlook.***
It is generally not a good idea to enter a sector that is in decline, or where price-cutting is rife.

▪ ***The stability of the franchisor and the standing of the brand in the marketplace.***

▪ ***The prevailing 'vibe' within the network.***
Lack of enthusiasm for the brand and what it stands for can erode its success chances.

Obtaining honest answers to these questions is far too important to rely on the network's disclosure document or a franchisor representative's statements alone. Undertake your own investigation. Once satisfied that everything is as it should be, you should ask recognised professionals to double-check your findings.

Be prepared to immerse yourself

Upon joining the network of your choice, you need to adopt its culture as your own. You also need to pay attention during initial training and accept the support team's advice in all facets of setting up the business and getting it ready to trade.

Be a hands-on operator

Once the business is up and running, you need to focus on making it the best of its kind in the territory. The first few years in every new business's life are the most critical and a franchise is no exception. Leaving its management to a salaried manager would be unwise, because no matter what incentive scheme you put in place, an employee's commitment is unlikely to match yours. Should the going get tough, an employee can move on. You don't have this option because you have "skin in the game".

This is probably the main reason why your franchisor has decided to expand through franchising in the first place. If the success record of salaried managers were the same as that of owner operators, then there would be no incentive for franchisors to assign the business's profits to franchisees in exchange for relatively modest fees.

Ask yourself...

The following ten personal questions will help you identify a starting point from which to commence your own research and assess whether franchising is the right way into self-employment for you:

- Can I cope with the isolation of unemployment?
- Can I exercise self-discipline?
- Can I work long hours under pressure?
- Can I think about what the effects of working for myself will have on my future?
- Can I handle being unsure at times?
- Can I accept advice?
- Am I able to generate enough money to meet payments to run a business and pay off debt commitments?
- Can I rely on the support of my spouse/partner?
- Can I demonstrate the willingness to understand and deal with a business situation in a manner that is likely to lead to a good outcome?
- Am I motivated to make a profit?

If you answered "yes" to all or most of these questions, franchising may well be the right fit for you!

Source: www.whichfranchise.co.za

FEATURED OPPORTUNITY

A taste of Ireland

Are you interested in owning your own restaurant and pub?

A Brazen Head restaurant may be just the answer for you. Celebrated for its warm and welcoming atmosphere, this popular franchise brand offers guests a truly authentic Irish dining and entertainment experience. Bringing this to life, the restaurant has an extensive food menu and full wine and beverage menu, including many international beers on tap. Our menu features hearty, wholesome, reasonably priced Irish and South African fare that appeals to the local palate. The Brazen Head allows you to experience a true taste of Ireland in South Africa.

For franchise information, please contact our Head Office and speak to Karin van der Walt or Ralph Rojahn. Tel: 011 467 4224, email: info@brazenhead.co.za, or visit: www.brazenhead.co.za

BODYtwenty® STUDIO

Own your own **Award-Winning Fitness Boutique franchise**

Body20 is leading the EMS fitness revolution, offering franchise opportunities to entrepreneurs in one of the fastest growing industries within the franchising sector. Body20 offers a low-staffing business model, fast break-evens and impressive returns.

Our leading IP application with EMS Technologies helps you capitalise on one of the fastest growing fitness movements globally.

The combination of Body20's state of the art EMS Technology, modern personal training and rapid fitness results makes Body20 the most exciting franchise opportunity in fitness this decade.

The appeal of a 'Stronger, Fitter You in Only 20 minutes per Week" attracts potential members, while the expertly designed layout of each boutique club appeals to investors by utilising space and resources efficiently, so that owners are not paying for space and utilities that go unused. Along with the strategic membership price, Body20 retains members through additional offerings, which provides owners with multiple revenue streams.

The combination of Body20's unique EMS technology, our upmarket training studios and rapid results make Body20 an exciting franchise opportunity.

Owning a Body20 studio can be a lucrative business opportunity with great returns. We guide you every step of the way; from finding the best premises to kitting out your studio, we've made it easy to become a franchisee.

A Body20 franchise could change your life

Body20 is dedicated to ensuring the success of its studio owners. We help entrepreneurs set up their own Body20 EMS studio and provide continuous training to ensure the franchise's ongoing success. We will prepare a professional business plan for you and your investment includes all Body20 equipment, furniture, marketing, and operator training.

A fantastic investment opportunity

- Low Overheads, High Returns
- Earn Subscription Revenue
- Fastest-growing Fitness Training Method
- Single or Multi Studio Strategy
- Automated Management Systems

Body20 Franchising Benefits

- ***Never Stop Learning:*** Franchisees are given full training at the Body20 Academy– this includes store implementation, Body20 operating procedures, and our sales strategies.
- ***Solid Support:*** We provide a strong support infrastructure for our franchisees. We value networking and offer a competitive, fun and dynamic working environment.
- ***Great Locations!*** We help you find the perfect Body20 premises, and will guide you through the lease agreements and real estate negotiations.
- ***Automated Systems:*** We use advanced CRM, sales, invoicing and reporting tools to maximise business operations and help you manage your Body20 studio efficiently.
- ***Online Marketing:*** We generate a high volume of online leads, and give you the strategies to convert those leads into memberships for your Body20 franchise.
- ***Body20 Studio Equipment:*** Depending on the size of your Body20 studio, your investment covers the cost of its furniture and fittings plus all Body20 equipment and merchandise.

Own your own award winning fitness boutique franchise. Attend a Franchise Discovery Session and find out why Body20 is the most exciting boutique fitness franchise opportunity! Visit: www.franchise.body20.co.za

Partner with a flex-space operator

The office partnership market for flexible workspace is already significant and is expected to grow to 30% in less than 10 years.

With the rise of the flex-worker, the hybrid model is here to stay. Transforming your existing assets into optimised revenue streams is a sound strategy. So, it stands to reason that becoming a franchise partner - whether you have buildings already or whether you're coming to the industry completely fresh - can make for a solid investment option.

The number of investors opening franchised flex-space centres has continued to soar irrespective of the global shaky eco-political environment. A franchise provides franchisees with a certain level of independence where they can operate their business, yet it also provides an established product or service which usually already enjoys widespread brand-name recognition.

Accelerated by the pandemic, no segment of the property market has demonstrated more overall growth than the co-working industry, and analysts project this growth to average 24% and remain one of the office market's primary growth catalysts for years to come.

"A well-operated office franchise is just smart business. Commercial property is an asset class with excellent investment potential. Real estate developers and property owners are now exploring how they might turn their existing, lease-based operations into a subscription-based, shared-office business. Even investors who are not yet involved in commercial real estate are also eyeing the potential in the evolving co-working market. Many of these investors are turning to specialised flex-space companies like IWG Plc. (Regus, SPACES and HQ in South Africa) to partner with and enter this booming market", says Alan Van der Westhuizen, Head of Partnership Growth, IWG Plc. South Africa

Franchising offers a proven business model for investors looking to grow their business opportunities at a time when uncertainty is widespread. Businesses are increasingly attracted by the idea of being able to operate from spaces that don't necessitate set-up costs or capital investment, whilst avoiding long term leases.

Growing a business is always a risk, but franchising gives the investor a head start through expert support and knowledge about the market they are entering, as well as an established brand and customer base upon which to build. With an external environment that seems to change every day, it is likely that flex space franchising will continue to gain popularity as a business model for the foreseeable future.

IWG offers a number of office franchise opportunities that the savvy investor can invest in. Whether a single business model or a variety of different configurations - depending on the geography and demographics of the franchise owner's market - the investor's existing property portfolio will adequately diversify to generate additional revenue and a healthy return on investment.

The trend is for co-working spaces to integrate with retail and related services. This creates mixed-use precincts where people live, work and play with ease and convenience. The emphasis is on collaboration toward sustainable, responsible and productive qualities of working life.

"Some of the key benefits that an investor would get is the use of the market-leading support systems, from sales and marketing to day-to-day processes provided by global flexible working giants like IWG which drive cost savings as well as efficiency. Also, it is easier to market an already established brand than starting from scratch, hence minimising the risks", says Van Der Westhuizen.

Lines are blurring between work and life and hybrid real estate models are triggering a need to evolve the conventional office model and other operational asset classes. Investors who repurpose existing assets with flexibility and technology, will unlock opportunity for a whole new category of occupiers.

No one can predict the future, but we can prepare for it! For more info, contact Alan van der Westhuizen on email: franchise.SA@iwgplc.com.

Is your business franchiseable?

Franchising can be a very successful distribution strategy to expand, however business owners that are considering going the franchise route should remember that it is not ethical or practical to franchise an idea or a business that has not been run successfully and proven to be profitable and showing a good R.O.I.

Once this has been achieved and you decide you want to grow or expand nationally using a franchise model, you should investigate if your business is franchisable.

Factors to consider

To assess the viability of franchising your existing business, you need to consider several critical success factors. These are ten questions that must be answered satisfactorily before franchising commences:

Q Is the market large and growing?

Market demand must be sufficient to sustain a franchised network, or even more than one franchise, since competition either has or will inevitably enter the marketplace. A large market will also contribute to promising margins, making it an attractive business opportunity for potential franchisees. The market must also provide room for growth, for the benefit of the franchisee and franchisor. The franchisee must be able to grow his/her business in the existing market. Because the profitability of franchising relies on a multiplier effect, the franchisor needs to grow the franchise network in order to be profitable.

Q Is the growth in the market sustainable?

The market must have the potential to grow for a long period of time, since the franchisee usually signs a long-term contract and the franchisor has to build a solid infrastructure to support the franchised network. This means that fads are not franchisable, since their growth is not sustainable over the long term. It is therefore important that the concept must be tried and tested for a reasonable period of time. This should prove its feasibility over the long term.

Q Are the margins sufficient to cover the proposed management services fees?

One of the elements that forms part of franchising and indeed describes franchising (in part) is that franchisees are required to pay money to the franchisor both at the beginning of the relationship as well as on an ongoing basis. Usually, the ongoing payments are referred to as a royalty payment or a management service fee and a monthly advertising and marketing payment. The royalty fee is generally determined as 10% of the GP margin expressed as a percentage of turnover. For example, if the GP is 30%, the royalty will amount to 3% of turnover. Gross Profits should be large enough to sustain the royalty. This royalty must be set at an acceptable level once the ideal model has been established and financials determined.

Financial models must be evaluated and analysed. Franchisors must ensure that the franchisee makes enough money to receive a return on the initial investment, as well as be able to pay the monthly fees. It must also be remembered that if a franchisee has to gear himself in order to pay the initial franchise fee and set up costs, franchisors must ensure that these costs can also be paid and still provide the franchisee with an income.

Q Can the product demand a price premium?

Consumers must be willing to pay a price premium for the product, in return for added values such as exceptional service, after-sale service, knowledgeable advice etc. Product categories that are caught in price wars do not franchise well. In these instances, there is very little loyalty to the product and margins remain under pressure. A franchisee cannot be expected to prosper in such conditions.

Q Do you have access to sufficient capital?

The first few phases of franchising are capital intensive. It is imperative that the franchisor is financially stable in order to survive the initial period. Moreover, the franchisor must be able to afford franchising in a professional manner. This includes investing in technology and professional assistance. This must be taken into account when franchising is considered as an expansion mechanism.

Q Does the potential exist to establish a memorable brand?

Well-known brands like McDonald's and KFC are among the best franchises in the world. A well-known and easily recognisable brand can move into franchising relatively easily. The criteria for building a brand include uniqueness and the ability to cultivate loyalty amongst consumers. A good brand is easily recognisable and pronounced, so that consumers will remember it easily. This is what branding is all about: occupying the number one spot in a consumer's mind to ensure repeat sales. Another important consideration is whether or not the brand name can be protected. Intellectual property must be registered as soon as possible and must be difficult to copy.

Q Is there a substantial barrier to entry?

Uniqueness is one of the prerequisites for a franchisable concept. A concept that is easily copied will experience extreme difficulty in gaining the competitive advantage required for success in the marketplace. Although some categories are competitive by nature, the barrier to entry may be raised by offering advantages to the consumer that other brands can't or won't. An example in this field is the tyre fitment centres, which are highly price competitive. By adding services such as extended hours, email, internet, photocopying and faxing facilities as well as offering a broader product range, an operator in this category will be able to differentiate himself from possible future players in the market. It is up to the franchisor however to constantly work at innovation and technological advancements that would always set his operators up to ensure that they are "ahead of the pack".

Q Will the development costs permit a satisfactory return on investment?

The franchisor and the franchisee must both be able to receive a return on investment. The franchisor will incur costs and will invest capital to develop a franchise network with the required infrastructure.

