



Informing Business Career Decisions

5th ISSUE: QUARTERLY - FEBRUARY 2018 EDITION

THE CFO TV SERIES

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See pg.37



They Flew Into Johannesburg – South Africa; &
Left With The Trophies!

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NOTE FROM THE MANAGING EDITOR



**BUT, WHO EXACTLY ARE THESE STUDENTS
-TURNED FUTURE LEADERS?
HOW DID THEY PROVE IT? AND,
WHAT DOES THIS MEAN FOR
THEIR CAREERS?**

In our just released 5th edition, we dwell on the ‘What’, ‘How’ and ‘Why’ of this huge gap between what goes on in the classroom (theory) and what obtains in the real-world. The aim: to wish you a happy New Year -2018, with yet, another set of insightful ideas that would power your career, faster!

The *Cover Story* (pg. 18), profiles The CharterQuest Future CFOs and Business Leaders 2017 champions; four (4) students from University of Münster (Germany) and four (4) from the Westville Boys’ High School (KwaZulu-Natal, South Africa). They flew into Johannesburg to compete -and left with the trophies, plus R150, 000 cash prize! But, who exactly are these students -turned future leaders? How did they prove it? And, what does this mean for their careers? This main story, together with our *Unsung Heroes and Heroines* (pg. 26), profiles the High School Principal and the Accounting Teacher behind their success -and the *Events* review section (pg. 34), will leave you mouth-watering! The show is rapidly becoming an ‘Idols’ in the education space, airing across Africa, on Mindset DSTV’s Channel 319, amongst others (pg. 37).

In *The MBA Decision* (pg. 08), we controversially argue that you should not do an MBA if (1) you have to delay a professional qualification in order to do so; (2) you will be specialising; and (3) your undergraduate degree is in a business management field. In *From Theory To Practice* (pg. 10), we distinguish between ‘deductive’ and ‘inductive’ reasoning in appreciating the profound disconnect between classroom theory and the real-world, and underline 3 key presumptions to help you manage the transition: the ‘rationale man headache’, the ‘ceteris paribus fallacy’ and ‘the perfect world rubbish.’

In *Finance and Entrepreneurial Acumen* (pg. 32), we profile Busisiwe Mavuso, 39, COO (and CEO Designate of Business Leadership South Africa (BLSA) –and, recently appointed Non-Executive Director of Eskom. If you are an aspirational black child from a poor background, her career journey has plenty to inspire yours: she passed matric but could not finance university studies (Thank God! Free tertiary education may resolve this for many) –so, she got a job, enrolled part-time with UNISA, and built her career from the bottom-up: Bookkeeper –to Accountant –to CFO –to MD –to COO –to Eskom Director. We argue that her career journey is 2 steps forward and 1 step backwards –she denies! Why? She is CEO Designate of the leading business advocacy body in the country –BLSA, and she is set to take centre stage, her characteristic fight for better black executive representation in the country! And she has only just begun!

Have a joy ride with The Future CFO Magazine -February 2018 edition! ■

A handwritten signature in black ink, appearing to read 'D. Valentine Nti'.

D. Valentine Nti

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Think Ahead

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"... I think all good teachers aim to take their students beyond the curriculum. The Curriculum (CAPS) assessed by the three examining bodies (i.e. DBE, IEB and SACAI) has generally been bench-marked favourably with that of other overseas examining bodies. However, this competition fills a vital gap in enabling students to connect their theoretical knowledge with the practical world of work..."

Trevor Hall, Principal of Westville Boys' High School (WBHS), KwaZulu-Natal.



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Barbara Wies, Accounting Teacher and Mentor (WBHS).

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"...As the COO and Executive Director of Business Leadership South Africa (BLSA), I have an opportunity to influence and shape the thinking of the organisation whose members are 80 CEOs of the top JSE listed companies..."

Busisiwe Mavuso, MBL

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THE MBA DECISION:

3 COMMON PITFALLS TO AVOID!

A Master Degree in Business Administration (MBA) remains, arguably, South Africa's (-and the World's) most popular and expensive business qualification. Why? It is instantly recognised by the markets (employers); assuming obviously, that the conferring institution or university is fully accredited.

The costs incurred to attain it, however, can be quite prohibitive! The direct cash costs (e.g. tuition fees, books) are fairly predictable, hence can be managed and controlled –yet, this is the smaller cost component. Intriguingly, the bigger cost component is the most unpredictable; it happens to be the indirect or opportunity costs on your career (e.g. competing career objectives, family or social time subordinated in order to make way for MBA time).

With so much proliferation of MBAs and MBA holders, in making a decision on whether or not to pursue one - at any given point in your career, we strongly suggest you take prudent steps to manage the 'unpredictable' indirect career (opportunity) costs. This is even more important for entry to mid-level professionals, 24 to 34, seeking to embark on an MBA in order to fast track their career to senior executive level.

1. DON'T PURSUE AN MBA IF YOU MUST DELAY OR FORGO A SPECIALIST PROFESSIONAL QUALIFICATION IN ORDER TO DO SO

Professional Bodies that design and control various specialist qualifications, based on their industry research, presume that at the very senior level within the profession, *a specialist professional will be more involved*

with management than doing technical or specialist work -so, they typically incorporate an appropriate degree of management training in their curriculum. As people generally build their career from a specialist (or technical) field into general (or more senior management roles) and not the other way around, it is only sensible

that you should first build your specialist professional skills, by first obtaining the relevant professional qualification in your chosen field, before embarking on an MBA. This, as pointed out before, is especially so because the management skills necessary to first get to the top of your specialist area is typically already incorporated in the professional qualification you ideally, first need to obtain.

Keep in mind that an MBA develops your general business acumen (Marketing, Human

Resources, Finance, Operations, etc.) but hardly deepens your specialist or technical skills in any one specific discipline -so, *first professionalise and get to the top of that profession before embarking on an MBA!*

2. DON'T PURSUE AN MBA IF YOU WILL BE SPECIALISING

This may sound contradictory to our first counsel, but it is not the case! The value proposition of an MBA in the first place is that your undergraduate training and work experience, hitherto, is in a specialist field, and you now seek to broaden your management skills outside of any single specialist area, to cover the business more broadly –hence an MBA can only make sense as a General Management qualification.

No amount of electives or optional specialist modules, however narrowly-allowed by your university - and selected by you, in the final year of your MBA - will adequately make you a specialist in that area. So,



"...be wary of degrees such as MBA in Finance or MBA in Project Management; these are mere adaptations by academics who seek to make the MBA more appealing to a wider market, and boost student enrolments..."

If you want to specialise in say Finance or Project Management at the masters' degree level, rather take up an MSc. or M.Com in Finance -or, in Project Management; or, you should pursue the appropriate professional designation in that specialist area, such as becoming a Chartered Financial Analyst (CFA) or a Project Management Professional (PMP).

3. DON'T PURSUE AN MBA IF YOUR UNDERGRADUATE DEGREE IS IN A BUSINESS MANAGEMENT, OR RELATED FIELD

Let's face it, an MBA may be a post-graduate (or, post honours) qualification, but take a close look at every other MBA curriculum, and you cannot mistake the conclusion that it is designed to introduce you to all the functional areas of a business and its environment (e.g. Accounting, Corporate Finance, Marketing, Information Systems, Operations, Human Resources, Strategy, Economics). It turns out that most, if not all undergraduate degrees in the Business Management field, broadly speaking (e.g. BCOM/PT in Accounting, BCOM Marketing, BCOM Human Resources) all share very similar modules in your first year at the university, and these modules are mostly designed to introduce you to the functional areas of a business -and its environment, before you begin to specialise in subsequent years.

An MBA degree by its nature,

therefore, was designed to formally introduce you to Business Management, especially for individuals who have pursued an undergraduate degree in non-business management disciplines and now find themselves in, or, about to embark on a career in Business Management (e.g. a Computer Science graduate becoming an IT Manager; a Chemical Engineering graduate becoming a Project Engineer, or Manager of Chemical Plant).

