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**ADDRESS BY MYGROWTHFUND CEO MR. VUSI THEMBEKWAYO AT  
THE DR. RICHARD MAPONYA ANNUAL ENTREPRENEURSHIP LECTURE**

**UNIVERSITY OF JOHANNESBURG AUCKLAND PARK, JOHANNESBURG**

**13 NOVEMBER 2017**

Sanibonani and Good Evening All,

Thank you so much to all of you that have taken the time to come here. Tata Maponya, as you know, I'm a fan of your work. In fact, for those of you who don't know, I spent almost half the past decade of my life, studying the work of Tata Maponya.

The fact that you've invited me here to come and share my thoughts is a privilege and an exciting moment. Thank you.

So, what a time be alive? What a time to be in this beautiful country of ours, gathered at a higher education institution when a report has just been released on the fees commission. What a time to be young person of colour when we've been struggling for the past three years to realise this thing called "Free Education." Only to be told, that the instruments that control it, will still not give it to us. What a time to be alive?

For those of us, and I include myself, (for those of you who don't know my story; I was financially excluded at Wits University at the beginning of my second year because I hadn't paid my fees for my first year). For those of us who knows what's on the other end of the inability to access higher education because a system has commoditised and priced education, knowing not only that it is unsustainable for us as a country to do so, but perhaps even more importantly, that it is grossly immoral. That we put ourselves in an incredibly invidious position when we have to consider how it is that we are going to build this, our beautiful country South Africa. So, there's a thought.

But the lecture here today focuses on the role of entrepreneurship and most specifically how it is as entrepreneurs, we need to think about creating high growth, economic instruments these enterprises called businesses, in low growth environments the likes in which we are in today. To give you a sense, the research we have done on our firm, Iconoclasts, says that next year, the country will grow in a 0.4% growth rate. Treasury says 1.1%. Last year Treasury said, 1.1% again. We said 0.2%, we were on the money. The year before that, they said 1.2% we said, 0.7%, we were on the money.



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We have and will continue to lowball the Treasury numbers until the fundamentals of our economy and how it's structured, changes. You and I are in an economy that is a 0.4% growth economy over the next 12 months. Those are the facts.

For those young people in the room if you wonder what that means. Quite simply this: We live in an economy that was designed for 20% of the population and what we've done since we've taken charge of the country. I suppose controlling instruments of the designed functionalities of our state, is we've simply forced the remaining 80% of the population into the 20% that was designed. So, it's not by mistake that the economy of country for instance, is oligopolistic.

(Quite simply, that large parts and sectors of our economy are controlled by a few players. In the main we used to collaborate, in the past now they collaborate they just don't do so legally, but they still do. Its only oligopolistic by its nature.)

There are 55 million citizens living in this beautiful country of ours. There are four banks, five if you count the new player that's shaking the market up. And yet of those 55 million citizens who live in this country, 83% of them are black African. Of the five banks aforementioned, none are black African owned. There are 55 million citizens living in this country, 83% of them black African. There are six large clothing retailers, not one is black African owned. 55 million citizens living in this country, 83% of them black African there are seven large food retailers, about eight or nine if you count the now former split Anglo Group large mining houses. There are seven large construction firms, six large industrial firms, not a single one of the aforementioned, are black African owned.

The purveyors of capital would have you and I believe that the system is this way because of natural market dynamics. They'll tell you and I that it is this way because those who compete,



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who are capable and who are able, have built high growth instruments of value, these things called businesses and they are the ones who built these large scale organisations, it is not true. It is that way, because it was designed that way. So, how we unlock a generation of young people who sit with latent capacity and bring them into the fold of adding value to our society and our communities and our economies is by understanding that systems designed must be un-designed. We need a designed system of creating high growth entrepreneurs. That's the first point.

The second point is on this question of design, is that for most of us, and I imagine for some in this room, you don't even know that you live in a reality that was constructed for you. You're in it every day, you're like the fish in the fish bowl completely unaware that it is in a bowl in a world that is pre-determined for it, water that was pre-populated and yet for his entire existence he lives purely for the observation and the amusement of others. That's the reality you're in. Perhaps said differently, it fascinates me when young people don't know that the township was designed and I don't mean designed as in apartheid government saying, "Let there be townships". I mean it was designed.

Does anyone in this room know who was the chief town planner in 1953 when the National Party first passed the Acts that created urban settlements that would later become known as townships? By the way, for those of you that don't know, the townships that precede that Act, the likes of which we have in Alexandra, are by their very nature the reason why those townships still look the way they do. Old and new, a mesh of both worlds in one. But all townships created post that stage, were designed. Have any of you here taken the time to know who was the chief town planner working with the apartheid government when they designed the townships? It's interesting that you've not, because if you did, you would also know, that this specific town planner believed in the hypothesis of narrow streets and short barrows to lower the horizons of the inhabitants of the area. The reason a township street is designed narrow is to keep you from thinking big.