The returns he receives must justify this. A franchisee needs a reasonable return on investment; otherwise it would make more sense to pursue another business opportunity. Once again, this question can only be satisfactorily answered once the ideal operation has been established, all products and services have been tested and the financial performance of the operation can be analysed for viability and profitability.

Q Is it possible to grow a franchise culture in the company?

It is important that the potential exists to create a franchise culture in the group. A franchise culture is open and learning orientated. It must be flexible and supportive by nature. When an organisation chooses to go the franchise route, it must be committed to creating a win-win situation. In other words, the franchisor and the franchisee depend on each other for their success. A professional franchisor has a long-term commitment to the success of the concept. This includes having a vision for the future of the concept and a strategy for continued success. The franchisor must practice the highest business ethics, especially since the franchisees trust him with their investment.

The challenge to any organisation during a franchise rollout is the ability to deal with change. A franchise culture should be instilled in the people that will be involved in the franchise, right from the beginning of the franchising process. A "Franchise Champion" will need to be identified as soon as possible and should be trained during the franchising process. Franchising will require a long term commitment from management to support franchisees.

Q Is the business concept teachable and easy to replicate?

The mark of a good franchise system is whether or not the business can be easily replicated and then taught to new operators. In order for a country development plan to be accurately developed, we must determine the replicability of the business concept. In other words, how easy will it be to set up new operations and roll out new outlets?

Further, the business system must be developed in such a way as to ensure that it is relatively easy to pass on the necessary skills and know-how for managing the retail business. Having said this, we must be able to document all business and operational issues into a comprehensive operations and procedures manual. This manual then forms the base or "blueprint" of the business and all franchisees will be required to operate along these rules, standards and guidelines.

Get franchise ready...

If you have ticked all the boxes and decided that your business is indeed franchisable, you must get franchise ready. You need a franchise development plan including:

Country development plan:

This is a development plan where you prioritise the geographical areas for expansion so that growth happens in a clustered, sustainable manner.

A franchise package consisting of:

■ **Operations manual.** This is the blueprint for running the business and the standards that franchisees have to maintain in their outlets.

■ **Franchise agreement.** This has to be CPA compliant.

■ **Franchise disclosure document.** This is a CPA requirement and similar to a prospectus.

■ **Franchisee recruitment and selection package.** Design your recruitment documents and process and ensure that it's CPA compliant.

■ **Franchise support.** Franchising is a long term relationship and franchisees need support on an ongoing basis.

■ **Franchisee training.**

■ **Marketing plan.** The franchisor must design a national marketing strategy and provide franchisees with guidelines for local marketing campaigns. These guidelines and corporate identity standards must be included in the operations manual.

■ **Procurement/Distribution.** Franchisees will expect to share in collective buying power and the franchisor should negotiate on behalf of the whole group.

■ **Systems and Controls.** Standardised systems such as point-of-sale and back-office systems will help the franchisor to monitor franchisee performance in order to assist when needed.

Source: www.franchisingplus.co.za

OPEN A BUSINESS THAT *makes a difference*

KUMON

MATHS ENGLISH

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Pick yourself up, dust yourself off and dig deep

FASA's 2019 survey of the franchise sector showed an industry that, although taking strain from the pre-2019 sluggish economy, was holding its own thanks to its business structure of support and innovation. The pandemic of the past twenty months certainly delivered an added challenge, especially to sectors like hospitality and retailing.

"Unfortunately the July rioting and looting delivered yet another blow. Government was quick to invite associations and big business to the table promising relief and compensation," says Freddy Makgato, CEO of FASA, "but other than SASRIA paying out those who were sufficiently insured, we have yet to see any significant steps taken to assist businesses who have had to rebuild and restart from scratch with no assistance and the added burden of rising premiums and an uncertain future, for themselves and their staff."

With stricter Covid-19 regulations an ongoing concern, the impact on franchise businesses that usually thrive during the festive season are worrying.

The seemingly ever-ending risk of load shedding is also taking its toll, with Wendy Alberts, CEO of the Restaurant Association (RASA), calling it "A complete nightmare! It is not as simple as flipping a switch to diesel or petrol power - those that have generators often lose thousands of rands as they have to spend more on extra supplementary expenses like fuel, labour and maintenance which can add R1 000 an hour for each load shedding. Equipment also gets damaged because of the power surges - all impacting the bottom line."

For some franchisors, however, it's business as usual. "Being in the essential-service plumbing industry, our franchisees are fortunately not affected too badly by load shedding. Drains will block and taps will leak. On the electrical side, our group and our franchisees are remaining busy with burst geysers, DB boards and other electrical appliances that break with continuous power outages. In addition, there is a much higher demand for generator installations," says Louis Minnaar, GM of The Drain Surgeon/The Electro Surgeon Group.

While the food and hospitality sector is the one mostly in the spotlight as it has borne the brunt of shut-downs and restrictions that impact social activity, franchising is represented in many other sectors for whom the pandemic and its consequences have certainly been a wake-up call, with business owners having to rethink how they will continue to operate now and in future.

But, as was the overwhelming sentiment at FASA's key conference in August, "If you are a franchise in any of the fourteen business sectors, you pick yourself up, dust yourself off and dig deep to survive". The conference focused on not only outlining steps to regain lost ground, but also proposed forward-thinking plans to revive and re-energise the sector through entrepreneurial initiatives.

"The franchise sector has proved that it can adapt, with franchisors taking pro-active steps to optimise their operating systems, adjusting their margins through careful cost controls and keeping labour and waste in check in order to survive. A strong franchisor management team should be hard at work evaluating and improving policies and practices for safe trading, revising contracts and business systems to incorporate any changes brought about by the pandemic and socio-political challenges," concludes Makgato.

By Freddy Makgato, CEO of the Franchise Association of South Africa (FASA.)

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Setting the right price point

Key to running a profitable business...

Challenges such as the pandemic, the unrest in July, and rolling blackouts have eroded business and consumer confidence and income. Supply chain disruptions, exchange rate volatility, and a robust and coherent approach to setting price points for your products and services is thus key to being sustainable and remaining profitable. It's a delicate balance between offering an attractive customer proposition and optimising the margins you make on the products and services you provide.

There is no universal formula, given that customer price sensitivity and the volatility of input costs range across different industries and markets. Companies should consider some principles that can help them...

Find the right pricing strategy and architecture for your business

There are numerous methodologies you can use to set the prices for the products and services you sell. Many businesses take the easy way out by simply adding a markup to their costs and changing the price each time their expenses increase. This isn't always the optimal approach as it means you are continuously reacting to external events that highlights your costs to the customer rather than your value.

Just a few of the other common approaches include:

- ***Competitive pricing*** – Tracking what your competitors charge in as near to real-time as possible and adjusting pricing in response. Most companies in price-sensitive sectors where comparison shopping is easy (like e-commerce retail) may need an element of this in their overall strategy. Still, again, it shouldn't be the primary determinant of your price.
- ***Loss leader pricing*** – Using some aggressively priced products to attract customers and entice them to buy higher-margin products.
- ***Value-based pricing*** – Setting prices primarily based on the customer's perceived value of a product or service.
- ***Premium pricing*** – Selling premium products and services to customers that want quality and exclusive goods.
- ***Price skimming*** – inflating the price of goods or services at the time of launch and then lowering them as market penetration increases. This is great when you have a product that early adopters will buy at a premium.
- ***Penetration pricing*** – Offering new products at lower prices to gain market share, then ramping up costs as adoption rises.

As these examples show, there is more to price-setting than adding a profit margin. It can be a strategic tool to drive customer growth and retention and increase profits over time.

Understand customer personas

Understanding your customers and their wants and needs is key to setting the correct price levels. It can be helpful to segment them or create personas. Think about each potential customer's motivations and requirements. For example, a clothing store might want to adopt different product and pricing strategies to address young parents trying to make ends meet compared to those targeted at high-earning, childless professionals. This will help tier your pricing and product offering in a coherent way for different demographics.

Create a perception of value

In the first point, I alluded to value-based pricing. Even if you do not explicitly choose this as your pricing strategy, the value should be an essential driver in your approach to pricing. The most successful businesses spend as much time nurturing the perception of high importance among their customers as they set the price. Ideally, you want the customer to value your product or service enough that they won't switch to a new provider to save 1 or 2%.

There are many ways in which you can increase the perceived value of your offering:

- Rebrand it or change the packaging, especially if the existing look is a little old-fashioned.
- Convey scarcity or urgency. Indicate that the item may go out of stock or that there is only limited time to access it at its present point.
- Put the price in context. For example, R600 for a month of gym fees may look expensive, but not when contextualised as two meals out for two.
- Offer a proof point. Talk about how much time, money and stress someone can save by using your tax consulting services rather than simply presenting a price.
- Frame it next to a more expensive alternative. A common restaurant trick is to put the price of the most expensive bottle of wine next to the moderately costly bottle the owner hopes you will buy.

Bundling - a powerful strategy

Bundling has become a science in various industries, for example, the fast-food industry and their *Happy Meals* or *Streetwise* deals. Putting together an offering helps customers choose faster and create a perception they are getting real value for money.

To get it right, you need to offer complementary products people would usually want to buy together. For example, people will usually want a coffee with a croissant or a coke with a burger and chips, rather than the other way around. Decoy pricing can be helpful here. A cold drink from a machine, for example, is a cheap, high margin product for a restaurant.

> *Treat pricing as a strategic priority. Getting it wrong means you'll constantly struggle to regain lost market share or income, because you priced an offering too high or too low.*

Continuously measure and report

Pricing is dynamic, which means the most successful businesses continuously assess whether they are meeting their strategic objectives. Some of the possible questions to ask include:

- How does it affect my business if my online and offline pricing is different?
- Do we make more money when we sell slightly lower volumes at higher prices?
- Which bundles are selling well, and how profitable are they?
- Are we giving away things for which we could be charging?

What is our customers' tolerance for higher pricing?

Your accounting system can help you generate budgets and forecasts that will give you the insights you need to make the right decisions. Remember, even small changes can make a huge difference. A company selling sauces and chips could, for instance, become more profitable simply by charging for the sauces rather than giving them away.

Path to profitability

Treating pricing as a strategic priority can set your business up for long-term success. Getting it wrong means you'll constantly struggle to regain lost market share or income because you priced an offering too high or too low. Mastering the science of setting the right price points for your products and services will help you grow your business, maintain a healthy cash flow, and drive profitability.

By Viresh Harduth, Vice President, Small Business, Sage Africa & Middle East

Strategies to enable SME growth

You may be ready to start thinking about growth again. While the opportunities may not seem evident in a recovering market, there are many ways to increase your revenue and profits. The trick is to identify and implement them well.

The first obstacle is to uncover opportunities to expand. Conducting market, customer and competitor research will help you come up with fresh ideas that facilitate growth. It's a good idea to start with the customer – how can you do more for existing customers and bring in new customers by addressing an unmet need? What can you do better for them than anyone else?

Once you've done your research, you can use the insights to set outgrowth strategies. This could range from something as simple as changing which media you advertise with or adding a complementary product to your portfolio, to major moves like acquiring another company or transforming from a bricks-and-mortar operation into an e-commerce store.

Gerhard Hartman, Vice President: Medium Business, Sage Africa & Middle East shares five strategies to grow your business:

1 Market penetration

Think about increasing your share of the market you already serve. For example, if you're an accounting or legal business serving small professional services businesses, you'll look for ways to bring in more customers with a similar profile. This is a low-risk route because you know the market well. You might need to expand headcount or invest in marketing, but it won't be necessary to build skills and infrastructure to grow.

It's worth thinking about when: your competitors are not doing an excellent job of serving their customers, the market is growing, or there are many underserved customers.

It may not be effective when: the market you serve is saturated (no new customers coming into the market), and there isn't much scope to differentiate with lower pricing or better products.

2 Market development

Here you'll look to sell your existing products to new markets. This could mean targeting a new geographical area, demographic or vertical industry with your existing product range. For instance, if you serve the Johannesburg region with a gardening service, you could open a branch in Cape Town. The advantage is that you won't need to develop new products or skills. However, you'll have to invest time, and possibly money, in understanding and reaching the new market.

It's worth thinking about when: you have a product or service that can easily be adapted to or used by an audience you are not currently serving.

It may not be effective when: you have a limited understanding of a market or demographic or are strapped for time and budget.

3 Product or service innovation

A great way to grow could be coming up with a new product or service that is substantially different from anything else on the market. If you bring an innovative offering to the market (whether it's completely new or an enhancement to your existing proposition) you may be able to increase wallet share with existing customers and bring in new customers.

It's worth thinking about when: you have seen pain points or opportunities in your market that create space to develop a new product that sets you apart.

It may not be effective when: you don't have time and budget to invest in product development and staff training.

