

Foreword

By: Ellis Mnyandu

One of the biggest challenges facing business leaders in South Africa is how to constructively engage with government. The relationship between business and government, if there is one, is fraught with distrust from both sides.

Business is a very important constituency in our society. Besides being a vehicle to bring about much-needed employment and opportunity to many of our people, business serves as a vital link between our society and the rest of the world.

On the other hand, government is an important enabler – or at least it should be – providing an environment or a framework that is conducive to doing business viably.

However, as is often the case, the wheels of government turn more slowly than those of business. Therefore, if there is any constituency that is better placed to bring about impactful change, it is business. Yet too many of our business leaders have been cowed into silence, waiting for the government to dictate how business ought to engage with it. It is a risky posture, considering the fact that as our economy opens up to more competition, business leaders will have to start thinking and talking more boldly in order to be heard.

As South African businesses scour the rest of the African continent and other markets for new growth opportunities, we must expect that the leadership behind our enterprises is going to come under intense scrutiny.

As things stand, we do not have a good template of what these new market forays would require South African business leaders to do differently, but one thing is certain, new markets require new thinking and new insights. There is no time for saying 'it's business as usual' or 'this is how we've always done it.'

Wal-Mart's foray into Africa, via South Africa, is quite instructive. Although its purchase of Massmart ultimately has very little to do with prospects in South Africa, it is a vital stepping stone to the rest of Africa. The South African government has seized upon this opportunity to teach Wal-Mart about how it would need to conduct its affairs in this part of the world.

The mettle of Wal-Mart's leadership is now under intense scrutiny as more and more hurdles to a deal first proposed in 2010 emerge. Everyone is watching closely to see whether the retail behemoth will buckle under the pressure and the criticism that is also coming from unions concerned about the risk of job losses.

For any business leader, the Wal-Mart episode illustrates the kind of risks attendant to any move into a new market, and South African business leaders would do well to take note. But one particular advantage that Wal-Mart has is its deep bench of leadership. Wal-Mart has done business across continents and in many different countries. The retailer knows full well that it cannot rely on its record elsewhere to counter the arguments against it here.

Thus what is likely to happen as we head into 2012 is that Wal-Mart will find some ground to reach a compromise with its detractors, but with its eye firmly on the prize – the billion or so of consumers that the African continent and its new found wealth present.

Managing through uncertainty is one of the biggest tests of leadership. In the South African context, business leaders can ill afford to be seen as aloof or timid with regards to raising issues that impact business and the country.

As editor of *Business Report*, I deal with managers and business leaders all the time. The constant that always emerges at the end of my conversations is one that suggests that South African business has room to be a lot bolder in engaging with government and speaking up on critical issues – governance, corruption, empowerment, and the like. And while nobody wants to get caught on the wrong side of any debate, South Africa deserves a lot more than complacency in our business ranks.

This backdrop, hopefully, will go some way to inspire great leadership among those that we celebrate as this year's leading managers – to take South Africa along with them and scale new heights. It can be done. ■



Ellis Mnyandu is the Editor of *Business Report* since January 2011. He joined Independent Newspapers in May 2010 from New York where his role was serving as a Reuters senior correspondent. He has nearly a decade of experience covering corporate America, reporting on the effects of the Enron accounting scandal, 9/11 attacks, Hurricane Katrina, the election of U.S. President Barack Obama and the global financial crisis of 2007-2009. He also oversaw freelance reporters covering several southern African countries. Ellis also served as a Reuters deputy parliamentary correspondent based in Cape Town.