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### **Social entrepreneurship becomes an option in tough times, the USB hears**

The state of the economy is a daily concern. Prices are climbing, companies have no choice but to retrench staff, work teams are shrinking, and unemployment is on the increase.

These circumstances have forced many people to become creative in the area of personal talents and skills. The question however arises: how can social entrepreneurs build a sustainable business that will benefit the poor?

Dr Elbé Coetzee and her son Will, a final year MBA student at the University of Stellenbosch Business School (USB), embarked on social entrepreneurship to grow a family business, Mogalakwena Craft Art (MCA), into a sustainable business over a period of 15 years.

On Friday (29 May 2009) they addressed an audience of managers, MBA students and alumni at the USB's regular Leader's Angle talk series on how they are building a sustainable business that is bringing benefits to a poor community in Limpopo Province.

Before Will started his MBA studies, the MCA followed an 'organic' pattern of growth. Now he applies carefully planned business principles. "Our strategic focus is social development. We first had to look at the demand for craft art," says Will. He then decided to implement a *Blue Ocean Strategy*, based on a book written by W Chan Kim and Renée Mauborgne. The blue ocean means operating in uncontested market space instead of competing in a 'red ocean' with many competitors.

The *Blue Ocean Strategy* made him look at the key strategic themes which involve creating increased buyer-defined value while simultaneously reducing cost factors. "We want people to buy the experience, not just the product," he explained.

Dr Elbé started the company in 1994 in Limpopo, in a rural village where Pedi-people live. Her passion and love for craft art motivated her to do research on how she could start her own craft art business.

"I wanted to know why certain craft art businesses were failing and why others were successful. In the Limpopo province the unemployment rate is tantamount to the 60% rate of HIV/Aids. I also looked at the serious issues when it comes to the weak supply of goods to the province. This made me realise that I needed a better approach to help the poor," she said.

Dr Coetzee's research encouraged her working definition and focus of transforming socially and environmentally responsible ideas into products.

"When I started this company I didn't have the vision, but I had the passion," she adds. Now her vision is to create employment opportunities, and to nurture and develop children's skills.

The name Mogalakwena means fierce crocodile and it is the name of the river that the 23 permanently employed staff and their families live close to, she said. But everything is not rosy and employers and employees have to be in constant communication. "Our key values are regard and respect for one another and to be resourceful in dealing with challenges and difficulties. Through doing so, we can solve problems among ourselves," says Dr Coetzee.

MCA had humble beginnings. In 1995 five women were permanently employed. In 2006 a research centre was opened to focus on research projects. Workshops are held regularly to teach members of the community life skills like first aid, Aids awareness, computer literacy and more.

Today MCA's craft art work is taken up in permanent collections and galleries in South Africa and abroad. MCA also has its own gallery in Cape Town while it is accredited to supply craft art for the 2010 soccer world cup.

"We had to develop and experience this for ourselves. It was not an idea conceived elsewhere," said Dr Coetzee. And she emphasises: "Empowerment is a two-way process."

The USB's Leader's Angle talks on all aspects of leadership, presented in association with Finweek and PSG Konsult, are an outflow of the school's focus on leadership development in its MBA, its executive education programmes, and its research on leadership.

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### **Photo caption:**

**At the USB Leader's Angle talk:** speakers, Dr Elbé Coetzee and her son Will, owners of Mogalakwena Craft Art (MCA), with Prof Marius Ungerer, who teaches strategic management at the USB, and David Katerere a scientist from the Medical Research Council.

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