

International Learning Expedition 2019

17th of August to 30th of September 2019

eMA FESH

| Executive Master of Arts for Family Entrepreneurship



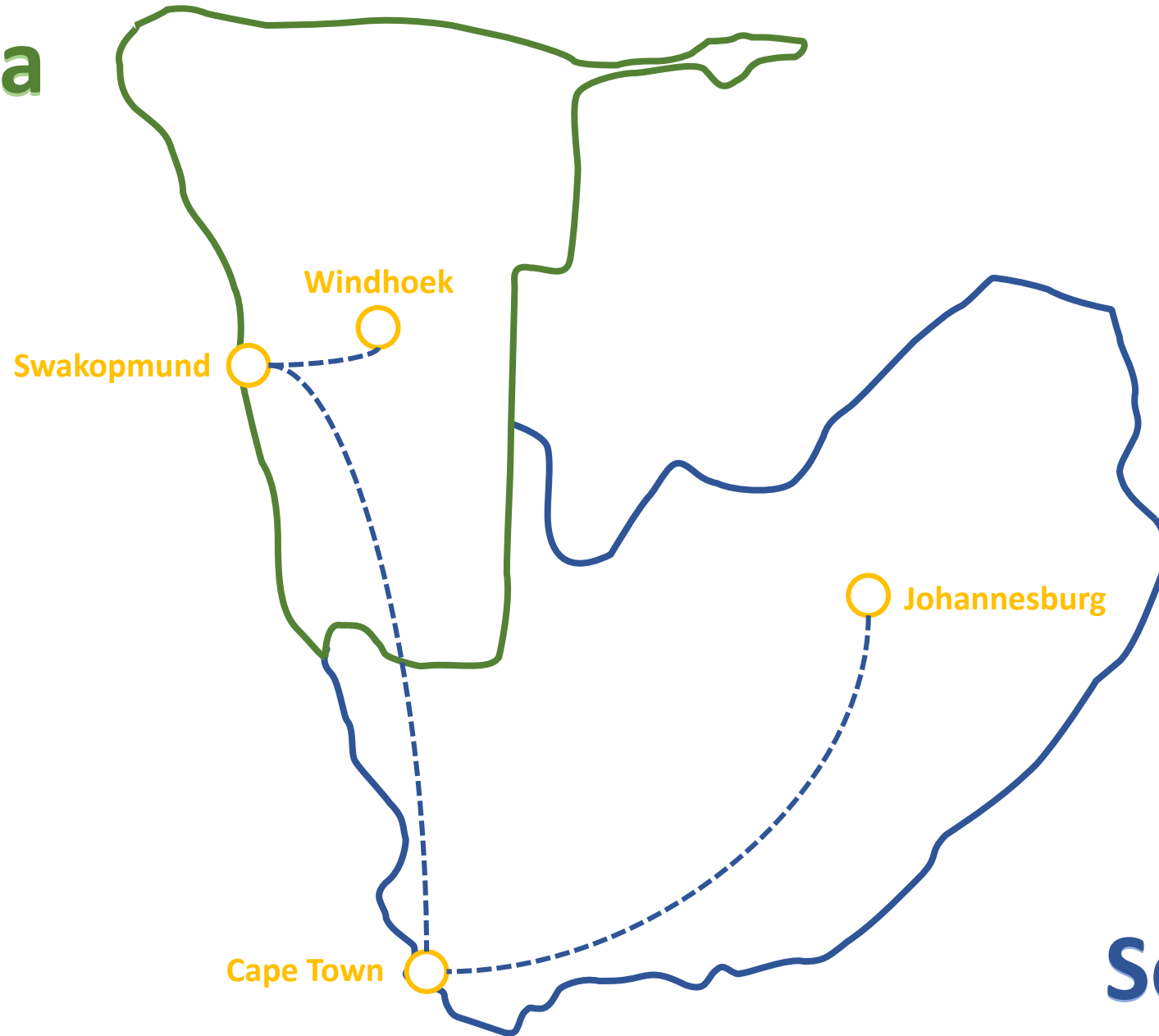




Africa



Namibia



South Africa



Participants

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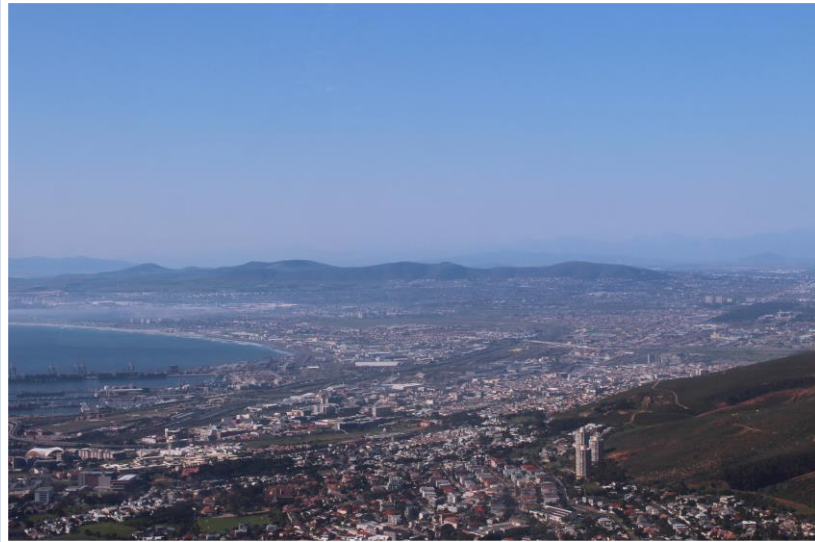
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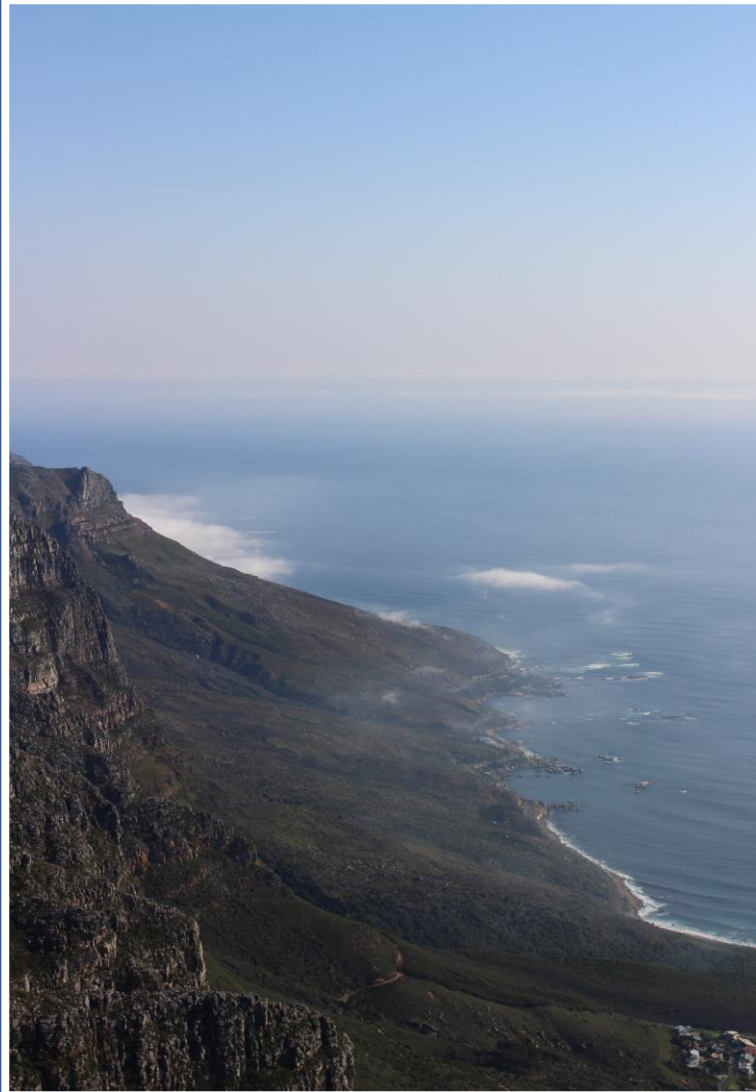
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Impressions



Impressions



Schedule South Africa

DATE	LOCATION	ORGANIZATION	PAGE
18.08.2019	Johannesburg	Arrival	
19.08.2019	Johannesburg	BWF Environmental Dynamics SA (Pty) Ltd.	14
		Stiebel Eltron Southern Africa (Pty) Ltd.	16
20.08.2019	Johannesburg	Konrad-Adenauer-Stiftung e.V.	18
		Southern African – German Chamber of Commerce and Industry NPC	20
		African Advisors	22
21.08.2019	Johannesburg / Cape Town	Victoria Yards	24
22.08.2019	Cape Town	Silvertree Holdings	28
		Young Bafana Soccer Academy	30
23.08.2019	Cape Town	Greenfingers Mobile	32
		Haut Cabrière	34
24.08.2019	Cape Town	Naumann Bookshop	36

Schedule Namibia

DATE	LOCATION	ORGANIZATION	PAGE
27.08.2019	Swakopmund / Windhuk	Namib Desert Jojoba	42
28.08.2019	Windhuk	German Embassy Windhuk	46
		Starke Manufacturing	48
29.08.2019	Windhuk / Omaruru	Herzog Hunting & Omaruru Beverages	50
30.08.2019	Windhuk	Departure	