4 Diversification

This is about adding a completely new set of products and services to your offering. This strategy is most effective when you focus on products and services related to those you already sell. It's about offering more customer convenience and addressing unmet needs. If you run a boutique, you could offer a fashion stylist service. A soap manufacturer could add body lotions or home detergents to the mix.

It's worth thinking about when: your core business is stagnant or subject to seasonal fluctuations.

It may not be effective when: you have a low tolerance for risk or lack the financing to develop a new arm to your business.

5 New channels to market

Creating new channels to market can be a great way to ramp up sales. If you have a successful chain selling your frozen prepared meals, you could expand your reach with an e-commerce store or by partnering with other retailers in your city.

It's worth thinking about when: you want to ramp up your growth without expanding your geographical footprint.

It may not be effective when: your business is built on your personal brand and relationships with customers.

Integrating your approach, team and finances

Once you've decided on the right growth approach for your business, it's essential to align your operations and the team behind the new strategy. Make sure to train your staff on the new direction, markets, and products. A change in strategy might also require more capital investment. Manage your cashflow effectively and ensure your finances are solid.

HOW WE DID IT

Diversification is a strategy Swindon Property learnt early on that has allowed them to boost their brand image and company profitability, in a sector that has certainly had its ups and downs in the last several decades.

When they launched 15 years ago with just two brokers and one desk between them, they had no idea that in a mere two years, a collapse in housing prices in the USA would signal one of the world's worst financial crashes in 80 years. It was an interesting time to be operating in the property market and there was no escaping its volatility. But where there is volatility, it creates activity, and activity results in trade.

Having survived and thrived during that time is what made them strong and well prepared for the crisis of 2020.

"More than this it has allowed us to give clients an all-encompassing property service which in turn helps to mitigate risks in the event of an industry downturn as we've seen over the years. It can help a company protect itself from competitors and provide surplus cash flow in a slow-growing market, much like we find ourselves in now. In fifteen years, we've launched a valuations division, a property management division, advisory services and an auction platform as a solution to the pandemic."

"Recognising opportunity in a crisis is what allows a company to remain at the forefront, no matter the surrounding noise," Dewey concludes.

Business lessons to take into 2022, and beyond

We asked some business owners to share a few of the strategies they employed this year, what lessons they learnt, and the key takeaways they will be taking into future.

Businesses have been through a lot in the last 18 months. As we reach the end of a year that has certainly put many to the test, it is useful to pause and reflect on lessons learned that might be applied in the new year.

There are numerous advantages to reflecting on what worked and what did not. What you can bring into the new year as a business and what you should alter. One thing that was undoubtedly learned is that resilience and an ability to adapt to change are critical components of long-term success.

A deep love for your brand and product is key


Simaango Kambulu

"We started conceptualising our Pretoria based T-shirt clothing brand, Bravado, mid 2019, and by May 2021 launched our first finished product - in a time and age when the market pushed all businesses to online platforms. Since our business is still in its infancy stage, we had to spend a great amount of time online in order to read and understand market trends, but this has given us much needed exposure on social media platforms.

As for lessons learnt, there are so many. But one of the biggest is that the love for your brand and product is key. It's the power that keeps the vision going; from the day the idea is conceived, to having the actual product in your hands. It's also this deep love that will help you deal with challenges, disappointment and setbacks.

Your customers are your road map - brands grow by the way people react towards them. By understanding your market and customer, you can concentrate your effort on them specifically, maximise your effort, and save yourself time and money.

The next step for 2022 is our website and e-commerce store. After all, today's market is online. We will also be focussing on the logistical part of the business and reduce the turnaround time from ordering to delivery. Finally, we will find an influential person for an endorsement deal to further showcase our brand."

- Simaango Kambulu and Vincent Malapane, Bravado

Wellbeing fosters creativity


Reagen Kok

"Creativity is the currency that drives our business, which why we cannot afford to become complacent about what it takes to remain creative at the highest level. As a business we learned that caring for the mental wellbeing of our team, and prioritising the things our people need to perform at the top of their game, needs to be as much a part of our overall strategy as any other business function.

Call it the impact of the pandemic, but the point is that we need to do better when it comes to looking after the overall wellbeing of our teams. We learned this in 2021 and in 2022 team wellness will enjoy the priority it deserves as a key part of our company culture."

- Reagen Kok, Hoorah CEO

Don't be afraid to re-invent, and maintain sold relationships


Stuart Williams

"The Rolux brand is well-established, yet during 2021 we identified a glaring gap between the brand's value and its performance, and we set out to close that gap. We did this by offering a new, more diversified range of products, investing in a thorough marketing strategy and a new leadership team to combine the trusted qualities of the brand with innovative and cutting-edge new features. We also launched a new flagship concept store in Randburg.

Grit, resourcefulness and a certain amount of luck goes a long way - it's about how you capitalise on that luck that is critically important to success.

You don't need to create a multimillion-rand business to be a successful entrepreneur. Even if you are the only member of your company, by getting out there and producing or selling something and making ends meet, step-by-step, you can make a difference. Trust your gut, but always test your assumptions.

Start with the customer, understand their needs and build a relationship with them. Ultimately business is a set of relationships between people: customers and suppliers. There is huge value in maintaining positive, solid relationships with all people in your ecosystem, especially when times are tough. A bit of empathy goes a long way.

As we head into 2022, we will continue to focus on the customer, and provide products and service of a quality that ensures our users are happy. We want to be an experience provider and not purely an equipment provider."

- Stuart Williams, CEO of Rolux SA

It's important to think like the customer


Christiaan Steyn

"For many businesses, including us, this time has been one for huge learnings about survival and adaptability. We were conscious of the need to be in tune with what customers are thinking and feeling, particularly during the tougher economic climate caused by the pandemic.

Customers want to see value, and we saw an opportunity to introduce a product offering suited towards our new way of living. Building our App in such a way that we can track vehicle trips means that we can monitor a client's total mileage every month and 'refund' a portion of their premium for the kilometers they didn't drive.

Consumer expectation changed when lockdown started and this presented an interesting opportunity in the market that allowed us to add value to clients in a tangible way."

- Christiaan Steyn, Head, MiWay Blink

Plan your growth strategically, and get the help of a coach if needed!


Samantha Hogg

"In 2021, when everybody was closing down their offices, I moved to one for the first time in the 18 year history of my business. Like a salmon, I swam upstream, took the risk and planned for growth.

As part of my growth strategy, the best thing I ever did was hire a business coach. This has proven time and again to be the smartest thing I could do as a small business owner. While you don't think you need it, the right coach will greatly assist you to address areas where you feel you are not confident and can help you develop and evolve the business. I have learnt immeasurable lessons about running a business from finance to organisational aspects. Probably the most beneficial, if pushed, is to understand your budget and manage your cash flow correctly. When a business scales, your liquidity is everything. I have had some tight months managing a bigger team, and am so glad that I had a business coach who greatly assisted the process.

Looking ahead, my focus is 100% on managing the scaling of the business. I have seen the downside of growing too fast and my efforts will go to stabilise where we are now to effect more growth in future. Part of the stabilisation is retaining key employees, and agreeing on the strategy for the company to evolve to meet the changing needs of our clients. I plan to relaunch the brand with a compelling offering that will set us apart from our competitors, while continuing to retain our unique brand."

- Samantha Hogg, Owner & MD GinjaNinjaPR.


Thembani Biyam

Leaders need to evolve for the next 10-20 years of growth

"Businesses need to adapt and be ready for the next 10-20 years of growth, which will come from millennials who are digital natives. The last year has shown us that if you aren't digitising all aspects of your business, long term success can't be guaranteed.

But going digital means nothing if you don't recognise that talent is more valuable than anything else in your business. With so many people changing jobs, emigrating and working from home, leaders have a bigger challenge retaining the people who make their businesses work. Leaders should be bingeing all methodologies that make their people feel loved, valued and impactful.

Leaders have an especially important role to play here. They are the last line of defense for employees to feel safe and stable. It's incredibly important, no matter what external factors are at play, that leaders stay calm, show their poise and find ways to affirm their people."

- Thembani Biyam, CEO, Orderin

Our most precious resource is time

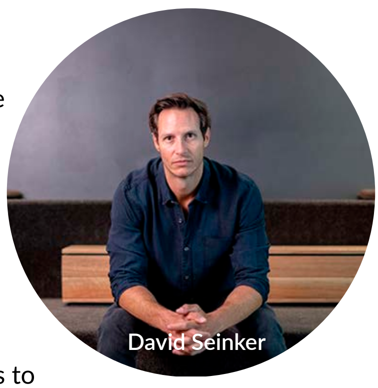
"If the pandemic has taught us anything, it is that time is fleeting, and probably our most important resource. The one thing that we cannot replace, and we don't have a lot of, is time. Concentrating on the broad picture is important, and being aware of what constitutes a distraction enables you to make the most use of this finite resource.

In this 'always online, always available digitally connected world' we live in, often we are bombarded having to attend digital hurdles, respond to chats, emails, and other notifications. We often commit to spending time on other people's crises rather than spending more time on focused big-ticket items that we are in control of.

As Brian Tracy said, one of the worst uses of time is to do something very well that doesn't need to be done at all."

- Greg Gatherer, Account Manager, Liferay Africa

There is no right time - act anyway



"A pandemic would count as the perfect excuse to not launch new products, expand into different territories or do anything other than 'business as usual'. But in business there is no perfect time to do anything. If you look for it there will always be countless reasons to not do something, which is exactly why we went ahead and did the big, bold things anyway.

In 2021, The Business Exchange launched a investment opportunity in Mauritius, and opened a serviced office space in Cape Town. We're delighted that both these moves have been very successful. But more importantly, it's highlighted for us that there is no 'ideal time' to do something. The best approach is, to quote Nike, *just do it*.

This will be the lesson that we take into 2022 and beyond: there is no right time to do something. Suss out the opportunity, calculate and manage the risk, and then just go all in."

- David Seinker, Founder and CEO, The Business Exchangeorganisation, diiVe.

Great things can happen during tough times

"When things are comfortable there's a lot to lose by stepping out of your comfort zone, but when your world is turned upside down, it often forces you into taking actions you may have considered as too risky. Great things happen during tough times - it can be the best time for your company, or a division within it, to change direction.

We've always tried to have a flexible approach that allows us to readily adapt to anything coming our way, but the last year and a half have really taught us to roll with the punches in order to thrive. When the pandemic started and we entered lockdown, our business could barely operate, so our core team regrouped to innovate our core offering and amplify how we could remain agile in responding to the uncertainties facing us. That focus paid off - since then we've added on a slew of new home services, and launched SweepSouth into Kenya and Nigeria.

More than anything, 2021 has brought home to me how, as a business owner, you need to develop resilience so that you have the will to stay in the game through thick and thin. And that you should foster grit within your team so that you can keep one another's morale up if you encounter tough times. These two things will go a long way to helping advance a company through turbulence and beyond."

- Aisha Pandor, CEO of SweepSouth

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The rapidly growing new South African liquid rubber industry is the culmination of the technological advances made in fulfilling consumer needs for new waterproofing solutions. PAINT FACTORY SOLUTIONS will provide you, the prospective entrepreneur, with a turnkey solution to enter this market.

With a minimal investment, an entrepreneur can enter the market in relation to their means and grow their profitable business (150% minimum mark-up) over time and at a comfortable pace, to a level where opportunities for franchising and export can potentially be explored.

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With no previous manufacturing experience; as little floor space as a double-door garage (± 30m²); access to 3 phase electricity and water; 1 staff member and less than R170 000 investment; you can manufacture up to 1 000L of liquid rubber per 8 hour day, at a projected sales value of R45 000.

Markets

This turnkey business model on offer enables the independent liquid rubber manufacturer to operate with a price competitive edge in the wholesale and retail spheres. With clients as diverse as:

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- Applicators: waterproofing specialists and contractors.
- Retailers: custom branding can be done for clients (white label products).
- Private Sector: Property developers, office centres, malls, businesses, and building contractors.
- Painting and maintenance contractors.

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Our pure acrylic liquid rubber formulation is suitable for all roof types, as well as parapet walls and weather faced walls. It is specially formulated to be a polymer with rubber-like properties that provide seamless waterproofing and are UV resistant, durable, flexible and elastic to prevent perishing, wear and tear. Along with its ability to stretch and maintain film strength, it can withstand structural movements and all-weather conditions.

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- No trade franchise restrictions.
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- Flexibility to adapt products to customers' needs.
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- Paint Factory Solutions proven successful business model.

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- 1 x Business Premises Signboard (2.4m x 1.2m)

About us

Paint Factory Solutions has successfully used its expertise to set up independently branded coating solutions factories for clients over the last 9 years, by providing clients with the essential guidance, knowledge, and tools for rapid market penetration such as; bespoke equipment, one-on-one training, and superior product formulations.