Such a professional would have hardly studied Business Management at the undergraduate degree level, and would have started their career in a specialist role; and now having grown to become a functional or general manager, may find their knowledge of business could be augmented by formally pursuing a business management qualification. They would therefore, naturally go for an MBA, as it is a level higher than the undergraduate (or honours) degree they hold, as the MBA is designed for, and with such an individual in mind. Imagine that you had already obtained your undergraduate (or honours) degree in a Business Management field, and you find yourself on this MBA, you are most likely to find the work quite basic or introductory, than your class mate who came from, say, Computer Science or IT background!

We are not by this, suggesting that we do not value the practical value of learning from others in a team setting as you get from a typical MBA, or, oblivious of the opportunity to develop your knowledge from introductory to advance level, if you already hold an undergraduate degree in a business field; all we are stating is that you should not overestimate the extra knowledge you will get, compared to say an individual from a non-business

undergraduate degree background.

CONCLUSION

We have explored 3 key pitfalls you should avoid in embarking on an MBA: (1) Don't pursue one if you must delay or forgo a specialist professional qualification in order to do so; (2) Don't pursue an MBA if you will be specialising; and (3) Don't pursue one if your undergraduate degree is in a Business Management, or related field. This is true for most but not all -and even for the many it is true for, this is really about reducing the unpredictable (opportunity) costs of pursuing this career 'adventure'. It is not at all, and we repeat, not at all about questioning the real benefits of getting an MBA. It is in the main, about how to minimise the overall costs, so as to maximise the net career benefits. The opportunity costs of an MBA are real; just because you cannot quantify them does not mean you should ignore them -they are relevant to your MBA decision. So, take steps to minimise them, by avoiding these 3 pitfalls! ■

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FROM THEORY TO PRACTICE:

HOW CAN I MANAGE THE DISCONNECT?

Any professional will concede that the world between the classroom theory (or the textbook) is often far disconnected from the reality we encounter in the real world. Off course, employers know this too well, but, faced with fierce competitive pressures to deliver to key stakeholders (e.g customers or suppliers), there is often insufficient time and resources devoted to your readiness to translate that ‘theory’, to help solve the real world problems -for which you were, or will be inevitably hired. In fact, most employers expect that you would have mastered this already from school; which is often not necessarily the case – [see ‘Are You Preparing For Exams Or, Career Success?’](#)

As opposed to the pure sciences or the liberal arts, the

field of finance and business is a social science -so, one could underline some broad presumptions to clarify the disconnect between the theory and the real-world. In this piece, we delve into these broad presumptions, and then, in subsequent editions, we explore the disconnect between the main theories that underpin each field of study, and the real world practice -starting with Accounting and Financial Management; and then offer some career tips to effectively transition you!

THE APPROACH TO REASONING REQUIRED TO GRASP THE THEORY AND, WHAT IS REQUIRED TO PRACTICE -ARE FUNDAMENTALLY OPPOSED TO ONE ANOTHER

A theory is a Body of Knowledge, typically codified in a textbook, usually, a system of ideas or mental models of perceived reality (assumptions, principles, rules,

formula, conventions, propositions, or hypothesis) that attempt to account for a situation, or provide a plausible, scientifically-accepted or rational explanation of cause-and-effect (causal) relationships among a group of observed phenomenon -and hence, useful in justifiably prescribing a course of action. The development of theory in the social sciences field broadly, and in particular, the accounting and business fields, relies on 2 broad strands of reasoning -deductive and inductive reasoning:

1. Deductive Reasoning: The basic premise of deductive reasoning (sometimes called inferential) is basic logic or rationality of the form: *if A is bigger than B and B is bigger than C, then C must be bigger than A*. Alternatively, if we assume the pass mark of an exam is set higher at 60% instead of 50%, then the student will work a lot harder to pass the exams. Deductive reasoning moves from the general to the specific –we want the students to study harder, so we raise the pass mark, and say teach better; and then we prescribe the assumption that the students will do what is necessary to pass exams!

Let's relate that to finance and business a bit:

"...If we accept the premise or assumption that a business exists to maximise profit, then we can deduce -even without ever having worked in any business -that it will be seeking at any given time, to grow its revenues and minimising its costs. This means effectively, you are studying a range of ideas, assumptions and propositions about what you expect to find in the real-world upon your graduation!..."

2. Inductive Reasoning: Under this premise, things move in the opposite direction to what deductive reasoning prescribes, that is, from specific to general. The precondition is that you

observe a real world phenomenon e.g. a meticulous analysis of the financial data of a company in one's mind could be seen to form some patterns which one then uses to form some principled predictions about the future performance of the company, or in some cases, develop new thoughts for further testing.

Obviously, the financial data itself may be linked to non-financial or other data not apparent in the observations -hence the principles or conclusions drawn may be false, yet the iterative learning process of drawing such conclusions, from observing real world phenomenon, improves (or, helps to validate the theory) or, forms new theories that enriches the transition from theory to practice. Both strands of reasoning (deductive and inductive) are heavily embedded in The CFO (and CFO Junior) Case Study Competitions designed to better equip you for the transition from theory to the real-world, once you graduate!

3 KEY PRESUMPTIONS THAT LIE AT THE CENTRE OF ALL DISCONNECTS BETWEEN THEORY AND PRACTICE

Though largely mutually applicable, it should be apparent that the laws of logic and rationality form the premise of deductive reasoning, meanwhile inductive reasoning depends on a presumption that other intervening factors are held constant. This leads us to describe 3 key presumptions which lie at the heart of the disconnect between the theory of finance and business as learned in the classroom (or, in a textbook), and what obtains in the real world:

Presumption 1:

The 'rational man' headache

Rational choice theory assumes that an individual has complete preferences among the available

choice alternatives that allow them to state which option they prefer. The rational agent is assumed to take account of available information, probabilities of events, and the potential costs and benefits in determining preferences, and to act consistently in choosing the self-determined best choice of action. The "alternatives" can be a set of actions ("what to do?") or a set of objects ("what to choose/buy").

In the case of actions, what the individual really cares about are the outcomes that results from each possible action. Actions, in this case, are only an instrument for obtaining a particular outcome. At the individual level, rational choice theory stipulates that the agent chooses the action (or outcome) they most prefer. In the case where actions (or outcomes) can be evaluated in terms of costs and benefits, a rational individual chooses the action (or outcome) that provides the maximum net benefit (i.e, the maximum benefit minus cost).

The trouble here is that theory often isolates all the actors (or stakeholders) in order to dwell on the principal actor or stakeholder: in practice however, every issue has a number of actors (or stakeholders) who will all be acting rationally in terms of their own self-interest, which interest will inherently conflict, causing the observed practice to be a trade-off between their 'rational' interests, rather than the optimal prescription (or course of action) that may have been deduced in the theory.

Presumption 2:

The 'Ceteris paribus' fallacy

Ceteris paribus (or, caeteris paribus –a Latin phrase) means "all other things being equal". It is often key to inquiry in order to screen out factors that perturb a relation of interest, and

hence simplifying assumptions permit illustration or elucidation of concepts thought relevant within the sphere of inquiry.

There is ongoing debate in the philosophy of science concerning *ceteris paribus* statements. A classical use of this is in demand and supply economics in which we say *ceteris paribus*, an increase in demand will lead to an increase in the price of the commodity: this is obviously critical because whilst demand increases, a disproportionate increase in supply could to the contrary, reduce the price –so, it is imperative that we isolate such intervening factors in the inquiry, to fully appreciate the results.

The challenge here is that each issue in the real world is impacted and impacts on a complex array of factors that simply cannot be expected to remain constant, due atleast in part, to exogenous variables - outside of management's control e.g. interest rates, exchange rates, or political factors; often complicated by other

stakeholders who may be acting in their own rational self-interest!