General Information about South Africa

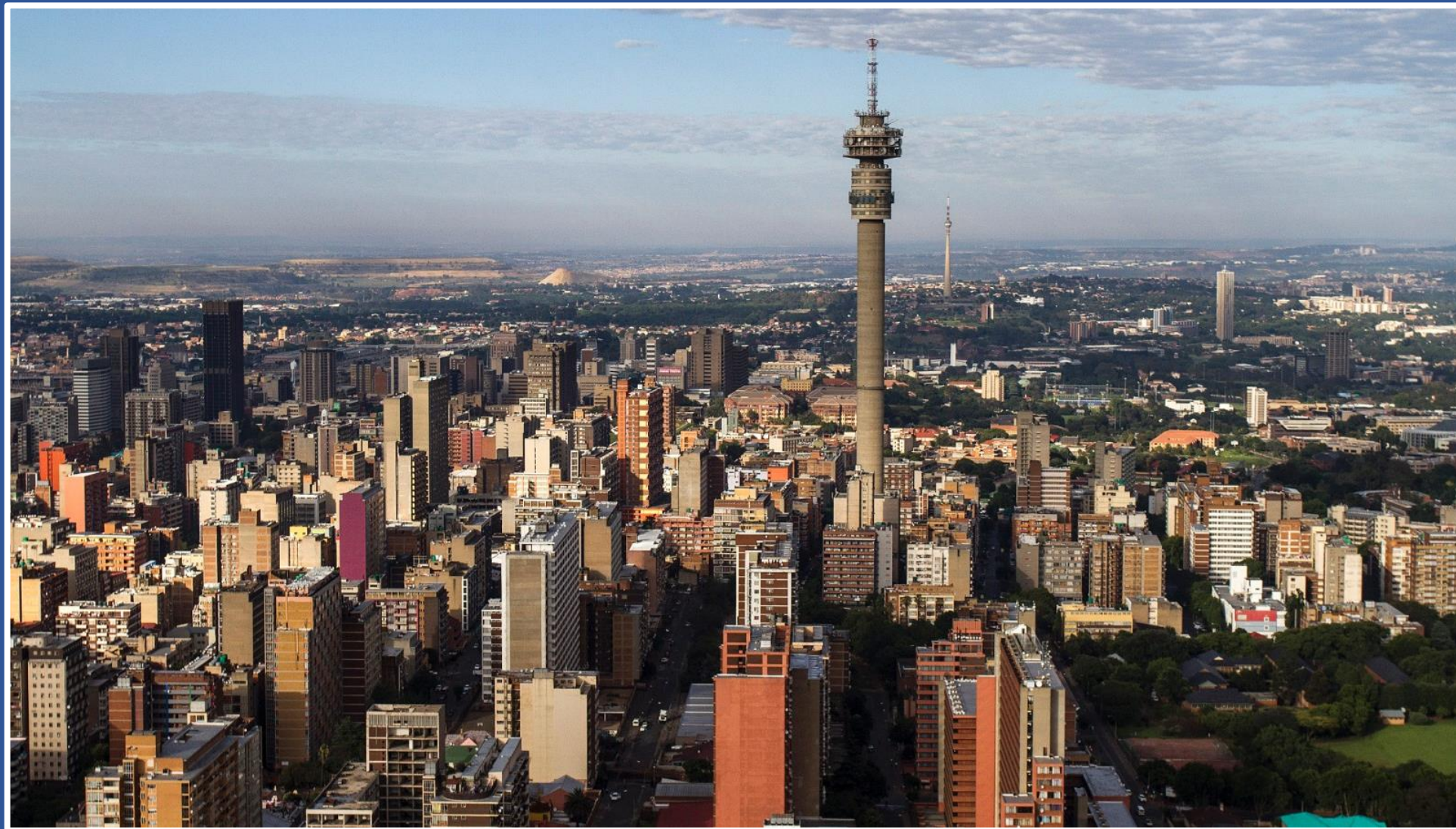
The Republic of South Africa is a country with many facets. Starting with the social context in South Africa, 18% of the employees have to work more than 50 hours per week. This results in a lack of time being able to spend with the family or taking care of the personal needs. The positive message is that 87.9% of the South Africans know someone they can rely on in emergency cases. Moving forward to the infrastructure, South Africa is facing problems in the power supply in many parts of the country. Also for company's aspects of import and export to South Africa is very difficult to deal with. Compared to 190 other economies, South Africa is ranked on the 109th place. The Country is facing a high number of unemployment. In total 55.2% of youth are unemployed. Another impact on companies in South Africa is the safety of the residents. The number of crimes is very high, and it does not look like it is improving. All in all the economic context of South Africa is not good. The economy in the country is not growing very fast and political instability is slowing down the development of the country.





First Stop:

Johannesburg



BWF Environmental Dynamics

BWF is a German family firm in the 5th generation, producing technical felts for several industries and applications. Founded in 1862 they are producing in 15 branches with about 1800 employees worldwide. 2017 BWF took over the majority of their former sales partner in Nigel, South Africa, where they are confectioning the special fabric produced in Germany to filter media. Their most important local customers are situated in the energy and cement industry all over South Africa and the neighboring countries with which they have long-term partnerships. After a short introduction by Yolandi Serfontain, CEO and shareholder of the South African branch, we were shown the production facilities which were characterized by a high proportion of manual work due to South African regulations. Afterwards Mrs. Serfontain gave us a presentation about the current challenges of BWF in Africa and the local economy. Most interesting were the explanations to the broad based black economic empowerment campaign of the South African government and how BWF deals with it. Also, she told us more about the standing of family firms in South Africa, as well as German products and firms in particular for the South African population. Finally, we were invited to a typical South African lunch before traveling back to Johannesburg to our next appointment.





BWF  *Envirotec*

Stiebel Eltron Southern Africa

As part of our international learning expedition to South Africa and Namibia, we visited the subsidiary of the German family-owned company Stiebel Eltron. The company has specialized in the production of electrical, hot water and heating appliances and generated sales of more than 500 million euros in 2018 with around 3700 employees. The products are distributed through 26 of the company's own sales companies and 120 country representatives. We were personally welcomed by the managing director Sascha Altmann. He guided us through the opportunities and difficulties of the South African market and thus gave us a comprehensive insight into the structures and the possible challenges for German companies to enter the South African Market. Since Mr. Altmann accompanied the founding of the new subsidiary from the very beginning, he was able to give us valuable tips regarding the founding of the company in Africa. He was also able to answer all the students' questions about the cooperation between German companies in Johannesburg. Mr. Altmann did not even shy away from personal questions and thus even gave the participants an interesting insight into his private life and tried to explain in an understandable way what his everyday life in Johannesburg looks like.





Konrad – Adenauer – Stiftung e.V.

