

Allan Gray Orbis Foundation on cultivating an entrepreneurial mindset

 By [Pasqua Heard](#)

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The Allan Gray Orbis Foundation has invested in human capital and entrepreneurial potential through various scholarships and graduate programmes in South Africa since 2005. The Foundation later introduced its programmes to Namibia, Botswana and Swaziland. The start of Global Entrepreneurship Week was a suitable time to meet Anthony Farr, CEO of the Allan Gray Orbis Foundation, to discuss the value of the organisation in today's economic climate; the current, exciting cultural shift emphasising the importance of entrepreneurship; and the need for each South African to develop an entrepreneurial mindset.



Anthony Farr, Allan Gray Orbis Foundation CEO

Holding a B.Bus.Sci in Finance as well as the CA(SA) and CFA qualifications, Farr worked in merchant banking in London prior to starting The Starfish Foundation, which [mobilised resources](#) for vulnerable and orphaned children in Johannesburg. Seeing Farr's commitment to social change, Allan Gray approached him to head the Allan Gray Orbis Foundation.

Central to the Foundation's work is the [Schramm's Law](#) approach, which suggests that the single most important contributor to a nation's economic growth is the number of startups that grow to a billion dollars (or rand, in South Africa's case) in revenue within 20 years. While South Africa currently produces approximately three of these businesses a year, the Foundation estimates that if the country were able to create 10 of these companies per year, it'd be able to change the growth of the economy by 1% per annum. Based on this prediction, there is still much work to be done...

■ With various challenges and limitations facing South Africa, how does the country progress in entrepreneurship?

There was a useful exercise done recently, which tried to find the binding constraints in education. These are the issues that need to be addressed first, before anything else. When you apply this to entrepreneurship in South Africa, our binding constraint is the levels of our human capital. Because we've been failed by our education system generally, that is the root cause of our lack of entrepreneurial ability. The whole notion of being entrepreneurial is a higher order cognitive ability. The pinnacle of learning in Bloom's Taxonomy is being creative, so if we aren't even getting memory work and the basics right, we can't build on that to the level of coming up with your own original ideas.

Second is the function of an entrepreneurial culture for society in general. There's a lack of desire and lack of belief to pursue entrepreneurial ventures. Studies show that people have often chosen civil service jobs, which are seen as fixed opportunities. But this is increasingly changing, as we're seeing more role models of successful entrepreneurs and there are more stories to be told. That starts to shift the culture. It's easier to set the culture earlier in schools which provide activities that help normalise this entrepreneurial spirit.

■ What ways has the Foundation found to shift the way we educate and train the youth to ensure that they can positively harness their potential and that as a society we reap the full youth dividend?

What we've found is that people underestimate their own ability. An entrepreneurial mindset is like a skillset that needs to be learnt and this can't happen without practice. We've found that if you find ways to help people continually recognise different opportunities, it's amazing how that generates a powerful level of self-belief. The system, in terms of education, is very much about rote-learning and predictive thinking, but we need to open people's imagination and ability to create. The skillset people need is called effectual thinking.

The Foundation does this by encouraging scholars and fellows to come up with ideas on a monthly basis that identify an inefficiency and solve a problem in their context. They need not necessarily implement the solution then and there, but it's to get them practising to come up with different solutions. Naturally, the more one does this, this becomes how one sees the world.

Another thing we've been looking at is an online platform, which we've called Blue Helix, that has entrepreneurial challenges. An example is 'upcycler', where you find something where you live and find several new uses for it, thus bettering it and ultimately upcycling it to serve a new purpose. People then take a photo of the product and submit it into a competition with other learners across the country. This is another way of normalising this behaviour.

■ **Since we're in the midst of Global Entrepreneurship Week (GEW), what significance does it hold? What role does the Foundation play in the week?**

GEW started as a small event in the UK to promote entrepreneurship for a week. I wondered what difference only one week could make. But the week itself became a movement. It's created a platform to amplify voices on entrepreneurship around the world, to showcase what's going well in the world of entrepreneurship and to create an overarching global entrepreneurship network.