Presumption 3: *The 'Perfect World' Rubbish*

At typical construct under which a large number of finance and business theory is based is the assumption (or imagination) of the proverbial perfect or efficient world; a world or market in which information is freely available and available at a speed of light –instantly to all actors; a world in which transaction costs are so low that services and goods can move freely from one market to the other; where each actor is so small that they can exert very inconsequential impact on the overall market. We all know that in the real world, information asymmetries and other factors make this construct untenable!

CONCLUSION

We have shed light on the role of deductive and deductive reasoning in appreciating the profound disconnect

between theory and the real-world practice and, have laid the difficulty at the doorsteps of 3 key presumptions which lie at the heart of managing the resulting transition from theory to practice: the '*rational man headache*', the '*ceteris paribus fallacy*' and the '*perfect world rubbish*'.

In the next edition, starting with Accounting and Financial Management, we will explore each field in business, examining the pervasive application of these presumptions in the main Body of Knowledge, and pointing to their manifestations in real-life and what adaptations are necessary to manage the resulting disconnects between the theory and the practice! Stay tuned! ■

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*The Evaluation of the 2014 Universities' Research Outputs (RSA DHET, 2016) report shows that UKZN produced 1708.61 research publications units the highest of South African publicly funded universities on the list.

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MASTER CLASS FROM 'THE CFO 2018' EXAMINING BOARD: THE AB INBEV CASE STUDY

"IF ONLY SOLVING AN ALCOHOL BUSINESS CHALLENGE WAS AS SWEET AS THE ALCOHOL ITSELF!"

The purpose of this article is to preview and summarise the 5 scenarios the teams entering the 2018 edition of The CFO (and The CFO Junior) Case Study Competitions will have to solve; written to guide the identification of the Knowledge areas that should inform the analysis of each scenario as well as how the marking grid will be applied. The 5 scenarios are the same in both competitions - but the level of detail, interconnectedness, and complexity are markedly different!

For 'The CFO Case Study Competition', the applicable knowledge base is integrated and multi-disciplinary – drawing mainly from, but not limited to: International Business, Strategic Management, Risk Management, Cost and Management Accounting, Financial Accounting and Reporting, Financial Management, Operations Management, Project Management, Industrial Relations and Human Resources Management. In the case of The CFO Junior, the applicable knowledge base is also integrated and multi-disciplinary – but drawing mainly from 4 key subjects in the High School curriculum: Accounting, Business Studies, Economics and Mathematics.

As the mission of the competition is to bring real-life business challenges into the classroom, we have painstakingly designed each issue to ensure any report that fails to apply the relevant knowledge (or theory) will not do as



well. If a requisite knowledge area has not yet been covered at your University or High school, teams will be expected to do some internet research (Google) on it! Please avoid reproducing the theory; rather apply it in your analysis, to identify (and help the Board to solve) the main problem (s). This is extremely important, as our goal is to assess the extent to which the classroom knowledge you have gained can be meaningfully applied to solve some of the most challenging and intricate real-world global business scenarios you will most likely face upon your graduation!

THE AB INBEV GROUP PLC CASE STUDY

The AB InBev case, Researched,

Designed and Developed (R&DD) by The CharterQuest Institute South Africa, is based on a real-world leading multinational business within the global beverage and brewery industry ('alcohol'). It simulates the strategic decisions its Group CFO and Board faced (or potentially faces). Just like the 2016 MCOM PLC and the 2017 AMANGO PLC case studies, the AB InBev group is faced with a complex interplay of strategic threats, weaknesses and opportunities, some of which are embedded with serious ethical dilemmas -involving compelling individuals and powerful stakeholders -that create a context for significant organisational change.

In particular, AB InBev, the world's no. 1 brewery company, is a publicly

traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on the Mexico Stock Exchange (MEXBOL: ABI). It closed 2015 with a major takeover offer - for literally, the entire share capital of its fiercest rival and world no. 2 brewer, South Africa's SABMiller, then, the largest company listed on the Johannesburg Stock Exchange (JSE) - for a cash amount of US\$105.5 billion, to form a new entity and global brewery giant, 'Newco.' As earnings began to stagnate in the West, AB InBev determined that its future growth was to come from Africa - the world's second largest continent (market), with a youthful and growing population, far too keen to indulge in beer, wines and spirits (alcohol)!

The global rivals of AB InBev - Guinness, Heineken, and SAB Miller, had for long already been in Africa, reaping substantial profits - and here was AB InBev - the world's no. 1, with neither an operating presence nor track record in Africa. This needed to be fixed - and fixed quickly - so, it decided to respond by launching, arguably, one of the world's Top 5 acquisitions in corporate history (and certainly 2015's biggest). Accordingly, the Group CEO, Carlos Brito, closed that year, wondering, **"Would Strategic Benefits Come Easily With Newco?"** For the African youth, *if only solving an alcohol business challenge was as sweet as the alcohol itself!*

Hmm! As AB InBev approached May 1, 2016, five (5) major interconnected scenarios, or -you call it issues, had surfaced, from which the Board had asked your team to identify and define the main problem(s); or, sub-questions within each scenario, prioritise -and evaluate each scenario (including any ethical dilemmas - where applicable), and offer strategic advice. The 5 scenarios include:

1. AFRICA DIRECT ENTRY VIA NIGERIA

As part of the SABMiller offer, AB InBev had agreed to pay a reverse breakup fee of between US\$3-6 billion, in the event that the transaction failed to successfully close, for specified reasons. AB InBev had considered, prior to making the offer -and are still considering, in case the SABMiller deal failed to close, alternative paths into the African market -through a Foreign Direct Investment (FDI) in Nigeria. It entailed setting up a NGN140 billion manufacturing capacity, to also cater for export sales to other countries in West Africa.

It has incurred some costs to investigate this opportunity (US\$1.5 million) and has already made a range of payments of about US\$100 million, towards the strategic marketing initiatives it planned to execute in Africa, to stimulate the consumption of its products amongst the growing youthful African population. Examples include payments towards national soccer sponsorships, payments to erect billboards next to schools and universities, sponsorship of research into the harmful effects of alcohol, amongst others.

Through this investment, it would challenge Nigerian Breweries Plc and Guinness Nigeria Plc - both of whom currently control the Nigerian beer market- but also, take on SABMiller in Nigeria, before launching an attack against its other Africa strongholds in South Africa, Ghana, Zambia, amongst others.

This scenario has 2 main sub-problems (questions) your Board Report must address, deciphering and solving these will require that:

- The CFO aspirants apply Relevant Costs and Benefits; Strategic Financial Management (including Net Present Value, International Parity and Exchange Rate theory as well as the Black Scholes Model); Strategic Management (including Doing Business in West Africa); Ethics and Corporate Social Responsibility; and that:
- The CFO Junior aspirants must apply Accounting (Time Value of Money, Professionalism and Ethics); Business Studies; Mathematics; and Economics (exchange rates).

2. B2B AND DOWNSTREAM SUPPLY CHAIN STRATEGY IN SOUTHERN AFRICA

If AB InBev acquired SABMiller, it will leverage on its resulting bigger size and bargaining power, to review SABMiller's current B2B and downstream supply chain strategy for dealing with major supermarket customers who buy the drinks in bulk for direct retailing to final consumers. At the moment, these supermarkets seem to have a high power over





SABMiller, increasing the cost of serving them and impacting on profitability.

AB InBev could take any of 4 strategies to respond: (1) stop selling to the least profitable supermarkets; (2) persuade the supermarkets to reduce the number of cost-generating activities; (3) venture into direct retailing to consumers; and/or (4) introduce new technologies to reduce the cost of the cost-generating activities.

This scenario has 4 main sub-problems (questions) your Board Report must address, deciphering and solving these will require that:

- The CFO aspirants apply Strategic Management (impact of technology and e-business strategy on Porter's 5 Forces); Supply Chain Management; Activity Based Costing (Customer Profitability Analysis); and B2B vs B2C Marketing Strategy; and that:
- The CFO Junior aspirants must apply Mathematics; Accounting (fixed costs, variable costs); and Business Studies (mission, vision, strategy, Porter 5 Forces).