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I imagine you think that the reason why you can count the number of billboards in most townships. Is because of commercial enterprise. Because there was nobody to whom to advertise. No, it is because the town planner and the people who designed the townships knew that you never wanted to build billboards in townships. It would confer on people the ability to raise their sights and their horizons. To look up. And when, the guidelines were eventually passed in the early 1960's, that we could have billboards in townships, the national party then said, "Well we must install billboards that would destroy social infrastructure, social etiquette, and the family instrument or turn these people into consumers." That is why in the main to this day, you'll find advertised in township billboards either OMO or alcohol.

So then, I came back on Saturday, I was in Barcelona launching my book. What an experience, 8000 people attended my event. What an experience.

### *Audience Applauds*

When I tell you the story why do we celebrate it so? Why is it a mark of achievement that there were 8000 Europeans that came to see me? Why do we not celebrate that we are gathered here? Why is it (in your mind) the fact that I was in a foreign country speaking to foreigners, carry more equity than the fact that I'm here with you today?

If I may, it is because in the conditioning of the experiences we live in. In spaces, we occupy and how they were designed for us in that very conditioning was the inference that, that which is amongst us and from us always carries less than that which comes from "them". Whoever "they" are. As so when you want to talk about why it is that if we built a black car and called it BMW, I don't know, "black man's wheels", we wouldn't buy it. We would only buy it if it was built by the Germans it is because in the mental conditioning of the spaces we come from and the spaces we live in, we've been taught to see ourselves as less than and never equal to. We will never answer the entrepreneurship question for people of colour, until and unless we deal first with the mental condition of the person of colour. Until we actually understand that the greatest barrier we face is not access to finance or access to markets, although these



are important. The greatest barriers we face is unshackling the chain that imprison our minds. The power to look up, to raise our sites, to imagine.

I shared a personal story not so long ago on Facebook.

So, when I was growing up, as we are wont, during holidays you went to visit. I thought at the time my parents made us go visit, because they wanted us to see family member, I've now come to learn they just didn't want the nuisance of having us around.

*Audience Laughs*

The things mothers tell you when you come of age.

So, we used to visit my parent's social groups and our parents in their particular circle would circulate us. They took turns. My favorite person to visit was my aunt "nge siZulu bathi uMamncane". There is no 'Mamcane' in English, is it Mncane mother? I don't know what you call it.

*Audience Laughs*

uMamncane (aunt) was my favorite person to visit because she worked at Pick 'n Pay. She was a cashier you see and we typically would go and visit for the duration of the school holidays which would last anything between two to four weeks. But every Friday, she would bring us food, slaap chips in a paper packet if you've never had slaap chips from a paper

packet, and I mean a real paper packet, the ones that they took from a newspaper and as you eat the chips the ink is on the chips. Remember those ones?

She would buy us that and two russians plus half a loaf of bread. Now the problem was that there would be at any point in time, eight of us visiting, siblings and cousins. A packet of chips, two russians and half a loaf of bread doesn't go very far amongst eight of us. She would bring the food and we would open it up (because it's our nature), they teach you to be communal and, you would never portion a section to each, simply opened and we would eat. And what happened then, if you want to understand what's happening in South Africa today. We wouldn't eat the food, no that's far too civil a word, um.... How would I say comrades? We captured it.

We attacked that food. We went after it with all we had. Oh man, the favour of a new born baby discovering how to cry. We went after that food and we ate it the way we ate because you knew then as most of us who are entrepreneurs now that it was a zero-sum game.

That I benefited from eating as much as I could because I knew the more I ate, the less you ate. But I also knew, the more I ate the faster the food was depleted. So why am I saying this? Because if you want to understand the second challenge we face with building high growth businesses in low growth markets specifically for people of colour, you need to understand this russian and chips syndrome. It has many words, it carries many guises, wears many suits, more typically it's known as the "pull him down" syndrome. The reason why, where I come from, when you rise, it's your own people who will seek to pull you down. It is because we come from a system of thinking that infer, "The more you eat, the less I have to eat."

Think how contrary this is, and I watch some of my friends who are Jewish and how they think in that community. When they meet for instance for Sabbath and they talk about what it is they're going to do with their businesses. The inference is never "The more I eat, the less

you eat" its "The more I eat, the more there is for us to eat together". Here; the reason why I can't stomach your success, the reason I wouldn't dare celebrate your achievements, is because your achievements are not a reflection of what it is that is possible. Your achievement reflects that there is less for me to do.

