



Stellenbosch
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forward together
sonke siya phambili
saam vorentoe

DOING BUSINESS IN SOUTHERN AFRICA

Summer School: 2023/2024

Coordinators: Prof CD Pentz & Ms A Berning

Introduction

Sub-Saharan Africa, home to an estimated 1.2 billion people, is a diverse continent that offers abundant human and natural resources. With the world's largest free trade area the continent is creating a pioneering development path by harnessing the potential of its resources and people (The World Bank in Africa, 2020). African countries are experiencing rapid growth. According to a report by the World Economic Forum, six of the world's ten fastest-growing economies are located in Africa and for the period 2014 to 2050, PwC projects that Nigeria, South Africa, and Egypt will remain in the top 10 (Signé & Gurib-Fakim, 2019).

Doing business in the Southern Africa context is a very unique experience as there are various environmental factors that have an influence on how business is conducted on a daily basis. Additionally, South Africa has a major informal economy which includes millions of South Africans that have informal jobs, work exclusively for cash, and then also pay with cash which makes various transactions untraceable for the tax revenue services. Furthermore, South Africa's third sector, which includes almost 300 000 non-profit and non-governmental organizations, try to deliver various services to poverty-stricken areas where both private and public organizations do not want to operate.

This course aims to assist students to investigate the unique institutional and policy conditions in Southern African countries, within a global perspective. The knowledge gained will not only allow future entrepreneurs and managers to understand the challenges that will confront their businesses, but will also allow them to identify the vast opportunities that this rapidly growing region offers and will aim to equip them with skills to capitalise on these potential opportunities.

Course information

Doing Business in Southern Africa is an 10-day program that is worth 5 USA (10 ECTS) credits. The following lecturers are responsible for coordinating the course and can be contacted with any course related queries:

Prof Chris Pentz cdpentz@sun.ac.za	Ms Anika Berning aberning@sun.ac.za
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The main learning outcomes of this course are for students to:

- Be able to think analytically about the Southern African business context (within a global context) and demonstrate problem solving abilities with regard to the local context.
- Apply theories and key concepts in the field of strategic marketing and management, entrepreneurship, social responsibility and leadership, specifically in the Southern African context.
- Assess business issues and formulate solutions within the relevant context.
- Be able to contribute substantively to group discussions and projects.
- Demonstrate leadership skills within group assignments.
- Produce clear, well organized written communication, as well as verbal presentations.

Course presentation

A balance between theory and practical application thereof will be maintained throughout the course.

Registered students can expect the following:

- Lectures conducted by Stellenbosch University, and other South African experts;
- Educational excursions to prominent South African and global businesses;
- Interactive classes – driven by discussion and student presentations.
- Visits to local surroundings to provide a thorough view of the business arena in South Africa.
- Please note that all excursions are subject to change depending on the availability of spots.

Course program & dates

The course is theoretically based, but a concerted effort is made to supplement theoretical principles with practical examples/case studies and educational excursions to surrounding organizations and local businesses.

The following table provides more information on the topics to be discussed:

Main topic per day and brief description	
Day 1	Facilitator: Prof CD Pentz
<u>Morning session</u>	
Welcome and introduction to the course	
An introduction to business practices	
A broad overview of business practices will be provided and the organisational environment (micro, market, macro) will be discussed. This section will also include an overview of core marketing principles.	
<u>Afternoon session</u>	
Babylonstoring visit. Babylonstoren is one of the oldest Cape Dutch farms, set at the foot of Simonsberg in the Franschhoek wine valley. It has a fruit and vegetable garden of beauty and diversity, unique accommodation, fine food and wine, and evokes a sense of wellbeing.	



Morning session**An overview of global business practices**

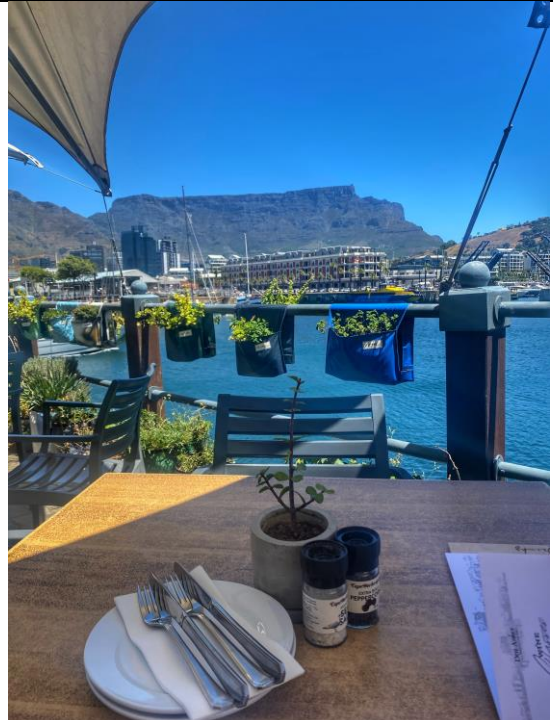
This section will commence with a discussion of global trends impacting businesses and will be followed by a discussion on the importance of global business and major aspects to consider when approaching global markets.