3. INTEGRATION, SYNERGIES AND EXECUTION RISK

On announcing the takeover offer, AB InBev's share price rose by only 1.8%, far below the 25% expected; to date, this is still not corrected by the markets. An investor survey has uncovered 2 major market uncertainties: (1) the deal may be over-priced; and (2) despite AB InBev's past Mergers & Acquisitions (M/As) track record, the SABMiller case is just far too large and complex to successfully realise the envisaged cost and revenue synergies in the 4 years proposed - especially in the light of heightened anti-competitive, trade union and other teething execution risk factors.

This scenario has 3 main sub-problems (questions) your Board Report must address, deciphering and solving these will require that:

- The CFO aspirants apply Project Management (Earned Value Analysis); Financial Management (Synergy Valuation, Business Valuation, Discounted Cash Flow Techniques); Cost and Management Accounting

(Budgeting and forecasting); Strategic Management (Change Management, Business Process Re-engineering, Enterprise Resource Planning); Human Resources Management (Labour Relations, Negotiations); Business Ethics and Corporate Social Responsibility; Stakeholder and Government Relations, as well as Regulations and Business Law; and that:

- The CFO Junior aspirants must apply their knowledge of Accounting, Mathematics and Business Studies.

4. ENVIRONMENTAL HAZARD IN CHINA

AB InBev's largest brewery facilities in the world, under construction in China, is due to commence production in 3 months, but it has encountered major setbacks. Local protesters are claiming that the contracted construction workers on site have been discarding waste building materials in a nearby river –polluting the waters and impacting wildlife. The situation has aroused local media interest, and a senior

official is proposing a range of measures to deal with the situation.

This scenario has 1 main problem (question) your Board Report must address, deciphering and solving this will require that:

- The CFO aspirants apply Business Ethics and Corporate Social Responsibility; Integrated Reporting; Public (Media) Relations; and that:
- The CFO Junior aspirants must apply Accounting (Professionalism and Ethics) as well as Business Studies.

5. DEAL FUNDING STRATEGY AND GROUP FINANCIAL PERFORMANCE

When Carlos Brito, CEO of AB InBev, on 11 November 2015, presented his final (cash) offer of US\$105.5 billion, which SABMiller accepted, it was clear the group will need to go into the capital market to raise this cash, as only US\$6.8 billion was reported on its last quarter balance sheet (June 20, 2015).

AB InBev had back in January 2014, set its 5-year strategy around 3 strategic priorities: (1) undertake Mergers and Acquisitions (M&As) whenever growth starts to slow down; (2) prioritise cash to pay for acquisitions ahead of special dividends, or share buy backs (3) integrate acquisitions to realise cost and revenue synergies ahead of schedule. The group had also set 3 financial objectives: (1) Grow Dividends per Share (DPS) by 10% year-on-year; (2) Deliver Total Shareholder Returns (TSR) of 14% year-on-year; and (3) Keep gearing (debt/debt + equity) below 40%.

This scenario has 3 main sub-problems (questions) your Board Report must address, deciphering and solving these will require that:

- The CFO aspirants apply Financial Accounting and Reporting (ratio analysis) and Financial Management (gearing, capital structure and agency theory), and that:
- The CFO Junior aspirants must apply Accounting (accounting equation, ratio tangible/fixed assets, final accounts and financial statements); Mathematics and Business Studies).

ASSESSMENT CRITERIA

As per the marking grid provided in the case study pack, teams must consult the case study resources section of our website to appreciate the requirements. The pertinent questions you must address include:

Strategic analysis - Did we properly identify and define the main problems in each scenario, prioritise or rank the scenarios, with a clear justification that is informed by our SWOT, impact and urgency analysis? Did we provide appropriate board focus on the most critical issues?

Strategic choice - Did we identify all the strategic choices and options, and carefully considered the impact on the business?

Strategic implementation- Did we thoughtfully consider the implementation challenges of each recommendation?

Finance & technical -Did we do all the calculations, informed by the theory underlying the data?

Diversity, business & entrepreneurial- Did we relate our calculations and qualitative data in such a manner that the business can adequately exploit any growth opportunities (revenue and/or cost control), or guard against any

strategic threats?

Ethics and people- Did we identify and adequately justify any embedded ethical dilemmas as well as behavioural and relationship issues? Did we produce compelling recommendations for these?

Presentation - Did we present our work very professionally and in line with the format/example provided?

Innovation and integration - Did we identify new and novel ways of solving any of the issues; not implied by the case itself? Were we able to spot clear interconnections between some of the scenarios and creatively exploited those?

Decisiveness and Leadership - Did we provide a very solid basis for our recommendations, with clear actions to mitigate any undesired effects -including the relevant accountabilities and timelines?

Now, this is not just a Case Study, but an Integrated Case Study at its best:

Real-life global business leadership challenges, wrapped in complicated and high impact business scenarios, with often varied and ambiguous data, calling for prompt, responsible and well justified actions that instil the mind-set and courage to act decisively in crisis and under uncertainty.

Leaders must be skilled at decision-making, especially under time-pressured circumstances, which is what our integrated case methodology and The CFO Case Study Competition seeks to inculcate in our CFOs and Business Leaders of tomorrow!

We hope you find these guidelines useful. Best wishes to your team! ■

THEY FLEW INTO JOHANNESBURG -SOUTH AFRICA & LEFT WITH THE TROPHIES!

Scandalous! Four (4) from Germany and Four (4) from Kwa Zulu Natal, deservedly 'stole' and fled-off with the Trophy -and a Cash Prize of R150,000! In our cover story, we unveil the SUSPECTS; unpacking how they did IT, and what this effectively means for their future career in Finance, Business and Leadership!

But who are they, and how did they do it?





Interview with Team UMCC from University of Münster, Germany

Tell us a bit about yourselves?

Marvin: I am 24 years old and I was born and raised in a very small village. I have just graduated with a Bachelor's Degree in Business Administration from the University of Münster. I am very interested in the latest tech-trends and innovations and therefore would like to start my own business soon.

Lara: I am 22 years old, born and raised in Hanover -here in Germany, but now living in the beautiful student town of Münster. I grew up in a big family as the youngest of five children -and have just graduated with a Bachelor's Degree in Business Administration from the University of Münster

Isabel: Because of my passion for scheduling and organizing nearly everything during our studies, I was chosen **Team Leader**. I am 21 years old and have just graduated with a Bachelor's Degree in Business Administration from the University of Münster.

Marc: I am living in my small student apartment in Münster, Germany at the moment. I am 24 years old and just finished my Bachelor's Degree in Business Administration. I am always up for a good talk about

start-up and innovative ideas.

Wow! You all majored in the same field, and that is not finance; did that work to your advantage?

Yes, we all majored in general Business Administration. We imagined a "competitive advantage" we had because we were not bound too much to the financials and accounting only, but would always take the long-term Strategic Management perspective into account and make sure each issue is weighed up upon sustainability, ethics, and human resources.

Interesting! And how did you form your team?

As our faculty advisor told us about the possibility to apply for The CharterQuest CFO Case Study Competition, he discussed with us what complementary skillset and personalities we can bring together to form a strong team. We all were really interested in implementing more practical parts in our studies -and luckily, we also knew that the four of us would get along very well, as we are all close friends.

I see! What case competition experience did you have as a team, and as separate individuals?

In the exact constellation of the four of us, we never took part in a case competition before. Besides national competitions, Isabel and Lara took part in a case study

competition called JMUCC in Canada. Marvin participated at two other international competitions, SICC in Canada and NHH ICC in Norway. And Isabel also represented the University of Münster at UNICC in Spain. In this way, we all picked up different experiences about how to solve business case studies and were very excited to put our various learnings together to compete at The CharterQuest Global CFO Case Study Competition.

What surprised you most about South Africa and the competition?