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Run your own 'showroom on wheels'

SNAP-ON is an establised industry leader for over 100 years, and is renowned for delivering personalised, professional service - right at the customer's place of work.

Snap-on Incorporated is a leading global innovator, manufacturer and marketer of tools, diagnostic and equipment solutions for professional tool users. Since 1920, when Snap-on first developed the interchangeable socket wrench, the name "Snap-on" has been recognised as the leader in providing the finest quality tools and equipment for the professional technician. Snap-on first entered the international arena in 1931 and today has a presence in over 130 countries around the globe.

During this time, Snap-on pioneered and perfected the idea of direct sales to technicians, right at their place of business, while providing credit programmes so they could purchase the tools that would build their business. The company still does that today, and as a leading marketer of tool and equipment solutions, Snap-on provides aspiring business owners with an opportunity to partner with a financially strong company with an outstanding reputation for quality, service and innovation.

If you are seriously considering an investment in a business, give yourself the benefit of starting with an established industry leader, and join the over 4500 dealers worldwide that represent the Snap-on brand of high-quality merchandise.

What's on offer

Snap-on dealers are offered the opportunity to purchase high-quality tools manufactured and distributed by Snap-on at a discount from suggested retail prices, and to re-sell those products at recommended prices. Dealers call on their customers each week within an allocated territory, which includes a wide variety of businesses such as auto dealerships, independent repair shops, auto-electricians, body shops and others. Dealers need to have a suitable van (approved by Snap-on Africa) with the Snap-on designed tool display area to encourage impulse buying. This "Showroom on wheels" also allows you to take products right to your customer's place of business and deliver that personalised, professional service associated with the Snap-on brand. A successful Snap-on dealership requires hard work, planning and the development of personal relationships with customers. As a Snap-on dealer, you will enjoy a professional and respected position in the tool industry with good income potential.

The support to succeed

One of the most important steps in getting a new business off to a good start is training. After a rigorous week in the classroom learning the basics of the business, new dealers will be assigned a Sales Development Manager (SDM) and a Diagnostic Sales Developer (DSD). The SDM or DSD accompanies dealers on their route for an initial period of two to three weeks, to assist with training in the day-to-day aspects of the business. During this in-territory training period the SDM or DSD covers sales training, product knowledge, van display, credit programme management, policies and procedures and record keeping.

The good news is that the training doesn't stop there; the SDM &/or DSD continue with ongoing support, holding regular Field Group Meetings to discuss all aspects of the business; including new initiatives, promotional programmes, and developing product knowledge.

Getting the word out

Snap-on spends thousands of Rands each year to promote Snap-on products and the Snap-on brand through sales and marketing campaigns. However, unlike many companies that charge their dealers an additional fee for advertising, Snap-on provides advertising and promotions as part of its service. Some of the promotional arenas that the Snap-on marketing department is involved in includes media and trade publications, sales contests and promotions, promotional products, weekly promotions backed up by electronic marketing material and printed summaries of items on promotion once a month. These are all designed to help dealers grow their business; with Head Office realising that their own success as a company depends on the success of its dealers.

The investment cost of a Snap-on dealership depends on one's circumstances and there are a few options available. However, the minimum amount of cash available to invest must be no less than R150 000. Applicants must also have their own panel vans. A Sales Development Manager (SDM) will explain costs, panel van preferences, and options available at an initial meeting.

Buying a business is a serious undertaking and a decision that must not be rushed. That is why Snap-on makes no excuses for having a lengthy application programme that not only includes a number of meetings, but also a minimum of three days spent with existing dealers in their territories.

With many unique features that sets it apart from other opportunities on the market (including being an established company with a comprehensive product line, on-going training and assistance, financing and credit assistance programmes), a Snap-on mobile dealership is well worth investigating.

What type of person is a Snap-on Dealership suited to?

Like all owner-operated businesses, it requires a highly motivated individual to make a success of this opportunity, and although a person who is technically savvy and has sales experience could be better suited to this business, this is by no means a pre-requisite. Support in the form of a family member to assist with the everyday running of the business, and perhaps the book-keeping and reporting side would also be an advantage.

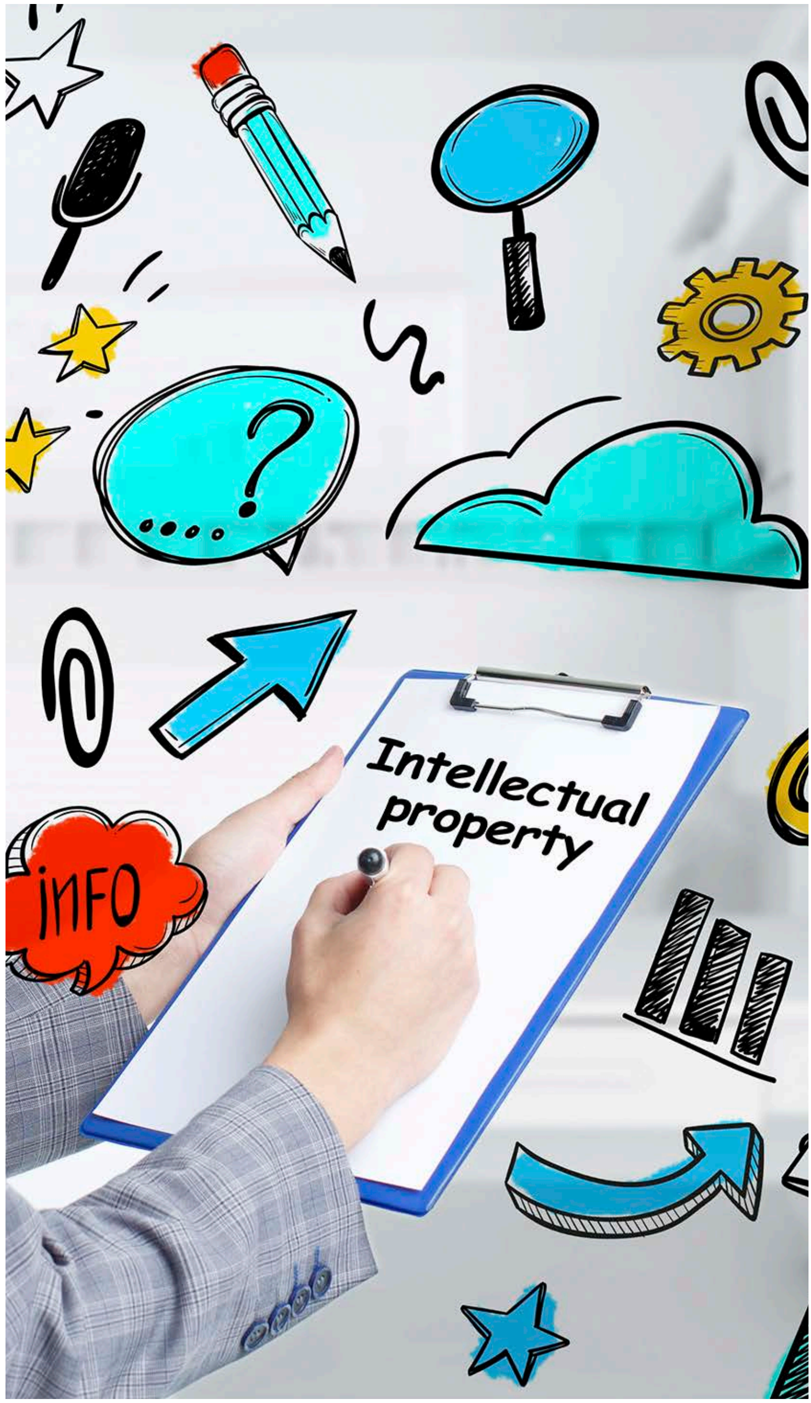
What expansion opportunities are available?

The owner of a successfully run Snap-on dealership can apply for a second territory. This is quite common in other countries where the dealership is well established. It is not uncommon for the original business owner to have invested in a second territory for a family member or sibling. This option would need to be considered very carefully and in collaboration and with final approval by Snap-on management.

Contact the Business Manager on 031 569 7637 or 082 4444 801, email: biz@snapon.co.za, or visit: www.snapon.co.za for more information.

An IP Primer for start-ups

Vusi Thembekwayo, well-known South African venture capitalist, speaker and entrepreneur said, "You don't need money to start, but to grow". This is great advice for start-ups and small-to-medium enterprises (SMEs) in our country.



Applied to the field of intellectual property, the appropriate idiom might be, "You don't need to exploit all IP, but awareness thereof is crucial".

Whether IP in your world means branding, customer data, tech, software, or even apps, all of these and more form an integral part of the commercial value of your company – and are worth protecting. The goal of this short IP primer is to give you some of the basics to do so.

To begin with, the IP you're most likely to be concerned with as a start-up or SME are the following: trade marks, patents, designs, and copyright.

TRADE MARKS

A trade mark is intended to protect a device, name, signature, word, series of letters, set of numerals, shape, configuration, pattern, ornamentation, colour or container – or any combination of these – that acts as a badge of origin for goods or services.

It may be registered (and feature the ® symbol) or unregistered (and feature the ™ symbol). Trade mark protection covers both identical and similar marks and endures for 10 years, after which renewal is possible.

Trade marks (some would say, 'service marks') can also be registered for services like engineering, computer programming, advertising, banking and insurance, leasing, entertainment, hotels, restaurants and beauty salons. In these cases, service marks distinguish a service as opposed to a product.

Where to start? Search (start with the CIPC's IP Online portal, although there is a great benefit to instructing an IP attorney to conduct a comprehensive search for you), then file with the help of an IP attorney, and then maintain – again, with an IP attorney's help. And don't forget that your domain names, company names and social media handles will reflect your main trade mark, so secure those too.

PATENTS AND DESIGNS

While a patent protects a novel and inventive process, machine, system, device, new material or chemical composition, and endures for 20 years, a registered design protects the physical form of an article of manufacture.

The latter is more concerned with how the item looks than how it works, and endures for 10 or 15 years, depending on the specifics.

Where to start? In both cases, if you suspect your process, product or design to be worthy of IP protection, don't disclose the details publicly and contact an IP attorney.

Be aware that a registered design is generally easier to obtain, quicker to register and easier to enforce than a patent. In instances where your competitors are likely to ride on the back of your efforts by simply copying your design, it can be beneficial to use a registered design to obtain enforceable rights quickly, while your patent application may take longer to proceed to grant.

The same strategy may be used to get design protection quickly for some trade marks, while a trade mark registration is pending.

COPYRIGHT

When your idea becomes a work that is expressed in a material form, it could automatically be protected by copyright, depending on the kind of work. This form of IP protection prevents others from copying or adapting the work without your authorisation.

But it's not possible to register a copyright, apart from films in South Africa. Copyright exists automatically when the work is created, if the work is original and fits into a category that is recognised and protected by the Copyright Act, like literary works (written text), artistic works (logos), computer programs (apps), musical works, cinematograph films, sound recordings, broadcasts and programme-carrying signals.

The exact duration of protection depends on the type of work concerned, but is generally a period of at least 50 years from the end of the year in which the author dies.

In addition to protecting your IP from third-party infringement and exploring it commercially, you should also be aware of others' IP rights.

Where to start? To prove that you're the creator of an original work, you may need to:

- show supporting evidence as to the progression of the work (early drafts, sketches, synopses, rough recordings, etc.);
- ensure that your work is properly marked and dated; and, in the case of a joint venture, clearly stipulate, in writing, who will own what rights and what happens when someone exits the relationship.

Despite the fact that there's no need for registration when it comes to copyright, a number of countries do allow for voluntary registration. This is intended to solve disputes over ownership or creation, as well as to facilitate financial transactions, sales, and the assignment and/or transfer of rights.

The symbol © is an indication that copyright has been claimed. In the past, some countries had legislation in place that required you to include it but today, very few countries – including ours – include the use of such symbols as a legal requirement.

So, these might cover your IP rights. But remember: In addition to protecting your IP from third-party infringement and exploring your IP commercially, you should also be aware of others' IP rights. This will help you to ensure that you're not limited in, or even prevented from, operating your business in a particular manner.

By Kim Pietersen, Senior Associate at Spoor & Fisher South Africa.

Unlock the **full potential** of your IP portfolio

4 Strategies to get the most commercial value.

Intellectual property (IP) is the product of independent thought; the outcome of human creativity and innovation. An intellectual property right (IPR), in turn, is the right to prevent others from using that IP and it has a definite and often considerable commercial value.

This is unlikely to surprise you. But do you know how best to realise the full potential of your IP portfolio?