And so, in linking why we are unable to do this is because we need to think broadly about what it is we are putting in our minds and our conditioning as a people.

Now then, perhaps this brings me to my third point.

If you, like me, have been paying attention, you would not have seen over the past 24 months in South Africa, but more acutely I suppose over the past year, a single instance where there has been a service delivery protest that was half attended. If service delivery protests were concerts to fill up a stadium, service delivery protests would be sold out every day. I wonder if you've considered who it is that attends service delivery protests. I wonder if you have ever taken the time to think who are the people who benefit from a system of economic enterprise, who are enfranchised in that system. They don't attend service delivery protests. You here, I imagine most of you in this room haven't been in a protest in the past year, I might be wrong.

*Audience Laughs*

But I imagine. And the reason you've not is because in each instance at which there has been a service delivery protest, you've been engaged in a system of franchise. You are at school; you are at work, you are making money to pay your car or your credit card or your bond. You are involved in a process through which you find fulfillment. So, the broader deeper reasons, the deeper purpose you and I should concern ourselves with building these things called businesses, is not so that you and I can live the lives we want to live. It is rather so that you

and I can become part of making sure that every year, fewer people are at service protests. That is the purpose of franchise. Broadening opportunities and acces.

And to do this, we must change our perspective and that's the point I was making earlier. Truly change our perspective. My very first office was in my mother's home eWattville.

Fascinating running a business from a township, it really is fantastic. One of the things you learn when you run a business from a township is that you have absolute free time during the day between the hours of nine and three. Because all the people that will come back and make a noise are not there. Fantastic. The second thing is; because it was in my mother's home, rent was very cheap. My mother often reminds me of that now.

But one of things that I have come to understand, is that you and I need to change our perspective. Now, I've come quite a way since those days, so my office today, (one of them) is in Grayston, Sandton.

And every morning on my way to work, these young people will run up to the front of the window. If you have ever been on Grayston, you will know the young people I'm talking about and they don't look particularly well presented and they have a little bottle and squeegee. And they will "volunteer" their services to you, and this is important, even if you don't want them. They volunteer their services to you for a nominal fee.

So, for quite a while I used to see those young people, as I imagine most of you do here, as a nuisance. And then I became an entrepreneur and started thinking like an entrepreneur and I realised that entrepreneurship is a function on perspective.

*So, the other day we were driving up and I saw one of the young men and he was washing the screen, so I rolled down the window and I called him over and I said, "Where do you get the soap?" And he told me. "And the squeegee?" And he told me. And I said, "How much for?" And he told me. Like a good entrepreneur I asked him, "Would you buy it if I could get*

*it for you cheaper?" "Sure," he said. "Where do you buy your shoes?" I asked. He was a street kid so he says, "I don't, I kind of take what's available." And I said, "Typically, how long do they last you?" He said, "Anything between eight to twelve weeks because we walk every day." "If I found you shoes that would last longer, for cheaper would you buy those too?" "If I can afford them, sure."*

If you have driven anywhere in the towns of Johannesburg, you will find those people. When you stop at a traffic light, they would come to you with a plastic bag and they will ask you if you have got anything in your car that you don't want in your car and they will take it from you, clean your car. And then they will ask you for a donation.

Anyone here ever stop to ask, *"Where are you getting your plastic bag?"* Because they are buying it from someone, and it's a clean plastic bag each time. They are getting it from somewhere. Eventually when they've collected the things they collected, *where do they dump them?* They must surely aggregate at a point. Where are they aggregated and how do they move them from the point of aggregation to the point where the refuse gets disposed or recycled.

*How does that happen? And who does that?* That is the essence of entrepreneurship. Entrepreneurship is not; "I register a business, I open a bank account, I register on a couple of government departments and I wait for the opportunity to take someone for a coffee at Melrose Arch." That's not entrepreneurship.

Earlier, I spoke about the problems that we have. This oligopolistic economy that we are faced with and how we can transform this economy. But for those of us that are truly entrepreneurs you need to realise that there is a singularity that binds us together and the singularity is this: *This thing called 'entrepreneurship', is the most painful way to make money.* If you're in it for the money, you won't be in it for long. It hurts. It's painful. You are going to make mistakes, you are going to take risks that are often not advisable for the uncertain returns. And by the way, for the entrepreneurs in the room, when they talk about

the risk of entrepreneurship tell them, "*They are lying.*" When you become an entrepreneur, it ceases to be a risk, it is an eventuality. It's going to happen. It's like the December conference.