On the 20th of August the eMA FESH group visited the Konrad-Adenauer Stiftung (KAS) in Johannesburg. The KAS is the biggest German political think tank and runs 78 offices globally. We were welcomed by Michaela Braun and Christoph Plate, both with long term experience in South Africa and the SADC (Southern Africa Development Community). We discussed about the political development since the end of the Apartheid in 1994. In spite of all the problems SA still has today, it is by far the most democratic state in Africa and has an „excellent constitution“ as Mr. Plate says. „Freedom of speech and freedom of press are also alive and well, although the quality of the press is shrinking rapidly“. The new president Cyril Ramaphosa, who was elected in May 2019, has a lot of work to do. The voter's participation of approximately 50% shows that South Africans are weary of their politicians which is no surprise after years of self-enrichment from Jacob Zuma and his government. But as a local saying goes: „Swiss has the clocks; South Africa has the time“. Michaela Braun and Christoph Plate think that it takes only 2-3 generations and people in SA will live by European standards.





Southern African – German Chamber of Commerce and Industry

On our second day in Johannesburg, the 20th of August, we visited the Southern African-German Chamber of Commerce and Industry (AHK). We meet Frank Aletter, the Deputy CEO and 2 of his colleagues. The AHK was founded in 1952 operating today in 142 locations in 92 countries. As an official representative of the German “Industrie- und Handelskammer” (IHK) the AHK supports German companies with the establishment and expansions of their business relations within the geographical region of the sub-Saharan. Since founded in 1952 the AHK supported over 600 companies in their international business development. The main services of the AHK are offering information and support regarding the market entry, law and taxes, Public Relations, Marketing Services, Trade fair services, Visa services and dual vocational training (AHK, 2019). As the group already participated two appointments before, we were happy to receive more detailed information about South Africa and its role in the sub-Saharan context, the political and economic development of the country e.g. the BEE, cultural changes and challenges and a deep dive into the presidency period of Jacob Zuma. Thank you to Mr. Aletter and his colleagues for the valuable information, open words and sharing their connectedness to South Africa with us.





African Advisors

The date on 20.08.2019 at the Johannesburg Country Club was special in many respects. The different invited speakers and the organizers, who represented various sides of entrepreneurship and society in South Africa, made it possible to get to know many facets of the socio-economic context in South Africa in one fell swoop. The simultaneous representation of these facets also made it challenging to put the experiences and information from this event into context. From the presentations of the speakers it emerged that there are considerable fundamental obstacles for entrepreneurs and also for the emergence of an entrepreneurial spirit in South Africa. Obvious contradictions also often came to light: African entrepreneurs like James Holley pursue - also in similar entrepreneurial contexts - completely different goals and strategies than a Swati Mandela. However, the smart and determined entrepreneurial spirit of someone like James Holley is perhaps a good example of how entrepreneurship in South Africa can and must function in such politically and socially turbulent times, since it is primarily about breaking out of existing contexts and overcoming the same strategically. However, it must always be kept in mind that it is individual personalities who are important to bring about change, since under the current conditions only individuals in particularly privileged situations are able to help create and shape a better entrepreneurial environment.





Victoria Yards

Our next appointment lead us to the north/east side of Johannesburg to a suburb called Lorenzville. On the 21st of August we meet Brian Green who is one of the two founders of Victoria Yards. Brian took us to a journey across the 20.000 sqm developed property which is surrounded by one of Johannesburg's typical living areas. We visited very different type of places e.g. art galleries rented by famous artists and newcomers from South Africa, craft centers as joinery's, glass blower, gift shops filled with local products and arts, fashion labels producing and selling jeans and collections, ice cream shops, a bakery, and a porcelain manufactory. The shops and companies are mostly run by locals and support each other within the VY's community. During our stay we got a real insight in the business of developing of a property in one of Johannesburg's difficult suburbs. We experienced a best practice for entrepreneurial spirit within a community that starts from scratch. The vision of an open space integrating all kind of people of the neighborhood working, teaching and developing something together with the goal to build something new and beautiful. Victoria Yards is a highlight example for the impact of culture and opportunities on entrepreneurship spirit and its reflection into the surrounding community. Thank you, Brian and your team, sharing your vision, goals and entrepreneurial mindset to learn from and take with us on our own journeys.





Second Stop:

Cape Town





Silvertree Holdings

Silvertree Holdings in Cape Town, South Africa was visited as part of the international learning expedition of the "Family Entrepreneurship" study program in South Africa and Namibia. Our host was Co-Founder and Managing Director Manuel Koser. Silvertree Holdings is a start up hub and incubator that invests in various start ups in Cape Town and the surrounding area and helps them scale their business model as they progress. Synergies are also used here, for example there is a common accounting department, and the start ups have access to marketing and PR resources of Silvertree Holdings as well as their premises. During our meeting with Manuel Koser we were able to find out where the particularities of the African market lie in comparison to Europe and what challenges Silvertree Holdings is facing. Finding suitable specialists and management personnel is a great challenge, as many well-trained and young South Africans leave the country for the USA and Europe. The size of the market in South Africa is also a challenge for the company as it is not large enough to attract a lot of investor capital. Silvertree Holdings also relies heavily on crowd funding, which fits very well with South Africa and its mentality of joint creation.