As it was the second time that The CharterQuest CFO Case Study Competition was hosted, we were extremely impressed by the proficiency and accuracy during these days. The quality of presentations in the global edition, but also from the Juniors was outstanding. Furthermore, we were positively surprised by the international and open mindset of all attendants.

What is your evaluation of the international panel of judges assembled for the competition?

The high caliber of judges made this competition very challenging and super-exciting. We felt very honored to present in front of such highly renowned CFOs and industry leaders. For us, it is not usual that board members from some of the biggest companies in the world are part of the panel of judges. We enjoyed every moment with them, especially the conversations aside from the stage. They were really inspiring and



their words encouraged us even more to go on with case studies in Germany as well!

What were your expectations, and have these been realized?

Knowing that we will face the Top 6 teams, we expected a very strong fight. We were looking forward to seeing how the teams will perform on stage and how we can learn from their ideas and presentation styles. Moreover, we were very excited about the intercultural exchange with teams around the globe when we saw the diversity of teams from different countries joining the competition. We feel extremely overwhelmed, honored and thankful for the title and the trophy but even more thankful for this experience itself and getting to know so many inspiring people along the way.

What role, if any, did your mentor -Kai Schaumann, play in your success?

Especially in the beginning, when we faced the complexity of the case, he would always motivate us to keep on going. Furthermore, he checked our most difficult calculations and sometimes even admitted that he

also had struggles with it. It was highly beneficial for our confidence to know that we did not make any major mistakes and that the calculations did also challenge him.

I see you all belong to the University of Münster Case Club; tell us more about it?

As University of Münster started sending students to various case competitions around the globe and as we found this learning from real-world business case studies to be so helpful for preparing for the work life, the idea to found a case club in Münster was born. It has been the vision of our two mentors, Kai and Matt, whose passion has been highly motivating. Ever since July 2016, we have been working very hard on making the first international case challenge of the University of Münster happen. We hosted nine teams from eight different countries in late October 2017.

I understand you have donated part of your Money back to South Africa/Africa. What is your vision for such a donation?

Our vision is to foster the case study culture in South Africa and in the long

run, also in Africa. Therefore, we want to support a Center where Case Clubs can get advice from on how to build a club, how to run a competition, or how to work with business cases. As we just built up our own club, we want to work together with CharterQuest and use our combined synergies to motivate more students to engage with business case studies.

How about the complexity of the AMANGO Case Study?

All of us thought that the case was the most challenging we have ever had. All issues given were so much intertwined with social, political, ethical and environmental dilemmas, which made each decision very difficult. Nonetheless, we really grew with the case, especially during the three hours before the final presentations, when equally complex issues had to be solved under time pressure.

Earlier on, you mentioned The CFO Juniors from South African High Schools; can you elaborate?

Just like everyone else in the room, we were flashed by the performances of the Juniors. In the semi-finals, we must admit, we could not tell the difference between the Junior and the Global edition. They did not only have strong presentation skills but also such a strong basis of financial, accounting and general management knowledge that we certainly did not have at their ages.

What were the 2 most challenging aspects of the competition and how did you overcome these?

Firstly, meeting financial Key Performance Indicators (KPIs) and management goals while keeping balance with ethical, social, environmental and safety issues at the same time was really challenging. Thus, we collected the arguments for every decision from the financial

as well as the ethical point of view and decided to go with the most reasonable.

Secondly, the Q&A sessions were really challenging to us. As in every other case, the judges knew every aspect of the case and tried to grill us and our strategy for AMANGO. To avoid too many surprises, we asked each other every question coming to our minds the evening before while practising in the hotel room.

To what extent did you analyze your opponents, evaluate prior year presentations and prepare for the extended version of the case for the finals before flying into SA?

We evaluated prior year presentations on the CQTV Youtube Channel and tried to grasp what the previous questions in the Q&A sessions were like, and prepared for potential critical questions that the judges might see as they went through our presentations. Furthermore, on The CFO page section of the CharterQuest website, we checked how one could structure such a complex case for a presentation. For the extended version of the case, we did have thoughts and discussions on what it might be like and what ideas we could come up with to differentiate from the rest. This helped us to present an out-of-the-box solution for AMANGO's environmental and sustainability strategy issues. We suspect that this really impressed the judges!

I will imagine you will want to defend the trophy as Germany, or as University of Münster. Will you be coaching more teams from Germany to enter this 2018 edition now that you have all graduated?

We will definitely encourage more students to apply for this amazing Case Competition since the whole experience exceeded all

our expectations. The University of Münster Case Club will again apply with a team and we would be glad to coach them as we are also trying to foster the case study culture with the Case Club.

Do you plan to contest another major global case study competition in the next year?

We enjoyed the time in Johannesburg a lot and noticed that we all brought in complementary strengths that helped us to succeed in this competition. That is why we would like to contest another global case competition together. But since we all just finished University, we cannot tell what we are exactly up to in the next year -so, it is difficult to plan. Nevertheless, keep sending us dates of several competitions where one can apply without the support of the University.

What advice do you have for future aspirants?

Take the chance to get more insights about a global player who operates in the emerging market and challenge yourself. By doing so, you will grow personally and professionally a lot more than you would do by just studying or going to school. Be bold, stand out and never lose your passion, even so, there might be situations where you would like to start all over again! ■

End of interview with Team UMCC from Germany: Follow Interview with Team Westville (KwaZulu Natal, South Africa) from the next page



Interview with Team Westville from Westville Boys High School, KwaZulu-Natal, South Africa.

Tell us a bit about yourselves.

Team Westville comprises of four 17 year-old Grade 11 Westville Boys High School students. We are all good friends because we take most of the same subjects, and thus spend most of our day laughing and bantering with one another.

You all entered The CFO Junior and won the inaugural edition, Why did you enter?

Our accounting teacher introduced us to the competition and we very quickly formed our team. We originally entered to experience the Case Study Method and see how far we could go, but when we made it into the Top 6, we became very competitive because we all really

wanted to win.

It obviously took a lot of hours working on the case study and being in Johannesburg to battle other schools, it may have even negatively affected your Grade 11?

Fortunately, this competition spanned over most of the year and we were able to do most of the heavy-lifting in terms of the workload during our holidays. It was only a stretch trying to accommodate our trip to Johannesburg into our busy study schedules, because the trip unfortunately coincided with our end-of-year exams.

You all just finished Grade 11 and now starting Grade 12, what are your post-matric academic career plans?

We all have high expectations for the future, and most of us want to pursue a career in either accounting, business or engineering. However, where exactly we will further our studies remains a question, because some of us are looking to go to America.

What role, if any, did your mentor –Mrs Wies, play in your success? How about your parents, teachers and community members throughout the competition?

All of the leg-work was done by our team. Mrs Wies was an efficient facilitator, guiding us through the paperwork and stages of the competition. Our community and parents were effective in supporting us throughout the

competition, especially during the public votes stage.

What do you plan to do with your R50,000 Prize Money? Any ideas developed thus far?

We have decided to establish a case study task team, or educational facility within our school, in order to further encourage learning via the Case Study Method so that others can also benefit from experiences similar to ours.

What were the Top 2 challenging aspects of the competition and how did you deal with these?

The two most challenging aspects of the competition would have to have been developing a comprehensive report in 3 hours, and having to think on our feet during the questions at both the semi-final and final rounds. We dealt with these by working efficiently as a team, and dividing the problems according to our strengths, answering questions and solving problems accordingly.

What was your specific strategy to deal with the judges' question? How did you find the questions the judges posed?

We felt that we answered the questions asked by the judges well throughout the competition. Our strategy was to stick to our recommendations in our presentation at all costs. Perhaps the reason why we made it into the finals, was because we answered our last question well and showed full confidence in our recommendations.

Did you analyse your opponents? How did you prepare before flying into Johannesburg?

