

Business Development Services

Cape Town, South Africa

CASE A. DIVERSITY ISSUES IN THE NEW SOUTH AFRICA

Questions for Discussion

- (1) **Gender Issues:** How would you have handled yourself at the meeting at Thaba Nchu if you had been ignored by the town elder? Would you have carried yourself or reacted differently? Discuss the implications of the alternative actions you might have taken during this meeting and in subsequent discussions with the team.
- (2) **Racial Issues:** Discuss how racial issues might have affected the committee's decisions. Describe how you would have felt about and dealt with the racially charged situation of the misplaced hotel reservation in Welkom.
- (3) **Economic Disparities:** In order to evaluate the applicants fairly, how would you compensate for the technology gap between cities and rural areas? Explain how you would factor in differences in the economy, infrastructure and educational background in making decisions for each area.

CASE B. MARKETING THE LBSC PROGRAM

Assignment

- (1) Identify your own marketing strategy for the LBSC program to take to the board meeting. Be sure to include an advertising budget and reasons for all your suggestions.

- (2) Read the excerpts from the application from a Business Advice Center in the Appendix of the (B) case and complete the following:

- a. Make your decision on the application; rejection, partial accreditation, full accreditation. Prepare an answer as if you were going to take your decision to the Accreditation Committee.
- b. Create a marketing plan for the center to reach its target groups.

Current Situation at BuDS

Nearly 26 months after the new government came to power, it was apparent that things did not develop according to plan. The RDP (Reconstruction and Development Program) was in trouble because the government had not delivered on its promises to the people. There were numerous allegations of misappropriation of funds and corruption in the government. The Minister of Health, Mrs. Zomu of the ANC, was accused of mismanaging millions of dollars given to her department by the European Union. Violence and crime rates were on the rise, which was a big concern for foreign investors and businessmen. In February 1996, there was a strike by COSATU, the Congress of South African Trade Unions, which led to a weakening of the South African Rand to its lowest value against the dollar in years. Finally, and perhaps most damaging, the National Party pulled out of the Government of National Unity. They announced their decision to withdraw after the phrase "government of national unity" was left out of the new constitution, signed May 8, 1996.

TEACHING NOTES

Several problems affected the BuDS programs. Since the board meeting and the presentation of the marketing strategy, there were personnel and other fundamental changes. A new Minister was appointed and the new top management at Ntsika Enterprise Promotion Agency made the working environment at BuDS very difficult. The department, and the new Minister in particular, wanted more control over day-to-day activities because the program had gained some recognition, and they demoted the BuDS Executive Director. The position became merely one of a messenger, with no power over the activities performed. All requests had to go through Ntsika, which was located in Pretoria, greatly hindering the ability to get the job done.

For months, employees faced the prospect of having to move offices from Cape Town to Pretoria. This was very hard on the staff and there was much anger about the impending move. In effect, most of the BuDS activities came to a grinding halt. The staff felt that they had not been treated fairly with regard to the move and that Ntsika and the department were undermining the staff

and the programs that BuDS oversaw. After three meetings with Ntsika Board Members and representatives from the Department, the entire staff announced that they were not moving and that they were seeking legal advice on the organization's possible breach of contract and unfair labor practices.

While the staff may have been treated unfairly by the Board and its lack of transparency, it was the local businessmen and entrepreneurs who stood to lose the most. A transition period would be required to move the programs from Capetown to Pretoria and hire and train new staff to oversee the programs, so program development activities actually halted. The changes promised by Nelson Mandela and the ANC with the Reconstruction and Development Program were now going to take that much longer to reach the people, and this was the biggest loss caused by moving BuDS offices from Cape Town to Pretoria.

NOTES

This case was written by Nicole Scheps of Rutgers University.