Let's look at four different strategies for deriving benefit from your IPR, using Ann Landers' 2001 parody-style analogy of the two cows.

■ MONOPOLISING STRATEGY *(Enforcement)*

Let's say you have a dairy cow. You don't want others to have dairy cows and sell milk in competition with you. A monopolising strategy may be used to enforce your IP rights to secure a monopoly, in situations where:

- The market is big and you can meet market demand.
- It is possible to police for infringement.
- Your invention can be easily copied by your competition.
- Damage suffered through infringement far outweighs enforcement costs.

To be successful with this strategy, it would be best to have a strong portfolio of registered rights (which requires aggressive patenting). In addition to securing market share, an enforcement strategy may also allow you to recoup damages for patent infringement, which can be significant!

From 2009 to 2017, the ten largest damages awards in the United States (where patentees can recoup punitive damages for patent infringement), averaged over a billion dollars, according to PWC's 2018 Patent Litigation Study.

■ MONETISING STRATEGY *(Licensing)*

Let's say you have your original dairy cow plus an extra dairy cow. You rent the second dairy cow to someone else, so they can also sell milk. Here you want to create an additional income stream through licensing, without relinquishing market share to your competition. This monetising strategy may be appropriate where:

- The market is big or geographically remote.
- You cannot meet market demand.
- You have limited production infrastructure.
- Enforcement costs make a monopolising strategy unattractive.

To be successful with a monetising strategy, you must have a licensable interest. Although content and software licensing (which relies on copyright) is common, when it comes to high tech inventions, patent rights would be preferable. If you are a tech business adopting a monetising strategy, you need to invest in developing more technology and acquiring IP, to remain at the cutting edge.

■ COLLABORATIVE STRATEGY *(Cross-Licensing/ Co-Development)*

Let's say you have a dairy cow and your neighbour has a bull. Together, you can pool your resources to make more dairy cows! Sometimes it makes sense to use IP as a lever to collaborate with others. A collaborative strategy may be appropriate where:

- The market is big with several players.
- Technology development is in the nature of incremental (not revolutionary) improvement.
- Cross-licensing and IP pooling/aggregating are not unconventional in the technology field, so collaboration opportunities are not hard to find.

To be successful with a collaborative strategy, you need a lever or something to trade - that is, you must have something to contribute that makes you attractive to others as a collaborator.

As Shane Robinson, HP's Executive Vice President and Chief Strategy & Technology Officer, puts it, "Increasing a patent portfolio increases our ability to trade intellectual property with others. Our focused innovation strategy – investing in technologies where we can lead and partnering for the rest – is paying off."

■ SECRECY STRATEGY *(Retaining Secrecy. No Patenting)*

Let's say you have put your dairy cows on a diet that makes them produce more milk. You could keep this diet a secret so others can't benefit from it. Here you are using a trade secret to give yourself a competitive edge. This secrecy strategy may be appropriate where:

- It is unlikely that the same technology would be easily and independently developed by others.
- Patent infringement would be difficult to police, e.g. in the case of manufacturing processes for commodity products.
- There is little or no budget for patenting.

When it comes to products sold on the open market, this strategy could only work if you have a 'black box' invention (that is, the invention underlying your product is not evident by reverse-engineering, once the product enters the market). The risk with this strategy is that the technology leaks into the public domain or a competitor independently arrives at the same solution.

The reality is this: Successful innovation will always attract imitators. If you invest in technical development, you should consider an IP strategy that enables you to reap the rewards. Leading businesses don't only have IP, but also know-how to use it to their best advantage.

By Dina Biagio, Partner, Spoor & Fisher South Africa

Powering the new economy

What is driving innovation in energy entrepreneurship, what opportunities are there, and where will we see the most growth?

The energy industry is currently going through a transition globally. Politicians and the private sector have embraced climate change and there is a need to create a new kind of economy away from air polluters.

The petroleum and coal energy mix has been identified as being two of the major culprits driving global warming and we are finding that a shift is happening to transition towards renewables like solar and wind. The future of mobility and our main energy requirements will be met through electricity produced from renewable energy technologies. This shift brings with it entrepreneurial opportunities in the value chains of these markets.

IRENAs 2020 Cost of Renewables Report found that more than half of the electricity capacity added in 2019 from renewables cost less than the cheapest coal fired powerplants. Solar and wind technology alternatives have continued to drastically improve and have seen Solar PV (photo voltaic) costs between 2010-19 decrease by a whopping 82%, CSP (concentrated solar power) by 47% and onshore and offshore wind at 40% and 29% respectively. The costs to deploy these renewable energy technologies have drastically reduced and this is the major driving factor encouraging this shift. To add to this, these technologies have far shorter lead times from deployment to the start of operations, plus shorter lifespans - which means archaic technologies can easily be replaced for newer ones along cycles and they can be ramped up or down as necessary with the demand in capacity. These aspects are particularly important and appeasing to investors, because it means profit and ROI can be churned much sooner. For the politicians this is also attractive, because completion and operation of projects can be realised within a single office term.

There is also a growing trend towards capacitating a hydrogen and battery storage economy as a means of replacing internal combustion engines (or ICE vehicles as they are termed). Vehicles that use hydrogen as a mobility fuel or those that store electricity in the form of batteries do not produce greenhouse emissions which are contributors to global warming or climate change. Hydrogen is also particularly important because it can be used in many other industries outside its usage in hydrogen powered vehicles. There are four main kinds of hydrogen and are coined according to the process which was employed in manufacturing them; they are grey, blue, green, and turquoise hydrogen.

Without getting into the detail of each and every one of them, green hydrogen is the main focus globally as a potential alternative for this new green economy. Generally speaking, hydrogen is made through electrolysis, which is basically running a current through a water solution and this would split it into its constituents and of which one of those parts is hydrogen. It is termed green because the electricity used in that process would have come from a renewable energy technology like wind or solar.

The biggest challenge with manufacturing hydrogen is that it consumes a lot of water which may not be a viable option for a water scarce nation like South Africa. The alternative may be to use a desalination process which cleans sea water before it can be used in the hydrogen creation process. The issue with desalination is that it is an expensive endeavour and more innovation is still required to lower its costs.

In the meantime however, petroleum will still be around as these transitions are long term commitments that will take up to 50 years to reach maturity. Natural gas, although not a renewable energy source, is 30% less harmful to the environment than its petroleum counterpart and therefore will act as a bridging energy source in the interim. South Africa for example does not have a mature gas market economy and demand is often to mostly service the residential demand which is seasonal.

Natural gas is a great supplementary fuel that can provide for all our heating and mobility requirements. CNG (compressed natural gas) is for example a very viable fuel for adoption in our current motor vehicles and the technology is well researched and maturing in certain countries like India, Algeria and in Europe. Companies like Renergen and DNG are charging this drive forward in terms of procuring and provisioning LNG in South Africa for the domestic market.

New skills will be created and new entrepreneurship endeavours will be sparked directly or indirectly in the value chains that will hold these markets together.

Carbon Capture Utilization and Storage are also opportunities that are possible within this new green economy. This technology attempts to capture, store and repurpose the greenhouse gasses that would have been released into the atmosphere for utilisation in other industries. Carbon is very dynamic and has uses in a range of processes for the needs of modern civilisation. In South Africa we have platinum mines and therefore entrepreneurial opportunities exist in the battery manufacturing spheres for electric vehicles also.

It is clear to see that the opportunities that exist in the energy sector are enormous. As new economies are going to be built, it means new skills will be created and entrepreneurship endeavours sparked directly or indirectly in the value chains that will hold these markets together. Solar and wind power provide the easiest entry point due to the lower costs in their technologies.

Various alternatives remain untapped because of the challenge of higher costs of deployment which will require more innovation and an entrepreneurial flair to bring about new solutions. There is however an enormous funding drive for energy entrepreneurship globally because of the urgency for nations to catch up on their Paris Agreement commitment. All-in-all this transition will still require clear policy direction to drive and attract investment, a political will to see it through and a buy-in from all stakeholders which include energy entrepreneurs as the pioneers charging this new economy forward.

By Thendo Thenga.
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Entrepreneurs vs small business owners

Typically different funding needs, but equally important to economic growth.

The majority of start-ups are the result of an individual's desire to manage their time and achieve some level of personal and creative independence. Despite a lot of dedication and effort that goes into running a business, there is a fundamental difference between entrepreneurs and small business owners.

What's the difference?

The difference between the two primarily starts with the objective of each. For instance, what is the individual trying to achieve and why did they decide to start a business in the first place? The reasons may differ between that of an entrepreneur and a small business owner. Is it because there's an innovative solution that has the potential to scale rapidly and change the way things are done, or is it because one has a skillset that can assist with building a proposition that will probably steadily grow over a period of time?

The difference is decided at the onset of the establishment of that business. Thus, the individual's risk appetite will determine the approach they take in driving the business. A business that wants to scale rapidly is lucky if they have a driver who is willing to navigate the requirements of a start-up. Mostly, technology-driven entrepreneurs tend to be start-up entrepreneurs who really are looking for rapid growth. Whereas the individual who wants to start a business may be risk-averse and prefer to work at a pace that is comfortable for them in order to grow the business that they have started. This however does not mean that there is a single path to achieve success in each of these situations.

Entrepreneurs typically need venture capital, and fast

All businesses require financial support, and it doesn't matter where you get it. However, when looking at businesses and entrepreneurs that want to scale rapidly, they typically need patient capital and a huge amount of support from investors and parties that might have expertise that can help entrepreneurs grow rapidly. Traditional banks might not have an appetite to fund such businesses thus the option to explore venture capital funding.

Business owners may take a slower approach

SMMEs could potentially raise funds from family and friends initially if they have no savings to start a business, so it is possible for them to succeed without venture capital. As they grow, they tend to attract funding from commercial banks if they have a relationship with a specific bank. As the bank starts to see the business's credit rating improving, they will start to offer more and more financial opportunities.

By Hepsy Mkhungo, CEO of One Linkage.

A **simple** and **certain** way to invest?

The SAFE, being a Simple Agreement for Future Equity, is just that - a simple way to invest small or large amounts of money.

It avoids any formalities normally associated with a full fund raise, and the result is an effective and efficient way to invest money in a business.

There are several ways in which you can refine a SAFE to suit the goals of the fundraising, one of which is whether the SAFE will be a "pre-money SAFE" or a "post-money SAFE". Essentially, the main difference is that in the case of a pre-money SAFE the number of shares issued to the SAFE holder are calculated without including shares issued to other SAFE holders whereas, in the case of a post-money SAFE, the shares issued to other SAFE holders are included for purposes of the calculation.

The biggest advantage of the post-money SAFE is that the amount of ownership sold is immediately transparent and calculable for both the founders of the business and the investor, whereas in the case of a pre-money SAFE the amount of equity that you will ultimately receive upon conversion of funds into equity is uncertain.

In practice, the agreement works by providing a framework for an investor to invest money on transparent and reasonable terms which facilitates immediate payment by the investor, leaving the ultimate terms and amount of equity or cash return of investment received in exchange, until the occurrence of any of any of the following 3 events:

• **An Equity Financing Event** occurring, meaning that the company takes on further investment (likely on a formal basis) where the terms are negotiated in detail. At this point, the SAFE holder's investment amount will convert into shares (either at the Safe Price or at a discount, as applicable) in the company on the same terms that are negotiated for the new investors;

• **A Liquidity Event** occurring, where the company is either being listed or acquired or the ultimate control of the entity is changing, at which point the SAFE holders will have the option to either receive a payment equal to the cash amount which they originally invested, or such number of shares equal to the investment converted at the Liquidity Price; or

• The occurrence of a **Dissolution Event**, which is the voluntary termination of business operations, an assignment of company assets for the benefit of the company's creditors, or any other liquidation, dissolution or winding up of the company. At this point, the SAFE investor will have the option to get their money back (if there are sufficient funds remaining in the Company).

Simply put, once you invest money into the company through a SAFE agreement, the investment amount will either convert into shares at a pre-determined value (the post-money valuation cap) or at a discounted rate (if a discount has been agreed) at an equity financing event; or you will have the option to convert or get your money back at a liquidity event, or simply get your money back upon the occurrence of a dissolution event.

The "post-money SAFE" is quickly being adopted in the venture capital space as the go-to financial instrument for making efficient and transparent investments. The general notion is that the terms on which people are lending money to early-stage companies are universally accepted and therefore shouldn't need to be excessively negotiated every time it happens – the SAFE aims to capture that notion in a set format.

The essential features of the SAFE agreement include the investment amount, the post-money valuation-cap, the discount rate, pro-rata rights and the Most Favoured Nation provision ("MFN").

