

THE ARTICLE FOR IBM'S

THINK MAGAZINE OCT. 1994

Give Peace A Chance

IBM is no longer out of Africa

by Hans-Dieter Huober

The heroes of the story, a white president and his black prisoner: Frederik W. de Klerk and Nelson Mandela, could also be characters from a Broadway musical. The plot, the end of apartheid, is the stuff that Hollywood movies are made of. But South Africa's first ever democratic elections and Mandela's inauguration could not have been better staged by Broadway and Hollywood, for this story holds more fascination than a musical or a movie, because it is not a dream, but real life. There is just one element missing in this actuality show: the happy ending is some way off. The heroes need support from outside - above all, economic support. A large number of companies want to invest in South Africa again and IBM is no exception - but all these companies can only get things moving, if the people of South Africa come to the understanding that they want to continue to "Give Peace A Chance".

These words from John Lennon's song may sound full of pathos, but for South Africa's further development they are decisive. The German institute for economic research, IFO, observed in a recent study analyzing the

economic prospects of South Africa: "The on-going peace process is of decisive importance for the country's economic development - in particular for foreign investors". And that is what South Africa's economy is in dire need of, in order to be able to satisfy, first of all, the basic needs of a large part of the black population. "With the help of Mandela's reconstruction program, South Africa intends to build half a million homes by the year 2000 and, above all, to improve the living conditions of the black population", explains Harry Schwarz, South Africa's ambassador in Washington.

The bottom line of all these desperately needed government investments and changes is a well-functioning economy. With the end of the boycotts that characterised the apartheid regime the all-decisive question now is: will there be a wave of foreign investment, will trade get back into full swing?

GET BACK

President Bill Clinton was one of the first to call for worldwide support for South Africa, and he also took up the initiative: the USA intends to place a total of 600 million dollars at democratic South Africa's disposal over the next three years. And - just as important as money - the USA intends to encourage imports of SA products.

A number of American companies have already returned to South Africa, for example Apple. Others, including many IBM customers, like

McDonalds and Burger King, are "on their marks" and getting set to invest there.

Modern information technology will continue to be urgently needed - not only to make for a competitive economy, but also to integrate the country into the worldwide economic information network. And where is IBM in all this? It has entered the market again, having already purchased a 24-percent share in the Information Services Group (ISG) - formerly IBM South Africa and the exclusive representative for IBM in South Africa. The question is only: will this be sufficient to maintain a leading role in the local IT industry, and what do ISG's customers expect of IBM?

COME TOGETHER...

...right now at Sun City, Bophuthatswana, at the end of June 1994: some 450 customers, business associates and dealers of IBM's exclusive representative in South Africa, ISG, meet for the biennial IT Conference. Over the two and a half days of the conference, ISG offers its guests a program of talks packed with information on what is going on elsewhere in the world: client server, service, IBM's PC strategy, AS/400, handheld technologies... - the speakers will also include Bill McCracken and Ned Lautenbach. Among the delegates there will, for the first time, be business associates from other African countries. What do they and their customers in South Africa expect of IBM? "It is very important for us that IBM should maintain a strong presence in South

Africa through ISG," says Nnamdi Eneli, executive director of Cicen Technical Services LTD, a business associate in Nigeria, "because we need close contact and technical support for our projects with banks, companies and ministries." CICEN also distributes products of Compaq and Epson, but, says Eneli, "IBM is not like everybody else" Wishes become reality: Mike Kos, general manager of SEMEA, announced on the last day of the conference: "IBM intends to relocate its Subsahara Organization, which is responsible for all African states outside of South Africa, from Milan to ISG in Johannesburg, in order to be able to support these countries better." - A simple question remains: why was IBM out of Africa?

YESTERDAY

In November/December 1978, THINK Magazine publishes a "Special Report on South Africa". American companies doing business in South Africa come under increasing pressure because of the apartheid policy there: student demonstrations at American and European universities call for a boycott of the apartheid regime - but IBM shareholders, too, increasingly take the floor at shareholders' meetings: "Wasn't IBM selling its computers as security devices to the white supremacists while they continue their repressive rule over the majority of the population? How does IBM's traditional sense of moral responsibility square with being in South Africa at all?"

