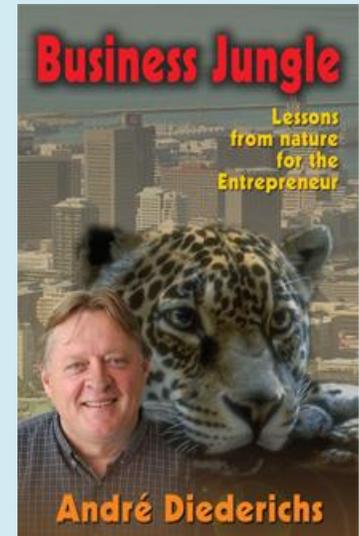


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Lessons from the **BUSINESS JUNGLE BOOK** by André Diederichs



LESSONS FROM THE LEOPARD FOR FAMILY BUSINESSES

André Diederichs: BUSINESS JUNGLE AUTHOR

FAMILY BUSINESS TIPS

Leopards are, like domestic cats, very solitary animals. They are amazing climbers and not scared of water. They are very strong and can carry carcasses weighing over 50 kg up vertical tree trunks.

BUSINESS LESSONS...

Globalisation creates a surplus economy since trade barriers disappear and more

and more products and services enter the South African market. This increases competition on a global scale and can create a shrinking marketplace.

An example of the impact of trade agreements is the one between South Africa and China. One item China may export to South Africa is textiles. The latter agreement has cost South Africa

80 000 jobs in one year in the textile industry alone!

Why can't South Africa and many other countries compete against China in many markets? The answer, of course, is productivity and/or the cost of labour. Let us compare an authentic example. At the time when the Business Jungle book was completed, the minimum wage in the motor industry in South Africa was

R46.00 an hour. The minimum wage in this industry in India was R8.00 an hour and in China R3.50 an hour!

Watching the National Geographic DVD about the impact of drought at Mala Mala, I was utterly amazed and literally shocked to see how the normal rules of engagement amongst predators changed in the face of animosity.

As food became less and waterholes became smaller, and even disappeared, suffering increased and animal behaviour became less and less predictable. It reached a point where desperation ruled and all table manners disappeared as the hunter became the prey.

It is important for businesses to keep historical records of their profit margins. If it is shrinking over time, they are potentially moving into a surplus economy or an over-saturated market. This almost always leads to a price war and forces prices in a downward spiral. This is normally a good time to diversify to more lucrative business opportunities!

The leopard also taught us a vital business lesson. **In an era of plenty, where there is too much of the same, the challenge is to create scar-**

city. The leopard does this by catching his prey and climbing up a tree, away from predator rivalry.

Entrepreneurs must also avoid an over competitive environment and create scarcity in an era of plenty. The challenge is to differentiate your offering in a manner that appeals to the market. Create a unique selling proposition, not the same old one!

I experienced a practical example of an entrepreneur creating scarcity by doing things refreshingly differently in Hong Kong.

Several years ago, I walked around in Hong Kong before continuing my journey to Taiwan. I was told that I could buy a camera cheaper in Hong Kong than in South Africa.

I was just about to give up when I saw a shop which stopped me in my tracks. I could hardly believe my eyes. The shop is "**Van der Merwe Shop, Cape Town and "Beste Prys" in my home language Afrikaans**, a language certainly not indigenous to Hong Kong!

There was no way that I was going to bypass that shop as an Afrikaans speaking South African. I was much too curious to know

who this Mr Van der Merwe was who speaks Afrikaans in the middle of Hong Kong.



I entered the shop, but couldn't find a Mr Van der Merwe, so I started talking to a Chinese man in the shop and he told me the story.

Over 20 years ago, he saw a lot of South Africans entering his shop and thought about what he could do to increase his business with them. He then asked them what the most famous name in South Africa is, and they told him, "Van der Merwe". He also asked what the most beautiful place in South Africa is and the words, best price, in their home language. They told him "Cape Town" and "beste prys".

This then became the name of his shop and as he has sucked me into that shop, he has sucked thousands of South Africans into his shop! By the way, I bought my digital camera

from this amazing business owner in Hong Kong!

The lesson for entrepreneurs is clear. It is very dangerous to create comfort zones, feel safe and then become lazy to compete. You need

to maintain scarcity by differentiating yourself in the marketplace. Your current offering of scarcity can be challenged, if competitors are hungry enough to challenge you!

To order the Business Jungle Book visit:

<https://andrediederichs.co.za/books-dvds-cd/>