Afternoon session

Preparation activity for V&A visit / Culture paper



Full day [V&A Waterfront](#) visit. We visit international businesses who have established branches in the South African economy. This allows students to compare and contrast how international businesses adapt to our local context. We visit the Mocoa Museum in the famous Silo District, as well as the world-renowned Lindt emporium.



Day 4

Facilitator: Prof CD Pentz

Morning session

An overview of business practices in developing markets

The importance of developing markets as well as the major challenges to enter these markets are addressed in this session.

Afternoon session

[Lourensford](#) visit. Lourensford Estate was once part of neighbouring Vergelegen, which was established by Willem Adriaan van der Stel in 1709. The Estate has a proud history as a world class fruit farm and the winemaking tradition was revived when Dr Christo Wiese purchased Lourensford in 1998.



Morning session**An overview of business practices in African, and specifically Southern African markets**

This session will focus on the African continent as an important business destination and special emphasis will be placed on South Africa as a potential lucrative market for international investors.

Afternoon session

[Simonsig](#) / [KWV](#) visit. Simonsig Wine Estate is synonymous with the history of the South African wine industry, the Stellenbosch wine region, and the Malan family name. These elements are intertwined in this family-owned farm, where the late Frans Malan produced the first bottle of our much-loved Kaapse Vonkel, South Africa's first Méthode Cap Classique made in the classic bottle-fermented style.

**Morning session****An overview of the importance of entrepreneurship in a developing country.**

This session will focus on the importance of entrepreneurship and self-sufficiency in a country with a 30% unemployment rate which only escalates as COVID-19 rages on.

Afternoon session

[Cocreate Hub](#) visit. For many years, the old clinic at 7 Victoria Street in the town of Stellenbosch nurtured the physical health of local communities. The newly refurbished CoCreate Hub now offers a welcoming gathering space that nurtures the vibrant entrepreneurial spirit in our midst – and offers residents and visitors to the town the opportunity to buy local, eat local and connect local.



Day 7

Facilitators: Ms A Berning

Morning session

An overview of the role of corporate social responsibility in South Africa.

The importance of corporates realizing their role and social responsibility in a society which is highly divided as a result of poverty, unemployment, and a lack of support and resources from government.

Afternoon session

Kayamandi walking tour. Like many townships, Kayamandi was founded in the 1950s as a specific non-whites area for laborers who were working on the surrounding farms. It continues to grow to this day, and new houses are clearly visible at the top of the ridgeline. The official census figure of 24000 inhabitants almost certainly is a low estimate. Water, such an abundant necessity in a township, sits tantalizingly close to Kayamandi in the form of irrigation dams for the vineyards.



Day 8

Facilitator: Ms A Berning

Morning session

An overview of appropriate strategies for small business success

Small businesses formulate a large part of the South African economy and it is important to ensure these small players implement the right strategies to ensure sustainability and growth.

Afternoon session

Business Model canvas activity and groupwork.

Morning session**An overview of the non-profit sector in South Africa and the impact thereof on social issues and business development**

The third sector in South Africa consists of over 250 000 registered non-profit organisations. These organisations play a vital role in delivering social services and providing employment for millions of South Africans while government fails to do so.

Afternoon session

Assignment 1 groupwork.

Final presentations for Assignment 1.

*Lecture times and excursions are from: 09h00 – 12h00 (morning) & 13h00 – 16h00 (afternoon).

*Comfort breaks will be taken during class sessions.

Assessments

In the following section a brief description of the compulsory assessments that can be expected for the *Doing Business in Southern Africa* module is provided. More detail on these assessments will be provided in a separate document. The submission date for the written assignments and the project presentations is scheduled during the course.

ASSIGNMENT 1: (Business idea for South Africa) (70% of final mark)

For this assignment students will have to identify a gap in the South African business market and develop and execute a viable business idea to commercially address this gap. It is important to note that the business idea should be related to needs that have developed, specifically as a result of the COVID-19 pandemic. Research and arguments should be based on what students have learnt during the course, as well as from other research conducted.

The assignment will be assessed in two parts namely a written part and a presentation:

Part 1 – The written assignment will count for 55% of the final mark for the module.

Part 2 – The presentation will count for 15% of the final mark for the module.

ASSIGNMENT 2: ENTREPRENEURSHIP AND ITS FOUNDATIONS IN SOUTHERN AFRICA (15 % of final mark)

This assignment comprises mainly of a case study analysis of Capitec Bank from which each student will use the information analysed to compile a *Business Model Canvas* for the case at hand. Furthermore, the assignment assesses your ability to use multiple sources of information and extract only that which is important for the *Business Model Canvas*. In conclusion, a student should be able to consider the information and argue if they think Capitec Bank can make any changes or improvements within their business model.

ASSIGNMENT 3: CULTURE INVESTIGATION (15 % of final mark)

In this assignment students will be expected to investigate and write an essay on the main culture of any developing country. Students will also be expected to provide practical advice to potential business people wishing to do business in the specific developing country (for example: business protocol, ways of greeting, eating habits and gifts that would be appropriate and inappropriate).