Firstly, the **post-money valuation cap** is the anticipated value of the Company after the investment, and including all other SAFE investments made (as well as any other convertible instruments concluded). This amount is also anticipated to be the closing value of the "SAFE round" therefore naturally coinciding as close as possible with the pre-money valuation of the next round of financing. On this basis, the parties to the SAFE agreement are essentially agreeing to a hypothetical valuation cap which will apply in a conversion event.

This amount should reflect an acceptable proportionate equity percentage in the company – therefore if the company is worth more than the valuation cap, the SAFE investor won't be diluted by the excess value, as the post-money valuation cap limits the value of the company for the purpose of the investment conversion.

This is valuable as it provides certainty to the investor in knowing that they can't dilute below a certain level. It's important for the company that this value isn't set too low, as that would result in the investor receiving more equity than the parties anticipated because their investment amount counts for a greater percentage of the total value (if less than the post-money valuation cap).

Secondly, the **Discount Rate**. If this is agreed with investors, it will give the investor the opportunity to convert the investment amount into shares at a discounted rate relative to the investors in the financing round. Effectively then, the SAFE Investors will receive more shares for their Investment (depending on the discount). This is normally included where the investor is being rewarded for taking additional risks, during the interim period between the SAFE funding and the Equity Funding Round. Effectively, the discount rate should be proportionate to the level of risk which subsequent investors would enjoy by investing at a later date – because they didn't have to take the risk of getting the company to that milestone.

Third is the concept of **"pro-rata" rights,** which refers to a written side-agreement between the Company and the Investor (and holders of other Safes, as appropriate) giving the Investor a right to purchase its pro-rata share of equity being offered by the company in the subsequent financing. This allows the investor to subscribe for additional shares proportionate to their current ownership stake implied by the investment amount.

Last is the Most Favoured Nation provision, which in short allows the investor the option to substitute the SAFE terms for the terms of any subsequent SAFE. So, if a subsequent SAFE offers the next investor a lower valuation cap, or a greater discount rate – the original investor can claim those terms. The MFN provision is also covered in a recent article by Jacques Stemmet a Senior Associate at Dommisse Attorneys, which deals with the commercial considerations behind the MFN provision. *(Read the article here).*

The above features of the SAFE are optional and are often not all included in SAFE agreements as each scenario is slightly different and what is appropriate for one investment might not apply for another. The advantage of the SAFE is that it can accommodate each of these scenarios as and when they are applicable.

By Timothy Kelly, Associate, BA LLB (UCT) at Dommisse Attorneys.

The mentoring effect

TIPS for a successful mentor/mentee relationship

Mentoring is the opportunity for leaders to provide support and insights to help less experienced individuals grow and develop in their careers.

The stats speak for themselves: 71% of Fortune 500 companies have long-standing mentoring programmes, and 97% of those with a mentor say they find them to be valuable.

As a leadership coach, I often get the question: *"What is the difference between a mentor and a coach?"* Usually, the mentor or coach is outside the direct manager/employee relationship context.

In a **mentorship relationship,** it is acceptable for the mentor to give advice and to use their experience to guide the less experienced mentee. The mentor acts as an advisor and shares advice and wisdom with the mentee.

A **coaching relationship** is about supporting the other to find the answers themselves, mainly through questioning.

Bear in mind that as a manager you should wear both a mentor and coach hat in different stages in the performance discussions with your team members.

There are a lot of similarities in both mentoring and coaching:

- Trust is the foundation of any relationship.
- Once the trust element is established, it flows into relationships where a safe space is created for the mentee to courageously explore without judgement or pressure.

Trust: The secret ingredient

Once trust is the foundation of the mentoring relationship, one can appreciate why finding the match for the mentor-mentee relationship is vital. Companies can get creative with this exercise - it should be more than a tick-box exercise done by the HR team. It is also a great initiative to instil the company values into a star-mentee that could retain their loyalty for longer.

A mentorship programme is a cost-effective way to develop talent and is also a popular strategy for talent development in any company as the technical expertise is in-house. The beauty of a mentorship-relationship is when **reversed mentoring** happens, meaning the younger mentees educate their mentor on topics like social media or technology.

I've assisted in the facilitation of a session where the company provided the mentors and mentees with an opportunity to get to know one another before selecting their top three choices of mentors (similar concept to speed-dating, but with the aim of searching for the perfect fit of mentor and mentee). This is a great example of how a mentorship strategy can work as the foundation is built on mutual selection.

It is a commitment

If you consider being a mentor, think about the following before making a pledge:

1. ***Time:*** Good mentoring takes time. You need to be prepared to invest the appropriate amount with your mentee; at least monthly, but more regular "check-ins" might be needed.

2. ***Good listener:*** Listening is an important skill for any manager. This is also the case in a mentoring relationship where you need to listen well, with an open-mind to know where to provide the necessary insights and guidance.

3. ***Commitment:*** Are you willing to actively support your mentee with your actions and words, sharing knowledge and expertise? As an expert in your field, are you keen to spend time with diverse mentees? Someone with whom may not share common backgrounds, values and goals?

4. ***Honest guidance:*** You need to be willing to share your successes and failures to provide your mentee with an authentic insight into lessons learned and why things worked or didn't work. Circumstances may require that you have to provide specific and constructive feedback to your mentee. Are you comfortable doing this? It might even mean pushing your mentee outside their comfort zone (which is where beautiful things happen!).

5. ***Learning mindset:*** Are you open to continued learning? Having a growth mindset will contribute to you being an effective mentor by keeping up with the latest trends and topics and potentially also being reversed-mentored.

Tips for mentees:

1. ***Expect support, not miracles:*** Keep your expectations realistic and be specific on the guidance you require. Be clear on the insight you want to gain from a professional and personal perspective. It should not only be about getting the next promotion.

2. ***Be forward-thinking:*** Focus most of your attention on your long-term goals. Although it is necessary to share where you're currently at; let your attention be on what you need to acquire to achieve these long-term goals.

3. ***Honour your commitments:*** This might sound very elementary, but be on time for meetings and respectful/appreciative of your mentors' investment in your career. Always respond promptly to your mentor's questions and comments.

4. ***Take ownership of your own development:*** Be enthusiastic and eager to learn; the best mentees are fun to work with. Choose to apply at least some of your mentor's ideas and suggestions and provide feedback on the impact and application of the suggestion.

The important question is: "Do you have the know-how and confidence to guide and lead quality conversations?" Many companies have a mentorship programme, but it sometimes requires a more structured approach to measure the return.

Anja van Beek consults with leaders and HR teams on all people-related aspects with a specific focus on integrating agile principles and practices. www.anjavanbeek.co.za

Loss at the heart of Change Management

Change management research leads one to believe that change will always be met with resistance. However, you may find that most people do not have a problem with change itself - rather they are resistant to the actual or perceived loss.

Individuals fear not being successful in a new way - the end result of what change brings - and so it's easier to hold on to the known.

Nevo Hadas from DYDX, explains the types of loss people experience and how managers can understand the impact of potential loss to successfully implement change.

How we currently perceive resistance to change

We know that change is inevitable and hard. We acknowledge that there will be unavoidable resistance to change and difficulty in getting individuals in the organisation onboard, but perhaps leaders are not encouraged enough to delve deeper into the 'why' behind individuals' fear.

Leaders don't have to be convinced of the benefits of change - they are already on board with change management projects. Due to this, they then typically expect that others in the business share their perspective and positive response. However, the alternative might be the reality. Particularly if the change is forced, employees may be predisposed to "negative" responses. This misalignment between the two perspectives means that negative responses in the business can therefore be frustrating or confusing, and often these emotions are perceived as taboo. Individuals may hide their hurt for fear that their responses could be interpreted as resistance to the change or even disloyalty to the organisation.

Types of loss

The recognition of loss as the emotion that employees experience is often what is forgotten in the overall change management process. Typically, we think of physical loss in terms of the loss of jobs, talent or specialised knowledge. The emotional loss of individuals goes widely unconsidered.

Bree Groff, the former CEO of Nobl, an organisational change consultancy, is one of the few to acknowledge this. She identified five key types of emotional losses that are important to acknowledge when designing and managing organisational change.

1. ***The loss of control.*** When change is forced upon people, they can experience the loss of their choice and control over external circumstances. Before, people may have felt autonomous, but change interferes with that and can make people feel that they've lost control over territory they may have had. People need to feel that they have a say, that they are making their own decisions and that things are not just *being done to them*.

2. ***The loss of pride.*** When change leaders talk about the ideal future and share how much better it will be, it downgrades the perception of the 'old'. For those who have put the time and effort into creating and running the old way of working that got the organisation to where it is today (and potentially served it well through trying past times), this could be offensive, depreciate their contribution and make them feel unappreciated.

3. ***The loss of the familiar.*** There is comfort in the status quo. Even if the system is not optimal, people have become experts in the process that exists. When change happens, people lose the familiarity of the environment as well as the expertise that they've built in understanding that environment and how it works.

Even if the change will result in something more efficient and improved, everyone has to start again with reorienting themselves and learning afresh.

4. ***The loss of narrative.*** A narrative suggests directions and purpose, one in which people understand how they contribute. With the change, people can feel that they have lost the narrative that they have understood and been telling about the company, which has an impact on how they view their place and their value in the organisation's story. Additionally, this could also mean people view a discrepancy between how they view the organisation and the change the organisation wants to make, which can feel to people like the organisation is deviating from its integrity.

5. ***The loss of time.*** Change requires effort and time. Those involved in the designing and running of change projects are often overloaded, usually due to the inevitable hiccups along the way. This is called *Kanter's law*, where everything can look like a failure in the middle as people make mistakes learning the new way of doing things.

Where to from here?

For change to be successful, the impact of loss needs to be understood and acknowledged by leaders. For change to be effectively facilitated and managed, leaders need to begin having discussions that they would typically prefer to avoid.

- ***Leaders need to understand the impact of grief:***

"Don't fear the pain and loss, anticipate it, embrace it, design for it", recommends Bree Groff. Change will not have much success if the loss and severity of it are not openly acknowledged. If grief is present, the mourning should be supported. Gone are the days of expecting individuals to leave their emotions at home.

While some leaders may be hesitant to open the Pandora's box of human emotions, there is evidence that there is greater harm in not engaging people's feelings, as opening the box only reveals emotions that already exist in the organisation. Leaders need to be self-aware and understand their own emotions if they are to be successful in understanding and supporting others.

- ***Leaders should design for the allowance of loss:***

Empathy is the first stage in design thinking. It is through empathy that leaders can put themselves into the position of others and understand how they view and feel about their circumstances.

Leaders don't have to be convinced - they are already on board. Due to this, they typically expect that others in the business share their perspective and positive response.

Much like design thinking, the understanding of the perception of others is a critical step in the change management process and should not be downplayed. In designing the change process, leaders must embrace potential emotional losses and plan for how to help people to adapt. By understanding how others feel, it is easier to recognise the concerns of individuals. Be cautious not to denounce the past way of doing things in the process of switching to the new. Acknowledge what the change really means for people and they will be supported in moving through their losses and grief to a better way of doing things.

- ***Leaders should frame the loss of not changing:***

As people are more affected by potential loss than by equal gain, leaders can highlight to individuals what could stand to be lost if change doesn't happen. By framing these failure-to-transform losses, organisations point out that there may be potential losses that accompany the change but there is a definite loss that comes with remaining the same.

This approach equalises the concern around loss and allows for leaders to take up the role of support to employees in a process of change rather than the villain imposing change upon the organisation.

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The Leader, the Monk and the Bull

Rewriting the story of leadership...

Who remembers the Monk who sold his Ferrari? I do, and I distinctly recall how the protagonist of the story jumped ship, washed his hands off his legal career, gave up his fancy house, his Ferrari(!) and literally disappeared. All because it got too much. The book unfolds after Julian suffers a heart attack from the magma of stress and decides, drastically, and pretty dramatically, to make a life change.

This kind of tragedy-turned-triumph story has for a long time become the badge of honour in our leadership arena. It goes like this: you work hard, you sacrifice everything, you make money, you lose yourself, your friends, you destroy relationships, you work harder, you stress out, you check out, you break, you get sick, you get sick again, you die or…you become a monk. And then you write a book and boom - you're back in the hero seat.

How is this success? Moreover, how is this leadership? Well, frankly, it's not, and it needs to be rewritten and redefined.

With increased demands and instant response time, business as we know it in the 21st century has become a bullet train tracking at a million miles a minute, placing volcanic expectations on our leaders to the point where watching them explode, break and burn, and then triumphantly rebuild themselves (if they're lucky) has found its way to the popcorn cruncher genre of our bookshelves. After all, who doesn't love a good get-back-up memoir?!

But why does leadership have to look like this? This sacrificial narrative is a red flag. It's becoming the benchmark that is sadly setting a harsh example for entry level job seekers and career climbers.