### Audience Laughs

You know, risk when you're an entrepreneur, is like gravity. It exists, it's ubiquitous shapes your world every day. The reason why I make this point is I would be remiss in my role as an entrepreneur if I did not take the opportunity to say, specifically to those that control access to finance for entrepreneurs, the big problem we face in South Africa today is the people that control the financial instruments that are intended for entrepreneurs to build businesses and the reason that is, (and I spent eight years of my life studying and working in corporate finance), is specifically because the instruments they use, the models they use and the thinking they use, was not designed for yours and my environment.

So, of course, when you are valuating my business on a weighted average cost of capital of 18% investment doesn't make sense.

Of course, if you are looking at a young person coming out of a township who dares start a business to make suits and his name is, Mandla Nkosi as opposed to Tom Ford or Hugo Boss, the risk fundamentals don't hold, but guess what, there was a time Hugo Boss wasn't Hugo Boss.

Of course, if you're looking at that young man in Limpopo who built his own helicopter using refuse material, but can't compete with the Boeing, or an Airbus or ROTORWAY. Investment in him seems risky.

Yet the problem we face today with those who control access to finance is they want to treat you and I as if we're not in Africa.

They want to treat you and me as if we are in Stockholm or London or New York City and they use the same models of thinking that venture capitalist in those markets use to evaluate opportunity. I mean, how dare you say to a person of colour under the age of 40 years old, that they must provide you with security. Security?

*"Look, we have a security guard." "I can give you that security."*

*Audience Applauds*

And by the way a fact, for those of you who don't know, most of banks in South Africa, will not recognise properties in township on a real estate value of par. So even if you do have a home that uGogo and Mkhulu own and you by chance happen to have a title deed, if that home was built any time before 1990's, you are not going to get a market related value for that property, so forget using it as a form of security to access finance.

And so, we must, as a part of our responsibility every single day, entrepreneurs working today, if you are successful or you're just above water, if every single day you are able to make your commitments, you have a responsibility to evangelize the truth.

That the purveyors of capital are not servicing and serving the markets that you and I are in today and we need them to start thinking very, very differently. The question for us is, *"How do we create more Ntate Maponya's?"*

The reason I asked Ntate Maponya to be a patron of our fund, for those of you who don't know, he is, because Ntate Maponya symbolises what it is that is possible when we imagine. He symbolises what it is that can be achieved when we will not let systems keep us from achieving. He symbolises what it is that is the very essence of hope and the human heart. If you want it, go get it and if they tell you can't have it, it's probably just because they've never seen it done before.



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So, let me make these three final points. The first is this: Let's start first by un-conditioning the mind of the person of colour. I specifically say, "Person of colour" because I think that is broad enough to include all of us who come and have been subjugated by systems of oppression. Un-condition your mind. There was a furor in South Africa about three weeks ago when a certain fast-moving consumer goods business had an advert of a young lady who was one colour, used their product, took off her t-shirt and was a different skin colour. And most on social media made a noise about how racist that company is. I don't think they are; I really don't think they are. I think they are thinking in the way they have always thought. They are not intending to be racist, they just thinking and using systems along which they used to think the whole time. What for me was fascinating was how I watched black people on-mass talk on how we need to build our own business that makes these things and I asked a question, similar products.

*"Why do we need to be offended by whiteness before we support blackness?" Why must you first get bad service at Shoprite for you to go and buy kwaMandla Mcunu General Dealer? Why?*

It works because in your mind, your condition is that which looks like you, is less than and not deserving. Which brings me to my second concluding point: Until and when we learn to celebrate each other successes, we will never exit this quagmire. Every person in this room, if you have not done so already needs to at some point in the week, buy a ticket to full up FNB stadium.

Why?

Because here is a young man who comes from a background you and I come from. Who says, "I refuse to be an opening act for some international performer and not only that, I refuse to be told I can only perform at nightclubs or shebeens. I want to fill up a stadium that the political party governing the country, struggles to fill, atleast today.

Not only this, he says, "Whether or not they sponsor me, whether or not they give me their money, I'm doing it anyway. Because even if I lose, at the very least, I would have done so as a full expression of my potential." If this is not the essence of entrepreneurship, I don't know what is. And yet I watch with great amazement at people who have the audacity, the mitigating temerity to go on social media and attack him. You have not filled a bath.

*Audience erupts with laughter*

This young man's story is not about an artist filling a stadium, if you're thinking this, you are missing the point. This young man's story is what happens when we dream, when we want, when we believe, when we say, "We too are worthy."