SILVERTREE

• INTERNET HOLDINGS •



Young Bafana Soccer Academy

The International Learning Expedition brought the students of the Executive Master for Family Entrepreneurship to South Africa and Namibia. In Cape Town, South Africa, we visited the Young Bafana Soccer Academy. The NGO is dedicated to the development of children between the ages of six and 18 from the township of Lwandle near Somerset West. Through football and educational activities, the children have an occupation, learn how to work in a team and gain a perspective through education. The almost two-hour visit to the township of Lwandle was a memorable and completely new experience. Officially, there were about 20,000 people living there in 2011, today's (dark) figure should be much higher. The people live in simple corrugated iron huts, mostly without running water and with poor sanitary facilities. The conditions were upsetting, and it was difficult to understand how people live there daily. At the same time, however, the people seemed open-minded and especially the children in the kindergarten lively and cheerful. Our problems here in Germany suddenly seemed so much smaller when thinking back to Lwandle. The lessons at Imibala School were also at an amazingly high level, which I would not have expected. At least in English and mathematics the children from Young Bafana seemed to be on a par with their peers in Europe. Overall, the day in the township and the school was an impressive experience, which would probably not be possible for most Europeans on this scale.





Green Fingers Mobile

In the context of our International Learning Expedition in South Africa and Namibia we were lucky to visit GreenFingers Mobile, a start-up from Cape Town. GreenFingers Mobile offers software which manages and finances large groups of smallholder farmers in value chains. From Richard Cole we learned that GFM functions as a scalable software platform in-between the smallholder farmer, the reseller and the customer. The goal is not to reinvent the value process, furthermore it replaces existing pen-and-paper solutions with smarter, faster and more scalable solutions. Among many things it was very interesting to hear about the way GFM uses their funding resources in order to create a sophisticated product, which we could even try out by ourselves on a tablet device. We were impressed how many advantages big data can offer for B2B-merchants that rely unexploited without a smart and digital software platform.





Haute Cabrière

After a 60 Minute bus ride through the beautiful Franschhoek landscape, we arrived at the vineyard Haute Cabrière. Due to a five-month renovation project at the tasting room, we were lucky enough to be invited to the private property of the von Arnim family to have our wine tasting. We were warmly welcomed by our host Takuan von Arnim, who took over the family business from his father in 2013. Even though the 23rd August is Takuan's birthday, we were very happy that he took the time to meet us himself. Accompanied by a breathtaking scenery and some Chardonnay and Pinot Noir we learned about the wine making process and the different cultivars in South Africa. A big part of our conversation was the von Arnims family history and Takuan's follow up process after his father. Although he never had the intention of becoming a cellar master, he worked on the family farm when he was younger and went to Germany for his education in wine making. He told us that travelling to France, America and Australia was also a huge part of his training in the world of wine. Other topics in our conversation included the differences in the European and South African culture. With his mother being German and his father South African born with German roots, he experienced both cultures from his earliest years. Altogether we had a very pleasant afternoon with great wines and plenty of insights in a family operated vineyard estate.

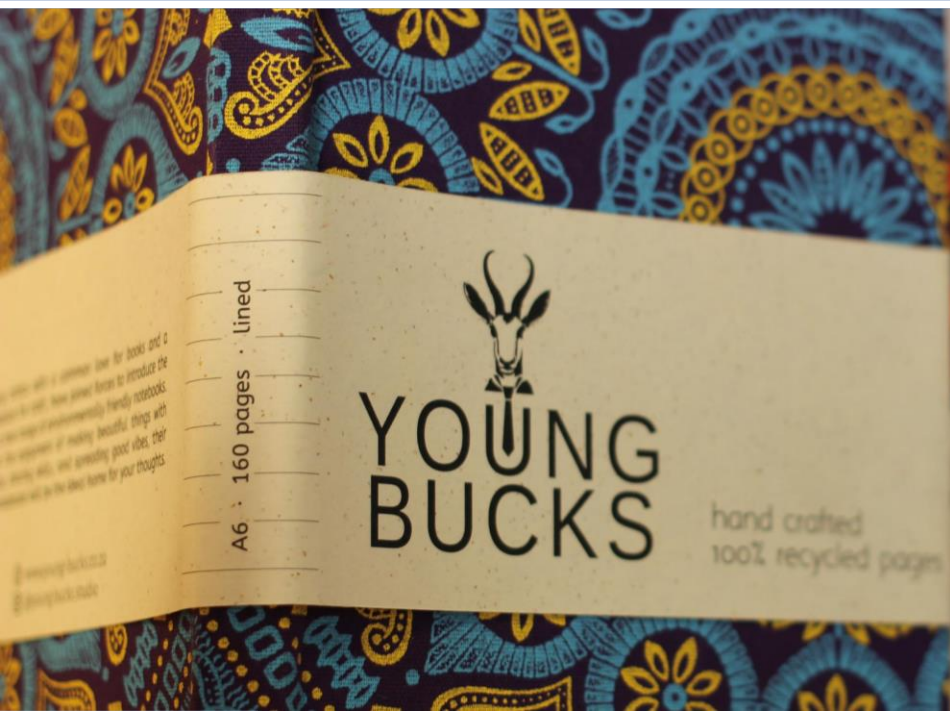




Naumann Bookshop

The Naumann bookshop is the southernmost German bookshop in the world. Located in the „Sauerkrautviertel“ this bookstore gives German speakers and those interested in German culture great book choices, ranging from different themes. Situated in the same building as the German Dinkel Bakery, it's the “in place” for many German-speaking people in Cape Town. Mr. Naumann, the original owner had to sell the bookshop in 2014 and since that year Andrea Schmidt and her husband are the sole owners. They have been running the bookstore with just as much heart and soul just like Reinhard Nauman did. Since Mrs. Schmidt moved to Cape Town in 2008, she always looked for an opportunity to connect more closely to the people and culture into which she immediately fell in love with the first time she had visited the city and met the people. For her, the bookstore is a tool to make a difference. It is a place to meet, network, exchange and learn. We attended one of her workshops for German children, designing and manufacturing different bracelets and necklaces, while speaking German to keep the language alive. The little bookstore is her life's work, it's her way to say thank you for the heartfelt welcome she got all those years ago.