First-time job seekers and middle management players are concerned by the dreaded fate of a leadership title. They're too afraid to 'lead' or - heaven forbid - be recognised as a leader thanks to their record-breaking KPI's for fear of suffering a similar path. Ironic?

As a result, employees are shying away from 'too much' responsibility. They are not showing up enough; they're not stepping forward enough; they're leaving the "big stuff" to the big guns at the top of the hierarchy, simply because they're scared. And why wouldn't they be, when acquiring the title of "Leader" in a corporation may come with a healthy pay cheque, but also 25 doctor's bills and a one-way ticket to isolation in the Himalayas.

This should be a grave concern for the future of leadership in our organisations. The 'up and coming' cohort of employees are quickly turning into the 'scared and shadow' cohort by their own admission; they're changing their minds along the climb, or at worst, staying at entry level, because they believe it's safer and probably wiser to rather stick in the shadows than to shine in the boardroom.

As business owners, we need to change the language of leadership. It's our responsibility to break down the perception of leadership for the greater good of our people and our economy. We will never recycle or encourage our aspiring teams to step up and bring the best version of themselves to any position, if we, as leaders, succumb to the sufferance and keep showing up as frazzled, exhausted, cut-throat and stressed-out.

The example we lead by is the outcome we sow, which is why the majority of climbers believe that leader titles are only reserved for the smartest, the toughest, the bullish, the bravest and the most ruthless (and the most qualified); the ones that can stand the heat - and the heart attacks.

As leaders of today, our only hope for an encouraged generation of career chasers and climbers is to rewrite the meaning of leadership in our organisations. It's about transforming leadership into a company culture, not a promotional gain. A culture where everybody wants to lead because it looks good, feels good and ultimately, it ends well.

Founders, Directors, Managers: Let's do the future of our workforce a kindness and rewrite the book on leadership. Let's change the story and our teachings as leaders. Let's trash the misconceptions about the Top Dog Seat coming with a do-or-die price. Leadership is not this. It's not the lawyer's story nor the monk's story. Quite the contrary: it's our story. From CEO to cashier, the story of leadership does not start with its title and end in the ICU. It starts and ends with company culture - and this is a story that belongs to all of us.

CHANGING THE STORY OF LEADERSHIP: Four things you don't need to be...

1 You don't need a title to be a leader

The truth is, as a career hungry society we are too stuck on titles. The employee is led to believe their title defines the expectations. The lower the pay grade or the title, the lower the expectations, the easier it becomes not to lead. Many first-time job seekers resist the urge to climb in order to avoid the expectations of leadership. In my books, this slow-to-grow attitude is a result of fear of leadership. This kind of fear drives complacency and complacency is dangerous in any business.

Story Change: ***Make leadership a culture not a title.*** No matter the job description, everyone is a leader and is hired to lead. Teach your people to lead from their own seats. Whatever they are good at, encourage them to do it with pride, commitment and unique ability. No fancy title is required.

2 You don't need to burn out to be ordained a leader

Since when was it ever a pre-requisite to have "Burn-Out Experience" on your resumé? Never. Many managers, CEOs, FD's and MD's have adopted the burn and break method of leadership, as a means to prove themselves worthy of their "title". Bad idea. To lead - and lead authentically - requires flames of energy and enthusiasm. No flame no game, and ultimately no aspiring followers in your footsteps.

Story Change: ***Recognise 'Burn-Out Intelligence' as a key performance indicator.*** Become vocal about balance and wellness. Adopt a method of rest and recovery amongst your leaders and the idea that a healthy life develops a healthy leader.

3 You don't need to be ruthless

Did you know that the Volunteerism Industry in Australia, for example, is accounted for as one of the economy's most influential groups? Fact. That's what leadership looks like. It doesn't need to come with a dog-eat-dog behaviour. Nor does it come with a long-winded title. It comes with a "doing", a way of being. And another thing it comes with: empathy.

Story Change: ***Teach your people that leadership does not look like The Devil wears Prada.*** It doesn't have to be ugly and terrifying, with staff that are shaking in their boots. Leadership is not leadership if it's shrouded in power play; obliterate the stigma of the "A-hole Leader archetype" that shoots from the hip and only pushes the bottom line. Leadership is leadership when it listens and cares; when it's wrapped in integrity and authenticity. It's empathy, compassion and the little things – like fixing a warm cup of coffee when your customer arrives at your reception.

4 You don't need to become a monk

Hands up if you've heard a story of someone that left "corporate" to move to the countryside and start a chocolate fondant shop. It happens. A lot. Sadly, corporate environments have earned a bad rep for chasing people to...well...the Himalayas. Life-changes do not have to be this dramatic, and we're to blame. Our dramatic portrayal of leadership has a lot to do with these irrational career jumps by our colleagues and even our superiors.

Story Change: ***What if we developed our leaders to lead by example, and not by drama?*** What if we wrote books about Line Managers with happy families, spending quality time with their children, while still being able to get their work done, on time, and with excellence?

Develop your leaders to tell better stories about their leadership, to show a better way of being and to reveal that leadership doesn't have to cost you. It's meant to lift and inspire you, so you can inspire others. Do this, and your employees will no doubt feel safer to show up, and more satiated by climbing up the ladder, rather than jumping off it.

By Kerry Morris, CEO of award-winning recruitment and labour services agency, Tower Group.

And the award goes to...

Hard work, commitment and passion pays off for this inspiring leader.

LYNNE DU TOIT, CEO of one of South Africa's leading oncology companies, Eurolab, was recently recognised internationally for her clear vision on what the future of cancer treatment in South Africa (SA) should look like. She was selected out of seven CEOs of pharmaceutical companies from across the globe who had been shortlisted for the Congress of Pharmaceutical Ingredients (CPhI) Excellence in Pharma: CEO of the Year Award. Judges also selected her for her bold, forward-looking leadership, dynamism and contribution to the wider industry.

Speaking at the awards ceremony in Milan, Italy, in early November 2021, Lynne said, "I dedicate this award to my hard-working team at Eurolab in South Africa; to scientists and developers who advance cancer treatment; to cancer patients in SA and across the world; to oncologists and healthcare workers who care for these patients; and also to all women CEOs who have had to balance family and work commitments to get ahead."

"Aim to always do things better today than you did yesterday."
- Lynne Du Toit

Lynne is one of a small handful of women leaders in South Africa's pharmaceutical industry. She built her career in the face of the whirlwind of work demands and family responsibilities. After qualifying as a Registered Nurse and Midwife in the early 1980s, she worked in healthcare environments where the trainee doctors and academic professors were mostly men. "When I entered the corporate world as a medical rep, the situation was much the same - medical reps were mostly women and the management teams primarily men," she says.

"I quickly realised that it was going to be that much harder for me if I wanted to get ahead. But how the tables have turned over the last four decades! More and more women are rising into more senior positions, and I salute each and every one of them."

In the 1990s, Lynne was a key player in introducing efficiencies into the private GP sector, achieved through the recruitment of GPs into Medicross clinics which then led to the establishment of the Pharmacross brand in South Africa. This model expanded into 70 primary healthcare clinics in eight provinces, each offering a suite of healthcare services.

In 2011, Lynne joined forces with Gabe Simaan, Group Chairman of Eurolab, and founded Eurolab as a Pharmaceutical company specialising in Oncology medicine with a vision to make cancer treatments more accessible and affordable for all South Africans.

In 2012, she took up the reins as CEO of Eurolab, when she began to explore new partnerships and collaborations. Over the past decade, she has built Eurolab into a wholly owned South African company dedicated to oncology with five different divisions that together offer an integrated, whole-of cancer-solution to oncologists and their patients. Today, Eurolab has a medicine portfolio of over 30 products, and with the introduction of each new drug over the past decade, more patients have received cancer treatment at a more affordable price.

Lowering the costs of cancer medicine, making treatment more accessible and affordable, and bringing solutions previously only available abroad, into SA has underpinned her vision for the company. It is a vision that Lynne has realised and continues to pursue.

"Hard work, commitment and dedication is what has defined my success, there are no short cuts," she says. "My message to younger women who are ambitious and want to get ahead in their careers is to keep your eye on the goal, and wake up each day with renewed vigour and vision for what you want to achieve. If you want to get married and have a family, there will be sacrifices to be made, and you will need the love and support of your spouse, a strong faith and a resilient spirit."

"Know that failures will happen along the way and that sometimes you may even make wrong choices, but it is how you pick yourself up and keep moving that is what counts! Try and surround yourself with a good support system of wise people on whom you can rely. Always communicate with your family and especially your children, so that you have boundaries for work and home – it won't always be plain sailing! But children are resilient and forgiving and mostly learn by example. So cultivate good habits, discipline and a good work ethic while they are young – it will stand them in good stead as they grow up."

"Making a difference in the lives of others, makes me love what I do every day, and I couldn't be more grateful for the incredible people around me both in our Eurolab offices and at home who continue to inspire and motivate me to keep seeking new therapies and treatments for those cancer patients and their families in need of healing", she concludes.

Succession planning:
- developing leaders of tomorrow

Succession planning coupled with leadership development is an investment in HR that pays massive returns in productivity by unlocking the potential of employees. Paige Sherriff, Project Manager of the eThekwini Furniture Cluster (EFC), offers four key guidelines:

1 Focus on development

Succession planning must be a flexible system oriented toward development activities - but it's not just about training. Any learning is far more effective when it's coupled with real-life exposure. Action-learning programmes serve a dual purpose: they provide developmental experiences for employees (who look beyond functional silos to solve major problems and thus learn something of what it takes to be a general manager) and they continue to deliver a useful work product for the company.

2 Training for key positions

Succession planning should focus on key positions – jobs that are essential to the long-term health of the business and are typically difficult to fill. Developing the skills required for these roles will help identify experience or performance issues that could impact a promising employee's promotion. The result is a pool of potential successors, rather than a few leading contenders.

3 Make it transparent

Traditionally, succession planning has been shrouded in secrecy to avoid sapping the motivation of those who aren't on the fast track. The idea is that if employees don't know where they stand (and they stand on a low rung), they will continue to strive to climb the ladder. This thinking worked well in an older, paternalistic age, but given that employee contracts are usually based on performance, people will contribute more if they know what rung they're on. Employees are also often the best source of information about their skills and experiences. If they know what is needed to be a contender, they can take the steps needed.

4 Measure progress regularly

When companies move away from a 'replacement' mindset and meld leadership development and succession planning, measuring success is much easier. It's not enough to know who could replace a key manager; instead, companies should have a detailed plan to ensure that the right people are moving at the right pace into the right jobs at the right time. Frequent checks throughout the year can reveal potential issues before they arise.

TIPS for strategic tech leaders

+ Common mistakes to avoid...

Too frequently, IT and technology professionals are excluded from initial key business decisions. This means they are left to piece together the puzzle afterwards, resulting in increased expenditures, security concerns and siloed solutions. Thus, for tech leaders, it's important to lead their team strategically. Greg Gatherer at Liferay Africa, advises tech leaders to avoid these common mistakes;

1 Don't respond reactively to requests

While the initial impulse may be to meet everyone's requests and put out daily fires, this puts the team and technology in the backseat, rather than being a main driver of the organisation. Rather than allowing different business departments to dictate what technology they require at any given time, sit down with these teams and assess what they truly require. Strategic leaders should be able to collaborate in order to identify the most effective tools or approaches for resolving these issues.

Ask the following questions:

- What goal are you trying to achieve with this request?
- Is there something existing in place that can be used?
- Is there a more efficient way to meet these needs?

2 Don't work in a silo

While information technology and technology teams are not directly associated with other departments, they have a direct impact on the success of their activities through the applications and systems they design or buy for these teams. Technology leaders must go beyond this particular team or project to ensure the success of these solutions.

Break the silo mindset by asking:

- Are there other teams who are struggling with a similar problem?
- Are there other teams who would benefit from a similar solution?
- How does this play into the overall organisation's success?
- How can we leverage this solution for other teams?

3 Don't focus on the short-term

Immediate needs arise and should be addressed, but should be done so with thoughtfulness. Tech teams can step in to be integral to organisation-wide success by thinking beyond immediate needs, and looking toward long-term solutions that empower the entire business.

For example, instead of investing in a single point solution, strategic leaders may explore a more holistic option that can address both present and coming needs.

4 Don't just think regionally

We've all heard the adage: "think globally, act locally". This can be challenging, as many businesses with a corporate-local office structure struggle with offices separating in their own silo, creating different procedures and policies from location to location. But, strategic leaders will find better ways to unify the entire business so that everyone is consistent in how to solve issues, find the right tools, and scale efficiently.