As far as analyzing our opponents is concerned, we could only comment on their public votes videos, which wasn't much to go by. In terms of analyzing previous case study

teams, we did watch a couple of presentations on CQTV Youtube Channel, and got a feeling as to what the semi-finals would be like. We also practised answering questions. However, as far as the finals were concerned, we were admittedly too focused on the semis to have even thought about it, and then we were there, with only 3 hours! We were pushed to new breaking points!

What did you learn in the process especially after making it to the Top 6?

We all learnt the hard way what real stress and chaos in the working world feels like, especially during the finals where we had only 3 hours to analyse the extended case study and complete an entire presentation. We also learnt that you have to view your problems with a dynamic outlook, because most often there is not a set "solution" to the issues we were given and that common sense and a bit of luck was required to tackle the problem.

What does winning the competition mean for your careers and academic performance?

Each team member has been faced with a serious dilemma after winning the competition, as we all had different futures in mind, with not all of them existing in the field of business. We have now had to re-analyse what we want to do with our futures, and we may have altered our study fields of choice. In terms of academic performance, we continued as normal during school, but now have a better understanding of the life outside of it. We are all still aiming to achieve excellent results in our matric year -this 2018!

You interacted with the senior aspirants who were also solving the same case study but at a more advanced level; your thoughts?

Not surprisingly, we interacted with the senior teams more than the junior teams because we were not "rivals", but we especially spent a lot of time with Team UMCC from Germany as we stayed behind longer to open the Johannesburg Stock Exchange (JSE) Market. We did learn a lot from them. Being only slightly older than us, we interacted fairly easily with them, and developed a humour-fueled environment with the inevitable banter between two teams from different countries. They told us about previous experiences in similar competitions which had prepared them for the level at which they would be competing, something we were completely new to, and provided us with valuable insight into their chosen study fields.

Now that you have experienced this case study competition, fought through to the end and won, I will imagine you will want to defend the trophy as a school; Will you be coaching more teams to enter the 2018 edition, or re-entering yourselves?

We will not re-enter next year because we will be fully focused on our Matric, but we will definitely be coaching future Westville teams so that the trophy can come home next year and for years to come.

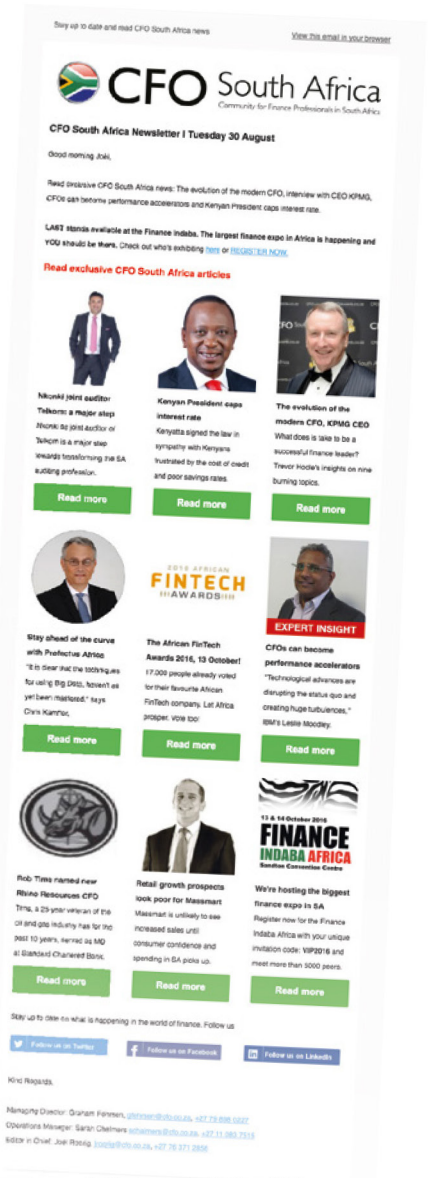
What advice do you have for future aspirants?

Work hard and give everything your all, because a competition like this really does reveal to you so much about real-life business and how to solve the problems companies are facing today! ■



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UNSUNG HEROES & HEROINES



The Future CFO Magazine, in its 'Unsung Heroes and Heroines' section, profile academics and other professionals making a significant contribution to the careers of our readers; yet go unnoticed.

In this issue, we spoke to:

- Trevor Hall, Principal of Westville Boys' High School; and
- Barbara Wies, Accounting Teacher and Mentor.

They provide exemplary leadership to the school and the classroom that produced Team Westville: South Africa's 2017 and inaugural champions of The CharterQuest Junior Case Study Competition.

INTERVIEW WITH PRINCIPAL OF WESTVILLE BOYS' HIGH SCHOOL:

Mr TREVOR HALL



Can you tell us a bit about yourself? Qualifications, past work experience and what motivated you to go into education?

I was originally undecided between a career in Accounting and Teaching. After getting my feet wet for a few years in the Accounting profession, I decided that Teaching was more appropriate for me. In 1980, an Accounting teaching post became available at my alma mater, Westville Boys' High School, and I have been here since then. This was never the plan, but promotions and opportunities opened up both at the school level and in the examination structures of the Department of Education (DoE) and Independent Exams Board (IEB). This, together with the international links of the School, kept me stimulated, and helped me to gain a big picture perspective of education.

How does your school strive for excellence?

You are the admired School Principal of Westville Boys' High School; the very same school that produced The CFO Junior 2017 and inaugural champions. How do you feel about this achievement?

This is a wonderful achievement for our team, and it is particularly special, given the demanding challenge of this unique competition and the tough competition they faced. However, knowing the individuals in the team as I do - as independent thinkers and self-starters, I had the feeling that they would do well.

Our school motto is "*Incepto Ne Desistam*", which means 'May I not shrink from my purpose'. This is all about resilience. The high achievers of this world, irrespective of their talent, are those who have goals and 'stay the course' in working towards them. We keep stressing that fact.

Fortunately, we have many prime examples of old boys who have achieved excellence in this way. For example, Chad le Clos did not win an Olympic Gold Medal because he is a talented swimmer – he won it because he had a goal and put 10 000 hours into achieving it. Examples such as these serve as great motivation to our boys.

Why was it important for your students to enter The CFO Junior Case Study Competition 2017?

Acquiring Knowledge is important, but in this millennium, there are other skills that are crucial in achieving success, for example: the skills of leading by positive influence, thinking creatively and being creative, critically evaluating the mass of information available, and respecting and considering opposing points of view. It was not like this in 'the good old days': The CFO Junior Case Study Competition reinforces these 21st century skills.

The competition is pitched at a global standard and challenges High School students to think at that level - to execute the teachings of the current school curriculum. How does the competition align with your school's curriculum?

I think all good teachers aim to take their students beyond the curriculum. The Curriculum (CAPS) assessed by the three examining bodies (i.e. DBE, IEB and SACAI) has generally been bench-marked favourably with that of other overseas examining bodies. However, this competition fills a vital gap in enabling students to connect their theoretical knowledge with the practical world of work.

The timing of the competition is quite challenging too, how did you ensure you prioritized the

competition and school work at the same time and what skills did this demand from the students?

The demands placed on our students these days are considerable. We expect our boys to be involved in a range of activities covering academics, sport, the performing and visual arts, service activities, and leadership roles. There is very little down time in a congested school year. Managing one's time under stress is a sign of the times, and many of our high achieving students cope with this very well. Given the demands of the Grade 12 NSC exams, it is appropriate that this competition is offered to Grade 11 students.

What support did you give the students given the magnitude of the competition; to what extent were parents involved?

We used a high achieving old boy as an additional mentor for our team. We were fortunate to be able to call on him at regular intervals. Our team learnt a lot from him, which meant that parents and teachers only played a facilitating role.

The competition was a progressive process. What changes did you see in the students over time since entering this competition?

They have certainly grown as individuals. Although we stress collaborative learning in our School, this competition provided a real-life experience for them, which will stand them in good stead in their future careers.

What are your thoughts on the quality of the case study product itself?