And then my final point: As a father I suppose I have come to a point where I am beginning to ask myself whether or not I am are creating in these little lives God has gifted me, "Free minds". My view and my experiences is that, the greatest gift I can give my kids, is not money, it's a free mind. It's a mind that looks and thinks anything is possible. It's a mind that says; *"Who built Apple?" "Steve Jobs" "Okay, that's cool, I'll build Orange."*

A free mind, but I mean a F-R-E-E mind. Free to hope, free to think, free to imagine, free to dream, free to want, free to love, to live, to laugh and to express. Free to make a mistake and not be judged. Just a "free mind".

Many years ago, I came up with this idea of; I wanted to travel the world. As I believed that my experience of the world was one that had not yet been shared with the world. It was interesting when I first started in my industry, specifically the speaking industry, to speak to agencies and tell them what I wanted to do. It was fascinating to hear that not a single one thought it was possible. And they layered the hierachy of the reasons it couldn't be done.



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*"You're South African' which means; "You're African" "You come from a township, ergo you're poor." "What is it that you think that you can bring to the world that nobody else can bring to the world?"*

And so, and I want to pay credence to him if I may and I'm waxing lyrical I'm aware, but just give me the space to. When I did my very first global inspiration talk, I needed a way to get people into the room and I called a friend of mine up, uNathi, and I said to him, "I don't think my name is big enough to pull people, will you come and speak at my event?" And he was insistent I could, I didn't have the faith to and so I invited him and he came and the room was about as full as this. Today you all know him as "Black Coffee", a very dear friend of mine. People wonder why "Black Coffee" so blessed: you know why "Black Coffee" is blessed. You know, "Coffee" is blessed because when he sees people succeed, he's genuinely happy for them.

So, that's how that journey started. This year, I started up by filling a room with 2000 people in, Texas. Then 3000 people in Las Vegas. I did five events in London, three in Dubai.

So, I think about the year I've had and I suppose I'm doing it because I want us taking stock what we've done. And it's not just me by the way; I have the most phenomenal team. I have done; Texas, Las Vegas, London, more times than a handful. Dubai, three times, Sweden, Finland, Norway, Morocco, Niger, Nigeria, Ghana, Kenya, Malawi, Egypt, I could keep going, I think you get the point. It took us eight years to do the research which culminated in my book "The Magna Carta of Leadership".

We launched the book in Barcelona, 5000 copies all pre-sold before the event. And I want to, if I may take the opportunity to say, the book is deliberately not a "Vusi Life Story Book" and the reason is that my life isn't done yet, I'm still writing the story. It's a business book and I'm competing with people who I have the privilege of sharing the stages with, I benchmarked it against Jim Collins, who's a dear friend and I share the stage with him. I benchmark with Dr Clayton Christensen, with Malcolm Gladwell. These are people I consider peers. Dambisa

Moyo. Real thinkers who have added to the world and one of the critiques somebody gave me was, "Why would you write a book that's not about your life?" and I said, "Because I feel like where I come from, there are enough books that express our lived experiences ."

I feel like we have spaces where our voices are absent. So, I deliberately wanted to write a book about leadership and exponentiality in linear markets. Eight years it took. I also have to confess that I wasn't going to release the book here at home and the reason that I was not, is because there are many places from where one can take criticism, home is the hardest. I fly in and if they don't like it, I fly out. I live here; you guys are friends, you are family, this country is home.

I wake up and go to the mall with my kids like an ordinary person and you always want to, I suppose, make sure that you are making people who were part of building you, proud of what you have become. So, under due pressure, I can confirm that I will be releasing the book in South Africa.

All this, I suppose, to make the point. All of us in this room, are writing our books every day and for young people of colour I want you to remember that you, especially, especially you, you are version one. You have never been before. Not in this country. There has never been a time where you and I could self-express and achieve the way we are. We are version one.

So, when we catch each other making mistakes, be kind. When you see someone falter, be kind.

Before you pass judgment remember that every person you meet is having some war internally that they are dealing with. A war that you probably neither understand, nor can cope with. I feel like we need to start a new movement **#bekind**, because you and me, we are version one.

This thing we are doing, this life we are living whether it's about being a venture capitalist and opening up opportunities for other entrepreneurs to create businesses as I do, or being a



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student and fighting for those who come after you, to get free access to education. This thing has never been done before. We are writing the script every day, we are version one.

With those words, I want to say thank you to Ntate Maponya for having invited me here. Thank you to the University of Johannesburg for having hosted us and thank you for all of you for thinking that I have some nuggets and thoughts to share for you to spend your valuable time.

As they say, the beautiful Swahili people, Asante Sana.

**END OF SPEECH**