5 Don't try to build everything in-house

Traditionally, IT leaders have preferred to build custom applications in-house rather than trying to deal with a third-party solution that might not meet their needs or will fail to connect with existing systems.

But, while many IT teams are more than capable of building tailored solutions, the question shouldn't be whether or not they can - rather if they should build something new.

There are several factors to be taken into account:

- What is the cost and effort required to build and maintain a custom solution vs. purchased?
- How easily will the solution integrate with not only existing applications and systems, but also future ones?
- How much time will be needed to launch and manage a custom vs. a purchased solution?

By avoiding these errors, leaders can transition from reactive to strategic thinking, narrow-minded to broad-minded thinking, and ultimately from a 'supporting character' to playing a crucial role in business success.

How to foster innovation

Innovation is not a tangible metric to be met. Rather it is a culture and mindset that stems from stakeholders and leaders filtering all the way down to the engineers and testers.

Kevin Liebenberg, a Developer at Biz Dev (A Bizmod company) suggests the following:

• Trust your experts and allow autonomy.
Often extremely accomplished engineers are hindered by micro-management and inflexible processes. Allow those with incredible skills to utilise these as they feel necessary. Remember these individuals developed these skills on their own in the first place, so don't limit their ability to what is easily understandable by non-technical drivers.

• Remove specific dates from timelines and roadmaps.
These often create tension between stakeholders and engineers. A roadmap should rather be the strategic plan for the future with an overview of the intended goals and strategy. It should never be used as a promise of delivery to executives.

• Do not push back on effort estimations, rather unpack and plan on a more granular level.
Unintended bugs and faulty systems that are not maintainable are often a result of decreasing project time and intentionally causing a critical situation. This often leads to engineers burning out, which not only affects the current project, but potentially impacts subsequent projects and timelines.

• Understanding the why, both for stakeholders and engineers.
The reason for the approach or introducing certain technology is just as important as the solution. Understanding the why allows all participants to contribute to future meetings and solutions but most importantly to not intentionally build a feature that will later turn out to be a stumbling block for future iterations.

• Frequent communication, to stakeholders and customers.
Often stakeholders are not present until something is awry or a project is coming to a close, and this creates a disconnect between the promises made in the conceptualisation of the project and reality of the situation come delivery.

• Bring in outsiders - individuals who have worked in different industries and on different projects and different customers.
These individuals offer a vast and different skillset to the ones already present and may be all that's needed to overcome a hurdle and impact the culture positively. They are not hindered by old failures and bad meetings, previous relationships or hierarchy. Take note of the questions they ask when getting up to speed and value their perspective of the system as an outsider with professional skills.

• Have a strong feedback loop.
To set goals, evaluate progress and understand how decisions made affected the outcome.

• Acknowledge success.
Make a point to acknowledge individuals who perform. This not only motivates the employee but can often drive others to innovate, reflect and improve themselves in search of such recognition.

• Accountability of all parties.
A good team culture of accountability starts with well-defined tasks and understanding each person's roles and capabilities in the team.

• Find the balance between tech and sustainability.
Not allowing new technology can be a huge hindrance to innovation, just as much as pushing too much new technology without a valid use or purpose.

By having a clear understanding of not only the needs of the business, but also the skills that are already present in the organisation, innovation can be fostered without a negative impact on timelines and output. Liebenberg concludes, "All employees play a role in creating the organisational reputation of innovation and creativity that brings value, but this messaging needs to initially come from the stakeholders and leaders."

OPINION

Open source

- What vaccines taught us about innovation

Mention open source and most people will probably conjure up images of geeks in Linux shirts working on operating systems that are unfathomable to the average person. But in truth, open source is crucial to so much of the way the world operates.

All of the top tech giants, Amazon, Google, IBM and even Microsoft are built on top of open source platforms. Additionally, there are more than 3-billion active devices running Android, Google's open source operating system. And Github, the world's largest source code repository, is also open-source.

Open source is, in other words, all around us. It's so ubiquitous that many of us don't even notice it. And its importance is once again being underlined during the pandemic and the development of the vaccines which offer the best path back to any kind of normal.

Fast, agile collaboration

The speed with which the various COVID-19 vaccines currently in use were developed is nothing short of astonishment. It would also not have been possible without unprecedented levels of funding, urgency and, perhaps most importantly, global cooperation and sharing of knowledge. The last of these is a central tenet of the open source community.

It should hardly be surprising then that even before the vaccine, open source was being used to understand factors that drove the spread of COVID-19. *RapidPro*, for example, is a free open source software that allows users to easily build and scale mobile-based applications from anywhere in the world, and works via simple text messaging (or platforms like WhatsApp), so organisations can gather crucial data directly from individuals, even in hard-to-reach places.

Among the cities which are using the app for their COVID-19 response is Mexico City, which is the sixth-largest metropolitan area in the world. There are similar stories with many other platforms, data sets, and tools around the globe. These tools are only able to be rapidly adapted to different local conditions and needs because they're open source.

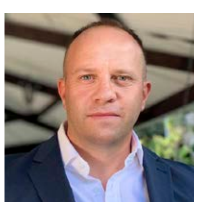
There is now a strong argument for this kind of open source approach to be taken with the vaccines themselves. Taking a fully open source approach, some have argued, would open up access and end vaccine inequality, just as it did with Polio. In a significant step towards this, India recently made its vaccine platform open source and is reviewing more than 100 applications from private firms for their integration with the platform.

Lifting everyone

The broader point, and lesson for business, is that everybody benefits when we innovate openly. We'd all be in a much worse place when it comes to COVID-19 if people weren't willing to share knowledge and data. And there can be absolutely no doubt that the internet would be poorer without the likes of WordPress and Github. The really big thing in open source's favour is the fact that lots of people are working on it all the time. Most open source platforms are backed by vibrant communities that quickly identify problems and build solutions.

Far from discouraging innovation, open source inspires it, not least because it allows organisations to focus on what really sets them apart. Whether that's writing, ecommerce, or insurance, open-source allows them to always be current from a technology perspective. Moreover, it allows them to operate knowing that if they have a technical challenge, there's a strong chance that someone's faced it before. Additionally, they know that they'll be able to reciprocate the favour down the line.

Even amidst the most difficult changes, we've witnessed unprecedented innovation across a wide range of fields in the last two years. That won't slow down. If you want to embrace that innovation, you need to embrace open source.



By Greg Gatherer,
Account Manager, Liferay.

CYBERCRIME: Don't make the headlines for the wrong reasons

A recently released report by the International Criminal Police Organisation (Interpol) shows that South Africa had 230 million threat detections in total in 2021.

The exploitation of these vulnerabilities within the country was further highlighted by Accenture, who identified that South Africa has the third-highest number of cybercrime victims worldwide, at a cost of R2.2 billion a year.

According to Interpol, the top five threats in Africa are online scams, digital extortion, business email compromise, ransomware and botnets.

Most attacks are not conducted by one-off opportunists. Cybercriminals operate in highly organised criminal networks and spend a great deal of time and money on research and development arms, complete with the latest technology and social engineering, to make their attacks highly sophisticated.

▪ Online scams

These attacks tend to target older generations who are less digitally savvy. Usually, they are more trusting and unfortunately, often have more to lose. Many of these scams tend to mimic communication from a bank to exploit the trust and respect older people hold towards bankers and the role they have played in their lives. To make matters worse, the scams are becoming more elaborate, believable, and to an untrained or inexperienced person, appear to be legitimate and plausible.

▪ Digital extortion

This one may have taken many people by surprise. By mere virtue of this being online, digital natives such as school goers or those in their early 20s may well be most at risk. This type of scam runs on the threat of extreme social and reputational damage. While avoiding extortion is easy if one does not partake in dangerous activities such as sending compromising selfies, the younger age groups tend to find themselves in these situations more often.

▪ Business email compromise (BEC)

Better known as phishing, these scams involve sending emails purporting to be from reputable or well-known companies to trick people into revealing personal information such as passwords or PINs. Remote working has exacerbated this phenomenon, because many employees are not working within secure corporate networks, or not being given (or are ignoring!) the cyber security training that could keep them safe, giving the criminals a far bigger attack surface.

▪ Ransomware

This form of extortion has cost the world $20 billion in 2021 so far, and is set to increase by more than ten times that amount by 2031. No wonder it gives many enterprise leaders sleepless nights, as it can be very profitable for criminals and can inflict untold reputational harm on companies. Ransomware becomes successful when organisations choose to pay the ransom rather than suffer public embarrassment of the debacle which would follow a complete loss of data. The criminals behind ransomware attacks are organised and sophisticated and present arguably the single biggest threat to corporate Africa, with one company falling prey to such demands every 11 seconds.

The level of risk posed by ransomware is to some degree dependent on the core business. For example, a business that runs its core functions digitally, such as a bank, would suffer catastrophic losses if it were to lose its data, whereas a manufacturer would still be at significant risk, but it wouldn't necessarily lose its ability to generate revenue. However, reputational damage and loss of customer trust and confidence can be big enough to lead to the demise of a business regardless of sector. This means no industry can think they're immune to the negative effects of Ransomware.

Botnets

This is typically how hackers hide. They use compromised corporate and personal computers to orchestrate and launch their attacks, which means the trail goes cold fairly quickly. If an organisation does not run regular virus and malware scans, they run the risk of inadvertently helping hackers gain access to their network computers.

What can organisations do?

The executive-level managers within a company (C-suite) play a crucial role in the fight against cybercrime, needing to play their part in recognising collective ownership of corporate and customer data. All departments use data for business advantage and decision-making. So, board members need to support the security and technology strategy, investment and policy being driven by their CIO/CISO colleagues. Building an effective cyber resiliency strategy also requires the buy-in and commitment of all departments to help communicate and monitor its ongoing progress.

Additionally, an effective cyber resiliency strategy must work in harmony across all divisions and layers of a business. Prevention should always be priority number one, but in the event of a breach or attack, the company must have a disaster recovery plan in place, which is understood and communicated. Any Ransomware or cyber attack could be catastrophic and so there should never be a compromise on how threats are prepared for or treated.

While an enterprise is a large organism, its people are the front line of defence. This means ongoing education around how to identify suspicious emails or threats, and how to manage sensitive data so as to minimise phishing and botnet incursions. These are avoidable, but they require strong mailbox management with junk folder mail deposit rules to isolate possible threats, and machine learning and artificial intelligence tools that are designed to minimise chances of the mails getting through to the user's inbox.

Technology has advanced significantly in the past two years and so companies should consider deploying modern data protection toolsets and strategies to ensure data recoverability in the event of a serious breach.

Backup and recovery

Criminals have evolved, and so should businesses. It is no longer good enough to have an outdated 3-2-1 backup mindset – three copies, on two different media with one copy being offsite. Today, and in an effort to protect data effectively against rapidly evolving threats, best practice adds two more layers to the old rule to become 3-2-1-1-0 – three copies of data, two on different media, one off-site and one copy that is air-gapped or immutable, and restored with zero errors so that the vulnerability is not restored back into production.

It is important to understand how cyber criminals are attacking consumers and businesses alike, and then developing a methodical preparedness and backup strategy that is driven from the C-suite down, and which is founded on best-practice and modern data management.

By Chris Norton,
Regional Director of Veeam.

2022: What's to come...

Bad actors have taken note of successful tactics from 2021, including those making headlines tied to ransomware, nation states, social media and the shifting reliance on a remote workforce. In October this year, McAfee Enterprise and FireEye released its *2022 Threat Predictions.* Experts are expecting cybercriminals to pivot those into next years' campaigns and grow in sophistication, wielding the potential to wreak more havoc across the globe. Top predictions include:

→ ***Lazarus wants to add you as a friend.*** Nation States will weaponise social media to target more enterprise professionals and infiltrate organisations.

→ ***Help wanted: Bad guys with benefits.*** Nation states will increase their offensive operations by leveraging cybercriminals, prompting companies to audit their visibility and learn from operations conducted by actors targeting their sectors.

→ ***Game of Ransomware Thrones.*** Self-reliant cybercrime groups will shift the balance of power within the RaaS eco-kingdom from those who control the ransomware to those who control the victim's networks.

→ ***Ransomware for dummies.*** Less-skilled operators won't have to bend the knee in RaaS model power shift as they leverage the expertise encoded by more skilled ransomware developers.

→ ***Keep a close eye on API.*** 5G and IoT traffic between API services and apps will make them increasingly lucrative targets, causing unwanted exposure of information.

→ ***Hijackers will target your application containers.*** Expanded exploitation of containers and vulnerable applications will lead to endpoint resource takeovers.

→ ***Zero cares about zero-days.*** The time to repurpose vulnerabilities into working exploits will be measured in hours and there's nothing you can do about it... except patch.

Read the full report here.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