GEW is significant to South Africa currently, because this the last global entrepreneurship week for this global entrepreneurship network before the annual congress in Johannesburg next year. We're essentially the host, so it's important that our entrepreneurial voice gets heard. So there was a significant launch of the week last Friday, in Johannesburg, at the IDC campus with the full support of the Deputy President and Minister of Small Business wanting to talk to the power of entrepreneurship, and clearly it's a message needed in South Africa considering the levels of unemployment that we have.

Our fellows have been involved in the week in various ways over the years. This year, the fellows created the [Imbizo Junction](#), which aims to curate all the entrepreneurial activities that are happening and try to build momentum around the week by building communication and accessibility.

■ **I understand that the Foundation works on the basis of responsible entrepreneurship. Can you explain what this is and provide your thoughts on it?**

The mandate given by Allan Gray to the Foundation is responsible entrepreneurship for the common good, so the common good informs what we mean by 'responsible'. Allan's definition would centre around entrepreneurship that wouldn't be driven by yourself, but it'd be driven by adding value to others. The question that needs to be asked is: is there an underlying purpose to the business that's more transcendent than just making money. Obviously the business won't exist if you don't make money, but it's about where the priority lies. It's about a business generally adding value to society, its customers and includes elements of sustainability and ethical behaviour. It begs the question: if this company did not exist tomorrow, how would the world be different? Furthermore, our business models just have to be more sustainable today.

The true mission of our Foundation is to address problems of poverty and inequality in South Africa - entrepreneurship is just the tool to help us do so.



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■ **What encouragement would you personally give to entrepreneurs who are just starting out?**

It's going to take all that you have to succeed, but I think there is a magic in throwing everything behind a particular vision

you have to bring something new into the world that previously never existed. There's almost no comparable satisfaction that can be achieved.

Secondly, if you want to become world class in a particular ability, you need to spend 10,000 hours making that happen. Although, a startup/entrepreneurial business is more likely to take 20,000 hours of your time. Therefore, be certain that this is something worth 20,000 hours of your time. Make sure it's something of significance, worthwhile and something you can be proud of when it succeeds.

■ **How can each and every South African contribute to entrepreneurship in our country?**

Entrepreneurship isn't for everyone. We appreciate that, although we think more people should start a business. We do strongly believe that everyone in their own way can be entrepreneurially minded. There's a difference between having a fixed mindset and a growth mindset. We can either believe we're fixed in our abilities and respond to feedback and failure in a fixed way, or we can have a growth mindset, which believes in bettering and improving once faced with failure. South Africa displays more of a fixed mindset, so people can determine how they can change this mindset.

■ **What are your predictions for the future of entrepreneurship in South Africa, given the current political landscape, both regional and international?**

At the highest macro level, there is kind of a populist wave hitting the world with the recent US elections and Brexit, which indicates there will be a very negative reaction to the current implications of globalisation and if that trend continues at the macro level, that will have negative implications for entrepreneurship. As GEW shows us, there shouldn't be boundaries to entrepreneurship - it should be a global pursuit and this trend will be fighting against that, so globally, I'd be concerned, but I think it's an impossible trend to stop thanks to technology.

Locally, I've been very encouraged. I think there are very exciting trends in South Africa. The seeds of truth about the importance of entrepreneurship are really starting to take root. Years ago, people liked the scholarship opportunity of the Foundation, but were less convinced about its entrepreneurial intentions. Now, more and more people are hungry for the pure entrepreneurial aspirations of the Foundation.

Then, just think about the number of accelerators and businesses popping up. We have a dominant financial sector, which is particularly vulnerable to technological disintermediation, but they have responded to that progressively by having innovation competitions and incubators with ideas that compete against their core business, but they do that realising they have to in order to stay in the game and stay ahead.

Finally, I think we underestimate that there is a lot of negative press around our legislation and it does lead to compliance rather than genuine behaviour, but it was fascinating to me that this whole notion of businesses becoming more inclusive in their supply chains is only reaching the international scene now, when this has been built into what companies in South Africa already have to do as a matter of course. Therefore, I think we have other, almost unexpected strengths as to how developed our enterprise development market is in South Africa.

For more of Anthony Farr's entrepreneurial insights follow [@zellfarr](#) on Twitter and read about the Allan Gray Orbis Foundation via the [website](#).

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