March 1987, IBM sold its South African subsidiary to a Trust formed for the benefit of IBM's local employees, nearly a quarter of whom were non-white. IBM's method of disinvestment was also designed to fulfill its contractual responsibilities to its customers, continue its social responsibility commitments to the black people of South Africa, and promote positive social change. That means: comply with all United States export laws and regulations; adhere to IBM's own marketing restrictions and not sell IBM equipment to South African police, military, prisons or other designated agencies; continue the commitment begun by IBM to fair employment practices, including equal opportunity. - Difficult political and economic years lie behind ISG. How did the company weather these?

WE CAN WORK IT OUT "

When IBM left the country, we were at first left to our own devices," remembers Brian Mehl, Chief Executive of ISG, and goes on to explain: "Our most important goal was not turnover but profitability." Around 1,400 staff - in the headquarters in Johannesburg, in branches all over the country.

Even in the difficult years from 1988 to 1993, ISG continued to be successful and profitable: it managed to double turnover in the last five years of this period - profitability, however, dropped from 12 per cent in 1988 to 5.3 per cent in 1993. Last year the company achieved a profit of 75.1

million rand on a turnover of more than 1.2 billion rand. Brian Mehl comments the market situation: "We have more competition here than IBM in Europe. For mainframes it is, above all, Hitachi, for workstations and client server installations it is Hewlett-Packard and Sun, for point of sales products ICL and Siemens-Nixdorf. In the case of PCs, ISG has to hold its own against a host of clones from the Asia Pacific rim. But here in South Africa it is mainly industry-specific solutions that are in demand", for example in Cape Town.

KEEP THE CUSTOMER SATISFIED

"At present we are in the process of integrating all our systems and applications," explains John Knight, director of Wooltru and responsible for the IT service of the department store chain Woolworth's. Woolworth's is known in South Africa for its quality products; it is one of the largest department store chains, and in its 89 stores it has RISC/6000 installations in the back-office area, which are linked to the IBM cash registers via a LAN. These networks communicate with the head office via a Novell network linking the mainframes. "We need current data, in particular for our credit card business and sales planning", explains John Knight. Answering the question why he works together with ISG, he says: "We took a look at a large number of computer companies. There was no alternative to the ISG solution, at least not one that would have come up to our expectations." The installations are long

way from being completed, and there were initial problems, but John Knight is pleased with ISG as partner. He knows they will do everything to keep the customer satisfied.

I FEEL FINE

Cape Town is the center of South Africa's oil industry. Companies like BP, Shell and Caltex are represented here. Richard Sharland, Caltex's IT manager, says: "We are now moving from a regulated market with, for example, government-controlled gasoline prices to an open market. During the boycott, oil was for South Africa a strategic product, on which the government exerted a great deal of influence." But Caltex, a subsidiary of Texaco and Chevron - each with a 50-per cent share - with headquarters in Dallas, Texas, takes a relaxed view of the situation and is looking forward to free competition. In South Africa Caltex have been market leaders for 21 years. "Information processing plays a very decisive role in maintaining a competitive edge in the oil industry", says Richard Sharland and he explains: "We investigated how long we could sustain operations without computers. The result: 24 hours at the most." Caltex also commissioned an independent study to find out in what direction the IT infrastructure of the company should develop. "It is quite clear that, in future, mainframes will still play a very decisive role for us, because our whole company organization is built on this concept," says the Caltex manager, summarizing the results of the study. In the near future, Caltex

first of all intends to expand its mainframe capacity - with IBM. Caltex "feels fine" with IBM's big ones.