The case study was of a high standard, and challenged the learners to consider many issues

within one scenario. This skill of integrating knowledge from a wide range of disciplines is vital for success within the business environment.

What are your expectations of the current champions –Team Westville?

They are all extremely motivated learners involved in a wide range of activities. Their experience in this competition has required them to self-reflect on their skills. This is an essential part of building their Emotional (Intelligence) Quotient (EQ) which will benefit them in their future careers.

If given the chance, would you adopt The CFO Junior Case Study as part of your school curriculum and unique teaching methodology? Why not, why so?

Personally, I feel that we are over-examining in South African high schools, and as a result, it is a pity that teachers might not find the time to include an experiential learning experience such as this in their teaching programmes. I would encourage teachers to gainfully infuse similar types of scenarios relevant to their subjects in encouraging their students to think and collaborate creatively. These skills will be demanded of them in their future careers.

October 2018 -The CFO Junior Continental Finals; will you and your teams be there?

Most definitely!

Thank you very much for sharing with our readers.

Only a pleasure! ■



Interview With Accounting Teacher and Mentor: Westville Boys' High School:

Mrs BARBARA WIES

Can you tell us a bit about yourself? Qualifications, past work experience and your role at Westville Boys' High School?

I completed a Higher Diploma in Education with majors in Accountancy. I have taught Accounting for 31 years in various high schools and technical colleges. I'm a senior Accounting teacher, having been at Westville Boys' High for 13 years.

You are the acclaimed Teacher and Mentor of Team Westville -The CFO Junior 2017 National champions, and Team DAKY who made it up to the Top 6. Indeed, you are the only school that produced two teams in the Top 6. How do you feel about this achievement?

I am very proud of both teams for doing as well as they have in the competition, particularly as this competition was predominantly geared towards Grade 12, whilst all the learners were still in Grade 11 when they competed.

From the beginning, can you tell us what support you gave the teams and what your game plan was?

I encouraged my top Grade 11 accounting learners to enter the competition in order to extend themselves. I played a facilitating role in encouraging teamwork, as the teams were assisted by one of our old boys. My game plan was to try and get both teams to do as well as they could, given the immense pressures the learners experienced from all spheres of school life.

Was it your plan to get as many teams to enter and move to the Top 6 to improve your chances, or this was a nice surprise even for you?

Whilst I encouraged all my top Accounting learners to partake, it was

still a nice surprise to see that both teams achieved what they did.

What did you find most challenging being the mentor of 2 teams competing with each other and yet, against other schools?

I did not find much of a challenge in having two teams, as both teams were both eager to compete, and had much enthusiasm for the project. I held a few general group sessions, with both teams in attendance. However, each team had an individual platform to debate the issues, while I facilitated.

What was your core focus on each team given their strengths and weaknesses?

For Team Westville, my core focus was making sure that each team member was given equal representation in the project. For Team DAKY, I focused on encouraging confidence in themselves.

You were obviously elated that your team had won but you had the arduous task of encouraging the other team that did not make it- what are the learning lessons you wish they could take from this experience?

I am very happy that they had the opportunity to present their case in front of a highly esteemed panel of judges, and I hope that this has inspired them to believe in themselves and in their endeavours.

What were your thoughts on the quality of the 2017 case study product itself?

Whilst the case study challenged my Grade 11 learners, I am very excited that they were given an opportunity to enrich their knowledge outside of their curriculum.

What do you say to teachers who have not encouraged their learners to enter a competition such as this one yet?

Take a leap of faith and encourage your learners to gain the once-in-a-lifetime experience that this competition offers.

2018 - can we see you coaching even more teams?

I will certainly encourage as many of my Grade 11 learners to participate.

What expectations do you have for the current reigning winners - Team Westville?

I hope that they will all become leaders in their respective fields. I wish them all the best for their matric year, and hope that they will be inspired to assist future Westville teams in competing in this competition.

Thank you very much for sharing your tips with our readers, many of whom are accounting teachers and mentors who will be fielding teams in future editions of the competition

Thank you so much, and all the best! ■

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Are You CA(SA)? Become CGMA too!

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FINANCE

& ENTREPRENEURIAL LEADERSHIP ACUMEN

Previously called 'Articles And Research Pieces', this section has been restyled 'Finance and Entrepreneurial Leadership Acumen', to better shine the spotlight on topical finance and business issues that have a significant connection with the specific Acumen (knowledge, skills and competences) needed on your career journey to the top.

But Why 'Entrepreneurial Leadership?'

No organisation ever gets started, or thrives, without entrepreneurial zeal -whether social or economic -to solve some human or societal problem, what marketers call a need. Success in business leadership is as much in the journey as it is in the destination; so whether your journey is entrepreneurship -starting and running your own business, or intrapreneurship -acting entrepreneurially within the organisation you serve, and moving up the corporate ladder, you will find the relevant on-the-job career and leadership advice in this section, to inform your career decisions.



BUSISIWE MAVUSO

From Accountant - to CFO - to MD - to COO - to Eskom Director: 2 Steps Forward, 1 Step Backward; Then A Giant Step Forward!

The ANC has just produced a new president in Cyril Ramaphosa, and the Winds of Change started at Eskom, where she has just been appointed a Non-Executive Director of the Board. She is a former CFO and MD of the Black Management Forum (BMF) and, now, COO (and CEO Designate) of Business Leadership South Africa (BLSA), an organisation devoted to empowering and enabling South African business leaders to engage civil society and labour through an exchange of ideas, by creating an effective dialogue with government and other key stakeholders. We were honored to catch-up with her, to share her insights and help power the careers of our readers:

Tell us about yourself and career to date?

I was born, bred and schooled in Soweto, White City Jabavu. My dream was to become a Chartered Accountant; unfortunately, my widowed mother could neither school me nor my 3 other siblings beyond matric -so, I had to get a job. I started off my career in the banking industry with an internship in 1995, and in 1996, I registered my BCompt Degree with UNISA.

I found juggling studies and working very challenging. The concept of having to sit with 300 odd pages of a textbook whilst trying to figure out where to start, and what it is that you need to focus on for the exam was rather challenging. It took me 8 years to complete my degree. I then went to do my postgraduate qualification in Management at GIBS and later, my Masters in Business Leadership (MBL) with the UNISA School of Business Leadership (SBL). After a 7 year stint in the banking industry, I moved on to pursue a career in accounting, starting as



a bookkeeper, then a financial accountant, then a financial manager, then a CFO, MD and now a COO (and CEO Designate), before learning I have just been appointed to the new Eskom Board.

Wow! Congratulations are in order; how do you feel?

I am very excited for the opportunity, although I cannot reveal much right now, I must say I look forward to what this might have in store for me.

I see! You progressed well from Accountant to CFO and from CFO to MD at BMF, but only 3 months ago, you left BMF and joined BLSA as COO, reporting to the CEO. Don't you think this is 2 steps forward and a step backward?

No! I don't think so because my CEO at BLSA was requested to step in as he announced his early retirement from Shell. He was brought in for a fixed term to assist in repositioning the organisation whilst finding and grooming a successor. The BLSA Board appointed me as his successor -so, there is a clear career path ahead of me. And I have the golden opportunity of faltering and stumbling with him there to shield me and provide the necessary guidance. I have hit the ground running and have found it to be a great learning opportunity in getting myself acquainted with the South African business environment.

As MD of BMF, you have been a fierce advocate of transformation, demanding more black executive representation. Do you now have more power to effect change?

Certainly! The status quo regarding black African executive representation in Corporate South Africa is concerning and totally unacceptable. As the COO and Executive Director of

Business Leadership South Africa, I have an opportunity to influence and shape the thinking of the organisation whose members are 80 CEOs of the top JSE-listed companies. These business leaders understand that transformation needs to happen fast otherwise this country is going to burn on our watch!

You are studying towards ACCA: Why did you choose this path?