General Information about Namibia

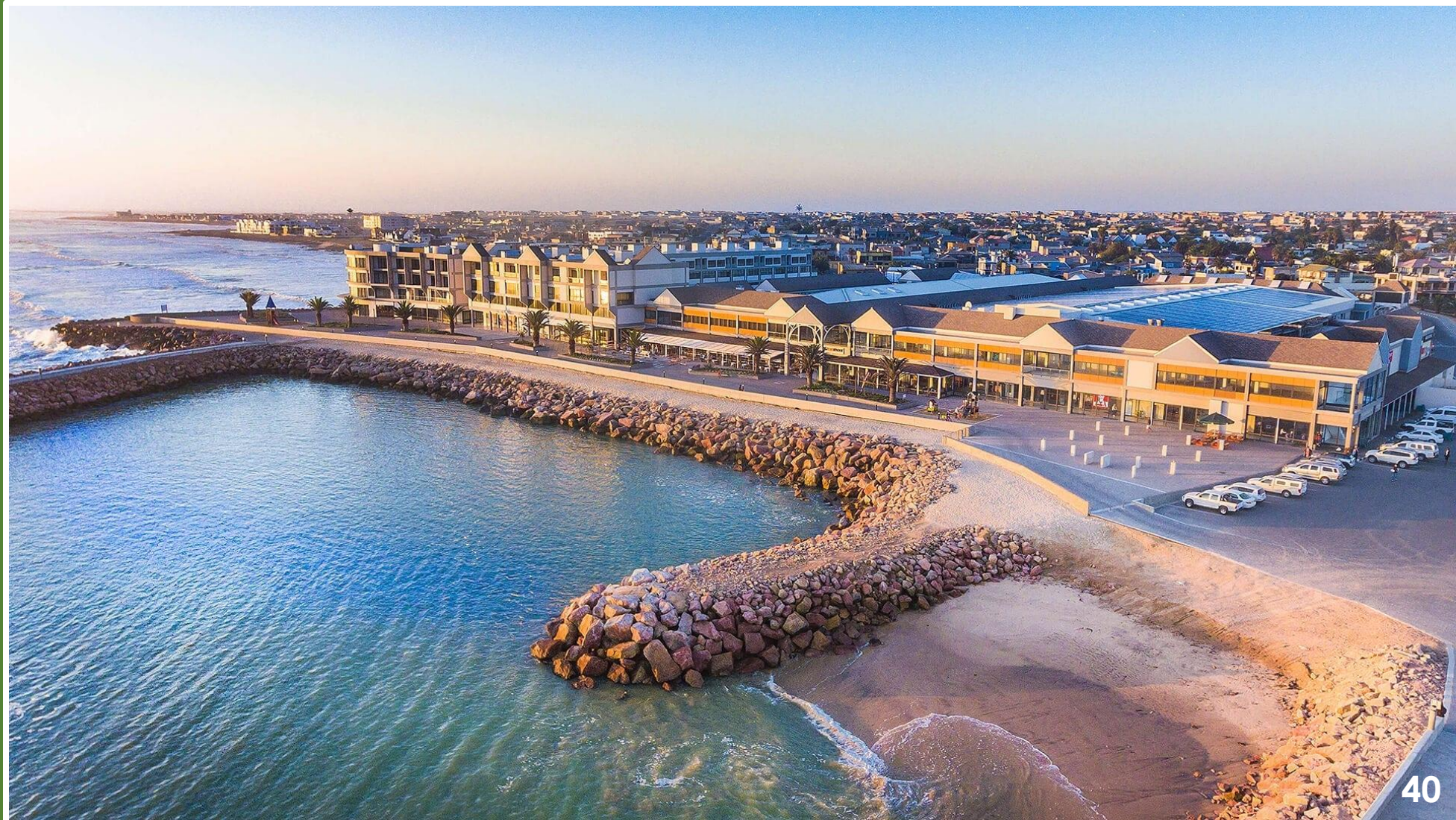
Since achieving independence in 1990, Namibia can be regarded as a free country. The judiciary is independent, and elections are fair. Namibia's society seems to be torn between progress and traditional roles: constitutionally mandated gender equality and tribal laws subjugating women both exist at the same time. Also, persistent beliefs in superstition pose an important factor in society. With respect to economics, Namibia is torn between progress and recession: participation of women in the labor force and unemployment are both high, illustrating said tensions. However, political efforts aiming to alleviate poverty, hunger and a lack of critical infrastructure improve the situation relatively, while absolute improvement still has to be made. A large proportion of the Namibian people still live in subsistence farming or work in what resembles some kind of community entrepreneurship. Comparable to German Genossenschaften, those communities play a vital role in providing resources to entrepreneurs. By being founded with the specific intent to solve local pain points, those forms of entrepreneurship improve upon the situation of the entire community and can help increase wages. Severe illnesses and comparatively many road-deaths indicate that headway has to be made regarding basic securities provided by the state.