WHEN I'M SIXTY FOUR

Sanlam, established in 1918, is a leading South African life insurer and, with 26,000 employees, it is also one of the biggest enterprises. "We introduced computers for the first time in 1958, and, in so doing, we were the first company in South Africa to apply this technology," remembers Gerhard Cornelius Kriek, Sanlam's IT general manager. In 1960 Sanlam opted for IBM and became an "IBM pioneer" in South Africa. "As a result, Sanlam was able to secure a decisive competitive edge on the market," says Kriek, assessing the repercussions of this decision. Many banks and other insurance companies then followed Sanlam's example and also decided in favour of IBM. Banks and insurance companies are today the most important industry for ISG. For Sanlam's IT general manager, IBM is still the technology leader for this line. But IBM's prices remain a problem for him. "The Japanese don't spend nearly as much on research and development, but simply wait for

IBM, buy the licenses and can offer cheaper products in the same quality," he says. However, Kriek also knows: "IBM scientists are the best in the world, and, of course, that costs a lot of money." Service, cost cutting and re-engineering are the topics that concern Sanlam at the moment. How can

IBM technology help? Take service for example: Sanlam uses IBM's ImagePlus for the processing of documents and thus "empowers" its agents all over the country: in five regions with a total of 120 branch offices - wherever Sanlam staff are offering their customers the full range of services. These solutions are implemented using client server applications and quick connections to mainframes to provide every customer the service he needs when he thinks of "when I'm sixty four".

DRIVE MY CAR

BMW has been in South Africa since 1968. The BMW 300, 500 and 700 ranges are built in Rosslyn. Just under 30 minutes away from Johannesburg, in Midrand, is the headquarters of BMW South Africa. Around 3,000 BMW staff work the company and approximately 17,000 BMWs are licensed every year. Mike Brassell, BMW Information Systems manager, considers IT technology in his company to be very decisive for quality assurance and quality improvement. "BMW Motorplan" is a system that documents the "life span" of each BMW: every service inspection, every breakdown, every accident - from the day the vehicle is delivered to the day it ends up in the junk yard. What accumulates is a huge amount of data, which makes it possible to draw conclusions about the quality of production and servicing. As each vehicle comprises 45,000 to 300,000 parts, the analysis of the data is extremely complex. "We would have to have a load of people just occupied with

finding out who is finally responsible for a mistake," explains Mike Brassell, and adds: "That's why we worked together with ISG and Dr David F. George to develop a knowledge-based analysis system that could be integrated into our existing BMW Motorplan system." It is the first system of its kind in the world, and Mike Brassell reports: "Meanwhile we have talked with lots of people in the USA and Europe about it - they were all very surprised at what we have developed here." No wonder then that BMW firms in the USA, Canada, Italy, Japan and Germany are at present considering whether to introduce such a system, too. Mike Brassell has a long list of state of the art IBM installations, but one application is of particular importance for BMW in South Africa. The IT manager explains: "Every day we receive a large quantity of parts in containers from Germany. The system tells us in advance which parts are coming, in which containers they are and where they have to be distributed to. The computer is vitally important for us. A failure would bring production to a standstill." - BMW needs ISG's IT service "eight days a week" to make shure to be able to say to their customers anytime "drive my car."

IMAGINE

"During the years of apartheid, ISG and IBM acquired a good reputation, not only among their customers, but also 'as good citizen'", judged Harry Schwarz, South Africas abassador in Washington, IBM's contribution to the

black society. Since 1986, over 24 million dollars have been invested by the IBM South Africa Projects Fund in Corporate Social Responsibility (CSR) programs, with the main aim of improving the situation of the black population. This fund was administered by ISG which also maintained a parallel CSR programme of its own. As early as 1977, IBM endorsed the then "Sullivan Principles" condemning the apartheid policy, and thus made its standpoint public: "IBM has long voiced its opposition to apartheid and believes that its support of the black community can help promote a peaceful and meaningful transition to a new South Africa".

A project recently launched jointly by ISG and IBM is "Reach and Teach". Brian Mehl explains: "Education is the most important topic in South Africa - a topic that will decide over our future. Together with other firms and organizations, we want to help to substantially improve the educational situation in the country - from primary school right through to university - above all, for the black population." That sounds all well and good, but what do these projects look like in reality?