ACCA's international stature allows one an opportunity to be globally competitive. As a South African, you take the same exams written by your peers all over the world! When you qualify, you know that you have faced the same severity and rigour like the rest of the world, and that on its own, is an immense source of pride for us as ACCA students. For us as South Africa, a 3rd world country, nothing can be more gratifying because you know you are indeed part of the global village from a knowledge and competitiveness perspective.

How has the ACCA assisted your career achievements thus far?

Although I've been in finance my entire career, ACCA has definitely increased my level of competence. From an accounting perspective, P2 has assisted with the thorough understanding of the International Financial Reporting Standards (IFRS) and their application. From an Executive and Board perspective, P1, P3 and P5 have assisted in focusing my mind on the drivers and enablers of business success, as well as the strategies to be employed to drive stakeholder value.

What have been your greatest career challenges thus far, and how did these build you?

Firstly, the transition from management to leadership.

As a leader, you deliver through people; you have a huge responsibility to ensure that the people who work with you (and around you) are better every day. There is only one way to make people better; it's to teach them, learn from them, create a teach-learn environment, not command and control.

Secondly, as a Black African woman, leadership becomes twice as hard because of your skin colour and then, your gender. We unfortunately continue to live in a patriarchal society where the prototype of leadership continues to be white and male. So, being the opposite of that (black and female) often means you are constantly swimming against the tide. When you engage with people, their default position is that of doubt -just because of how you look; and to be acknowledged, you need to prove your credibility beyond reasonable doubt!

You seem to have won many shoes; 10 years from now, what do you hope would be your greatest accomplishment?

I hope to have impacted more black African women through assisting their own management and leadership journeys. I know that as black African women, we hold ourselves back by lacking confidence; and as Sheryl Sandberg states in her book, *Lean In*, confidence is necessary to reach for opportunities. You have to be very confident even though you are self-critical inside about what it is you may or may not know. Owning one's success is key to achieving more success!

M'am, thank you very much for speaking to our readers.

Anytime! ■



A REVIEW OF THE CFO (& CFO JUNIOR) CASE STUDY COMPETITION 2017

By Buhlebenkosi Mkandla

The Chief Financial Officer (CFO) is a key player in the success of any blue chip business. He/She is responsible for assisting the CEO and the Board to craft, implement and report on the financial and non-financial results of the company's strategy. In other words, they are responsible for 'creating value', 'preserving value' and 'reporting on value'.

To deliver on this mandate, The CFO, more than ever before, is expected to be a business partner with other line managers or executives, get into the nitty-gritty of the business,

and applying an integrated range of competencies: Accounting and Finance, Taxation, Auditing, Strategic Management, Human Resource Management, Operations Management, Risk Management, Marketing & Sales Management, Information Technology & Systems Management, amongst others. He/She is expected to be a skilled problem-solver and possess emotional and leadership smarts; with this said, indisputably, the role of The CFO and CEO has become more inter-dependent today than at anytime in the past. A few questions

come to mind:

- Is our education system producing future CFOs and business leaders with these attributes?
- Why are accountants still being taught to be number crunchers instead of rounded business problem solvers and entrepreneurial leaders?
- Why is education so theoretical? Is this what employability means? Is this a true reflection of the real world?

The truth is that the gap between one

dimensional, theoretical education on-the-one-hand, and the fast-paced competitive world of business had to be bridged by introducing a more innovative and practical way of learning how to effect classroom-based theory into practice. A way that matches what employers really want, from a view point of a modern-day CFO (i.e. what it really takes to run a successful company), and what exists in the classroom (or text book).

Therefore, in 2016, The CharterQuest Institute had the mother of all answers. The CFO (CFO Junior) Case Study Competition was born. The mission: mobilise schools to apply the Case Method of Teaching and Learning -challenge University and High School students to prove that they are future CFOs and Business leaders, by competing to solve a set of complex and integrated finance, operational, strategic and ethical problems that beset a real-world global business in the emerging markets.

The objective being to wet the participant's entrepreneurial and business acumen, teamwork, analytical, communication, critical and the strategic thinking skills that have become essential for anyone who is dead serious about having a triumphant career as a finance professional, CFO and business leader!

IT WAS THE EVENT THAT SHOOK EDUCATION FROM THE FOUNDATION UP

On Day 1, 10 October 2017, what a time it was to be alive to witness education re-imagined from high school, to university, to the boardroom. From South Africa to Germany; China, through Indonesia to Nigeria and Ghana. The teams flew from different cities, countries and continents; to



arrive at the OR Tambo international airport, proudly showing-off their national flags. For the first time, they had the opportunity to meet and greet their opponents, analyzing their game plans, strengths and characteristics.

For The CharterQuest Institute, this was an opportunity to welcome yet another group of promising young people with flowers and loads of contagious smiles. A specially imported scarlet red carpet was rolled out to softly kiss the feet of the aspirants, as they posed for interviews and pictures.

On Day 2, the destination was Soweto; teams toured Johannesburg and stopped at the apartheid museum and lunch was served at Sakhumzi restaurant. When one speaks of the rich South African history, one will mention SOWETO, the depiction of Ekasi and what it means to be South African. On this day, the world met South Africa, proud, cultured and unique; the teams enjoyed and danced to traditional music. It was important for The CharterQuest Institute to give the teams a truly South African experience, in a globally acclaimed competition - and that is what they were given, right through the famous Vilakazi Street.



On Day 3, the semi-finals opened at the Johannesburg Stock Exchange (JSE); the room was quiet, only the judges' clicking pens could be heard, ready to mark the teams as they marched on stage, one-by-one, to present their solutions to the international panel of judges -some of the best and well respected CFOs and industry leaders in the world, between them, over 150



years of experience in the academia, business and leadership. They would constitute The AMANGO PLC Board of demanding Directors.

The teams each had 10 minutes to wow the audience or fall short before being greeted by The AMANGO PLC Board of Directors with a slap of arduous questions for another excruciating 10 minutes! Quickly, the confidence we saw in the teams at the airport and tour vanished, smiles fell from their faces. How could they laugh now when the stage was blazing hot? Reality had set in, they had stepped out of the incubator, the classroom into the pit of fire - that being the boardroom, the games had begun; it was swim or sink to the next stage of the competition -the grand finale!

On Day 4 - The grand finale at the Sandton Convention Centre had come; it came like a tornado, to leave behind 3 of these best 6 teams that had fought so hard to reign as the eventual CharterQuest Future CFOs and Business Leaders 2017. It was amazing to watch each team battle to eliminate competition, survive the strategic threats, and offer the AMANGO PLC Board of Directors the most promising solutions. Having eliminated three rivals, only three teams would face the unforeseen extended 3 hour business case study to solve, with 5 additional strategic problems! It was war -and it took teeth, claws and a whole lot of critical-thinking to win -and that is simply what it takes!

That same day in the evening at the Michelangelo 5 star hotel, after beautiful music, inspiring speeches, words from the wise, lots of tears, and laughter, the moment everyone had been waiting for, 11 months later; it was time to for the teams to learn who would be walking away with the R100 000 cash Prize and ZAR 50,000. Victory belonged to Team UMCC from the University of Münster in Germany and



Team Westville from Westville Boys High School, KwaZulu Natal. What a night it was, and as the saying goes, work hard so you can play harder!

Day 5 marked the end of this event, with a befitting ceremony as the winning teams opened the Johannesburg Stock Exchange market before quick interviews, photo shoots and emotional goodbyes as they boarded their plane back home!

2018, IS THAT YOU?

What will The CFO (and CFO Junior) Case Study Competition be this year, well I am not supposed to say too much, but what I can promise you is MORE in every sense of the word, more challenges, and more levels, more esteemed judges and definitely, more exceptionalism. The 2018 case study will be based on the AB InBev (see page 14). The CFO is an open challenge to all Universities in the world and for the first time -in its Junior version, it is open to all High Schools on the African continent!

Well as brief as this recollection was, the finer details can be enjoyed on your TV screen, with 'The CFO TV Series' (as displayed on the next page). ■

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