Third Stop:

Swakopmund





Namib Desert Jojoba

At around 9:00 a.m. our host Oliver Rust picked us up from our hotel in Swakopmund. We had a relaxed two-and-a-half-hour bus ride to the Namib Desert Jojoba farm at the Omaruru Delta. After half an hour of walking through the desert, we arrived at Rosa's farm in the middle of nowhere. It was unbelievable to us that anything could grow in this extreme vegetation. Oliver showed us everything about the farm and the jojoba plant. He is responsible for the entire "Namib Desert Jojoba" project. The jojoba plant is very robust and can grow in the desert because it doesn't need much water. Since the project started only 1 year ago, the plants still need to grow until they can be harvested. One of Oliver's biggest achievements was to gain Annemarie Börlind Natural Beauty as a partner in Germany. The company supports the project by purchasing jojoba oil at fair prices and processing it into its cosmetic products. Another big achievement of Oliver's was hiring Rosa to start the pilot project of "Namib Desert Jojoba". She is the mother of 11 children and has already worked as a farmer for many years. It was amazing to see what creativity and hard work can do with the land. We thank Oliver Rust very much for this extraordinary experience.





Fourth Stop:

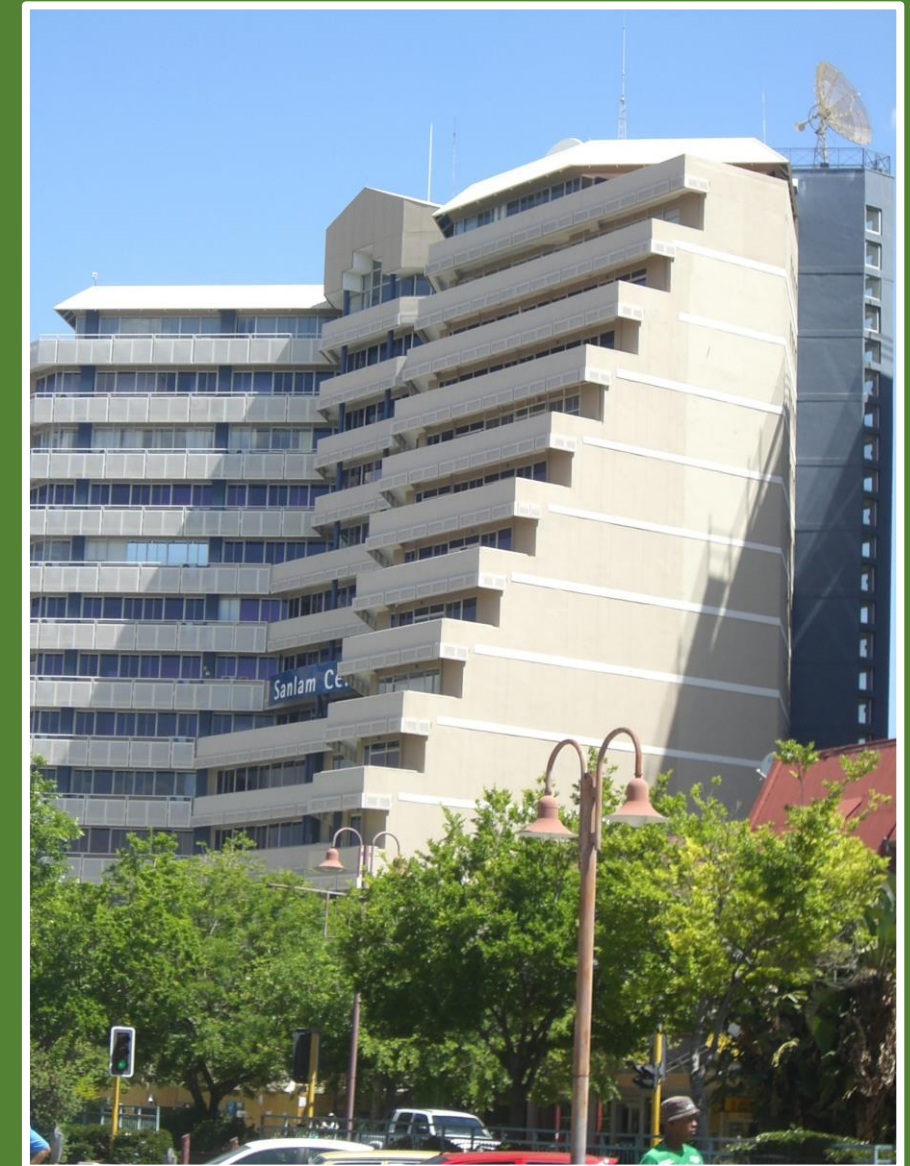
Windhoek





German Embassy Windhoek

On August 28th we visited the German embassy in the Namibian capital Windhoek. There we met Ms. Ellen Gölz, who is the current permanent representative for Germany in Namibia. With her, we had an interesting and detailed discussion in which we gained a lot of detailed insights about the country, its political, economic and cultural challenges and opportunities. We also talked about the investment potentials for foreign investors. When seeing the country as location for investments, potential investors are often facing uncertainties such as lengthy bureaucracy or a potential law for black empowerment. Since not many interested parties are willing to accept those risks China is gaining more and more influence in Namibia. Another topic of our discussion was the Namibian dependency on its neighbor South Africa, which still has a lot of influence on Namibia and especially on its economy since the currencies of both countries are linked. The relationship between Namibia and Germany was also part of our discussion. The former colonial domination does not play a strong role in the current Namibian national mood, whereby there are some tendencies to erase the tracks of the German influence by renaming German street names. Overall we concluded that this young independent nation still must form its identity.