A DAY IN THE LIFE

Peter Mbelengwa, one of ISG's Community Relations' staff, does not believe in presentations; he prefers to demonstrate things where they are happening: that is, in Jo'burg's Township Soweto, which today has around 1.2 million inhabitants. In the

immediate vicinity of Morris Isaacson School, where the changes in South Africa began with student demonstrations, is St. Mathews School a primary school for children between the ages of five and eleven. There ISG has installed a large number of IBM PCs, and the children learn English with "Writing to Read". "It's great fun learning with the computer," says a five-year-old girl. And the school principal, Beatrice Diphoko, adds: "The children who learn English here on the computer then go home and teach it to their parents." A few minutes away by car, there is a careers center for people from Soweto who wish to become self-employed. ISG helps by providing hardware and financial support. It is here that future entrepreneurs learn business management and economics. We go into one of the classes that is just having lessons and ask what kind of business they intend to set up with their knowledge: "A grocery store, a florist's, a catering service..." are some of the answers they give. ISG gives financial support not only to young enterprising businessmen but also to the elderly: as in The Soweto Home for the Aged. One elderly lady says: "We know that not everything can improve from one day to the next. Perhaps for our children - but certainly for our grandchildren - there will be a better life in South Africa." - An ice-cold winter day in Soweto, which ends in snowfall. But the hearts of the people are full of spring and their minds are dominated by realistic hopes. - A day in the life in the heart of the new South Africa.

EBONY AND IVORY

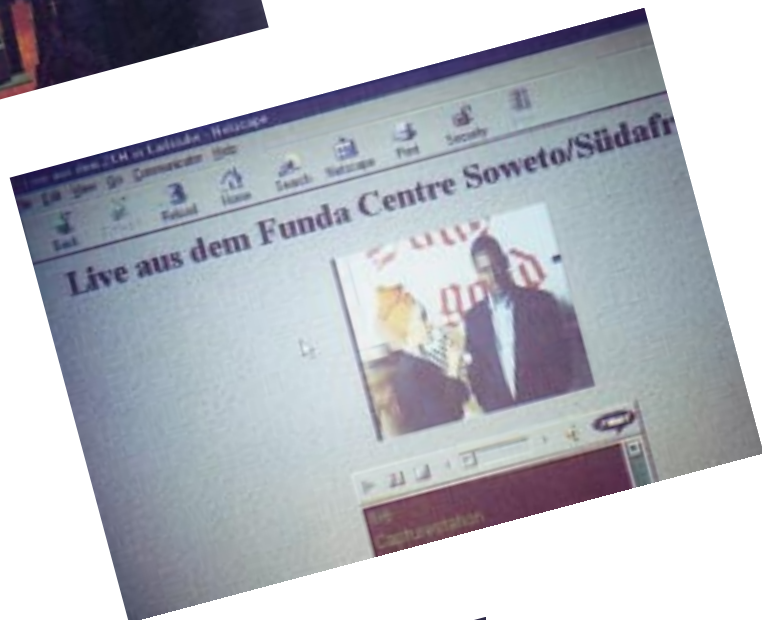
And what opportunities are open to the blacks who work for ISG? Around 25 per cent of the employees are black. Hamilton Ratshefola, IT specialist for large systems and responsible for customers in banking and government, was years ago the first black to advise white customers face to face. "Even two years ago, when I visited customers for the first time, the color played no role. But what is important is only what you've got up here in your head; it makes no difference whether it's black or white. What does make a difference to me and my customers, however, is 'blue or not'."

What is happening in South Africa at the present time is a unprecedented "reality show". But it won't be long before this show, too, will be playing on Broadway. "Magic at 4 pm" is the name of the latest musical success of the Johannesburg Civic Theatre. It shows the situation of the country and ends with the black cast giving the audience their hands. The beginning of a happy ending? In one of the songs, the lyrics go: "We must come together and realize as a nation - unity is our responsibility... " - Yeah, "ebony and ivory" can live together in perfect harmony - if they give peace a chance.

FIRST GIG: ZKM KARLSRUHE,
21 NOVEMBER 1998



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AT CEBIT FAIR: 8 MARCH 1999



Siecht muß es schon zu- gehen, wenn Kunde Krupp-Tyssen seine Kundenschaft mit einamerikanischer Lebensfreude begrüßen will. Souband, Samba- und Cocktails laden dann am Sonntagabend über 120 Gäste die nieder-sächsische Schmuddelkette von- gehen. Einen Tag zuvor waren die IEM-Besucher und Deutsch-land-Chef Erwin Haupt (Bild) durch die Band „Savonara“ bereits mit einem Hauch von afrikanischer Fröhlichkeit begrüßt worden. Im Har- zen der Stadt muß es sich beson- ders gut feiern lassen, denn Ge-

Expo-Cafe



AT CEBIT FAIR: 8 MARCH 1999



AT ENGLISH GARDEN, MUNICH:

30 APRIL 1999



AT TRAVEMÜNDE: 1 MAY 1999



AT THE FRIEDENSKIRCHE LUDWIGSBURG: 26 MARCH 1999



THE BEGINNING: MARCH 1999



Lieder der Hoffnung und der Lebensfreude als Brücke zu Menschen in Südafrika

Benefizkonzert in der Friedenskirche zugunsten eines Kinderhilfsprojekts

(anc) – „Iphahamiseng“ ist Zulu und heißt übersetzt: „Zieh' Dich selber aus dem Dreck“. Es ist auch der Name eines Heims für Straßenkinder in einem Township bei Bloemfontein in Südafrika. Ein ungewöhnliches Musikprojekt will dieser Selbsthilfe zu etwas Rückenwind verhelfen.

„Songs of Good Hope“, das sind vertonte Reiseerlebnisse aus Südafrika. Geschichten von Land und Leuten am Kap. Präsentiert werden sie von der eifköpfigen Band Sawubona (auch das ist Zulu und heißt: hallo), die aus sechs Musikerinnen und Musikern aus Soweto, drei deutschen und einem brasilianischen Musiker besteht.

Der Ludwigsburger Hans-Dieter Huober hat diese Lieder der Hoffnung nach einer Geschäftsreise nach Südafrika geschrieben. Weil er es nicht beim bloßen Kennenlernen des Landes belassen wollte. „Es sind 16 Geschichten, die so passiert sind, sie handeln von den Helden des Alltags, von Menschen, die es wirklich gibt.“ Das haben Besucher der CeBit am 18. März hautnah erlebt, als dort während eines Konzerts von Sawubona die Helden dieser Songs via Internet live zu Wort kamen.

Auch die Musik ist etwas Neues: eine Mischung aus Pop und Jazz mit südafrikanischen Einflüssen. „Es ist die Musik, die uns in der Gruppe und vielleicht auch die Menschen hier und in Südafrika verbindet“, so Mfaniseni Thusi, Sänger, Musiker und Produzent aus Durban, der auch beim Musical „Serafina“ mitgewirkt hat. Inzwischen in seiner Wahlheimat München bestens verankert, hat er die Sawubona-Musiker zu diesem Projekt zusammengeführt.

Zu hören sind die Lieder der Hoffnung (in englischer Sprache) auf Einladung der Evangelischen Akademie Bad Boll auch in Lud-

wigsburg: am Mittwoch, 24. März, ab 20.30 Uhr in der Friedenskirche. Hier sind während des Konzerts Bilder der Schauplätze der Geschichten zu sehen. Auftritte im Theaterhaus in Wangen (26. März), im Bayrischen Hof in München (1. April), beim Südafrika-Festival in Hamburg und bei der Internationalen Expo-Konferenz in Hannover Ende Mai werden sich anschließen.

Mit einem Teil der Einnahmen aus den Konzerten und dem Verkauf einer CD mit den „Songs of Good Hope“ soll das Childen Care Center „Iphahamiseng“ weiter unterstützt werden. Bundesjustizministerin Herta Däubler-Gmelin und

IBM-Deutschland-Chef Erwin Staudt haben die Schirmherrschaft übernommen, etliche Sponsoren – unter ihnen IBM und Medienunternehmen – unterstützen das Projekt, das laut Hans-Dieter Huober „die Kultur benützt, um Menschen zu helfen, sich selbst zu helfen.“

„Iphahamiseng“ bietet 150 bis 200 heimatlosen Kindern ein Zuhause. Bislang wird noch fast jeder Spendenpfennig gebraucht, um sie zu ernähren und zu kleiden. Heimleiter Aubrey Williams gibt die Hoffnung aber nicht auf: „Ich suche nach Partnern weltweit, die helfen, diesen Kindern eine reelle Chance auf Entfaltung zu geben.“



Musiker mit viel Temperament: die Gruppe Sawubona.

Bild: o. H.