Starke Manufacturing

On Wednesday, the 28th in the afternoon, we met with Richard Starke, who is the CEO of Starke Manufacturing & Airconditioning CC - one of the leading air-conditioning and ventilation suppliers in Namibia. The Starke head office and production site is located in an industrial area in Windhoek. Richard Starke joined his father in partnership in 1988 after working in Germany in the field of air-conditioning and refrigeration trade. Apart from the air-conditioning supply, Starke has its very own sheet metal manufactory. After showing us the facilities Mr. Starke gave us a lot of insight in the life of a German-Namibian entrepreneur living and working in the Namibian capital. He took the time to portray very detailed the current political, cultural and economical state of Namibia and described the difficulties and opportunities one faces when working in an African country as a German born. We really got to understand the challenges that arise when different, multicultural mind-sets come together. We also talked about Namibia's history and cultural identity. In general we established that even though Namibians take a lot of pride in their culture, it seems to be challenging to pinpoint an unique Namibian identity which is still evolving.





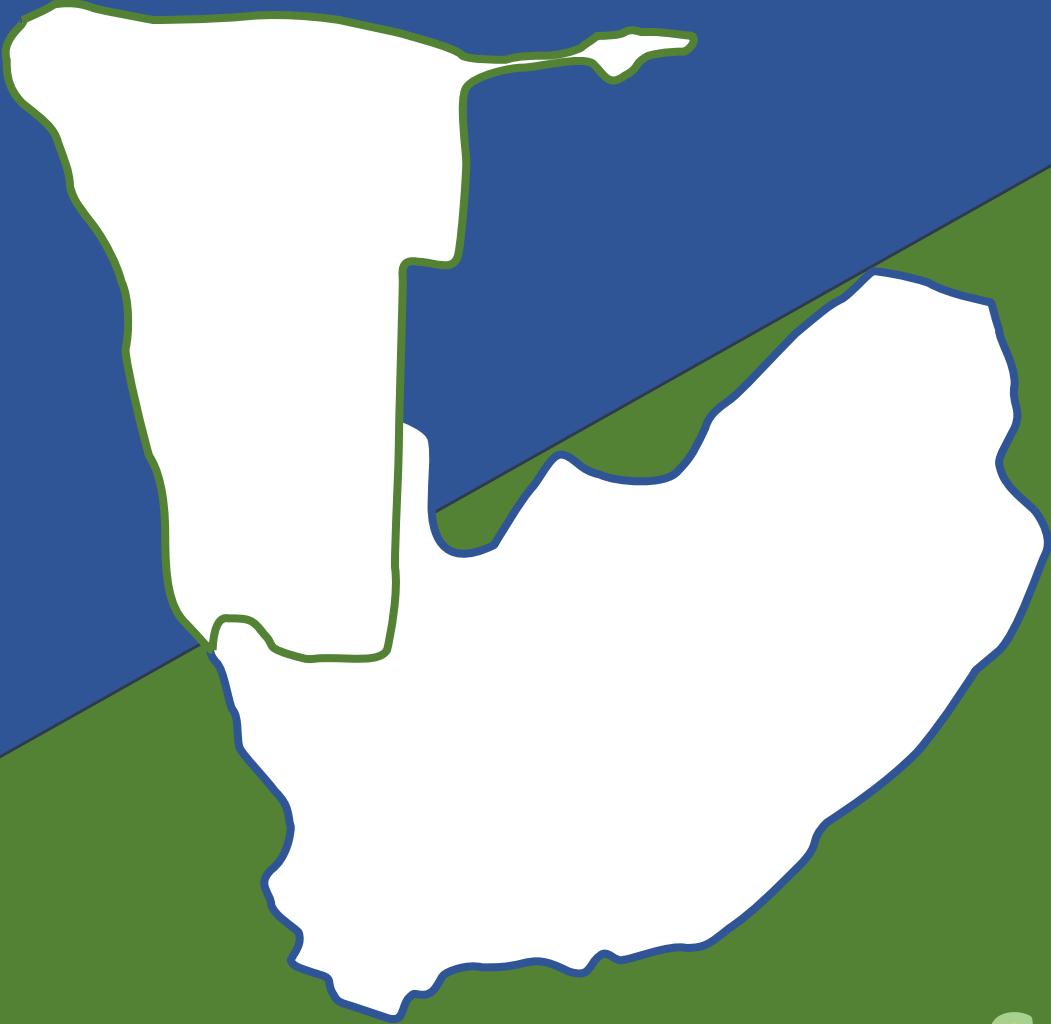
Herzog Hunting & Omaruru Beverages

On Thursday, the 29th of August we visited Omaruru Beverages and Herzog Hunting, which both are located near Omaruru in the Erongo mountains. We met Hubert Herzog, who took over after his father passed away, and Ferdinand, one of his three sons who are all working in the company. At first, we got a tour of the production of Omaruru Beverages, who are producing between 50.000 and 150.000 liters of water and flavored drinks every week. The production starts with the blow-molding of the bottles and ends with the shipping of the bottles all over Namibia. Contrary to the general opinion they are using single-use PET-Bottles, as the transport and cleaning uses too much energy. The ensuing discussion over lunch highlighted the problems they are facing in terms of animal-conservation, poaching, owned land and workforce. Hubert asserted that they try to protect and resettle the wild and native animals even if they offer hunting for interested people. Contrary to hunting in Germany, the aim is not to reduce the population by hunting young animals, but to give the young and strong animals the opportunity to reproduce by skimming off the age pyramid from above.





Namibia



South Africa