

PROFILE

Business Turnaround and Support Unit

A. DEFINITION

The Business Turn Around and Support Unit (BUTSU), is an SME Association of Zimbabwe (SMEAZ) Committee which was created through a resolution of the Executive Committee. It has been in existence since December 2012. Its mandate is to turn around and support distressed companies, thus saving jobs and the productive capacity of the country.

B. BACKGROUND

B1. Before Hyperinflation

Prior to the hyper-inflationary period, large Zimbabwean companies dominated the market and the citizens were brand loyal. For example, virtually everyone bought Dairiboard milk, Lyons Maid ice cream, Blue Ribbons mealie meal, Agrifoods stock feeds etc.

The above and other large corporates had been in business for decades and virtually owned outright their niche in the market. Management's main job in these companies was to maintain the status quo.

B2. Hyperinflation period

November 1998 started a period of the Zimbabwe dollar losing massive value. This period of major currency devaluation, which established world records in hyperinflation, lasted until February 2009 when the country was moved to a multi-currency monetary system. With the inability of Zimbabwean companies to supply the local market, the country was opened up to new brands from outside Zimbabwe, especially from South Africa. Those brands which dominated the Zimbabwe market for decades disappeared from view and were replaced by imported brands, again mainly from South Africa. Zimbabwe also lost external markets which it had supplied for years

in the region and overseas. Local brand loyalty was lost and new tastes were introduced to the people.

Due to this economic demise, mass emigration also ensued and vital skills left the country. Because companies were hard pressed to keep up with the rapidly changing cost of living due to inflation, those experienced employees who stayed in the country also left employment and started to pursue their own means of survival. Many companies closed down and the country became a country of traders.

Added to this was heavy state censure in such areas like pricing and currency trading. This effectively shackled the bigger companies from being able to manoeuvre their way out of the situation. This left a ridiculous situation where a single trader with no business infrastructure, employees or prior business experience could beat a corporate in supplying products to the market. You also had a situation where management buy-outs became the order of the day.

The whole state of the economy also gave rise to black market currency traders who made money for themselves without producing any value. Bad habits were learnt in this period as people got used to making a lot of money in a short period of time without actually having to embark on some productive process. Corruption also became deeply rooted and the sense of honesty and hard work was lost.

B3. February 2009 to present

The introduction of the multi-currency system ended the hyperinflation era. Unfortunately, the scene on the ground was of non producing Zimbabwe companies which formerly dominated the market. The business operating environment had changed quite drastically as well with most of the money in the hands of a few. The biggest players on the market were not productive companies, but traders who bought goods from South Africa, Asia and China, and sold them to the market. Zimbabwean manufacturing was virtually non-existent.

Zimbabwe could not go back to the way things were before. Some of the Zimbabwe brands found their way back onto the market, but no longer were they first choice. Added to this outdated machinery, lack of working capital and competition from foreign players with subsidised products, it was always going to be an uphill battle for Zimbabwean companies to compete.

The change in the operating environment has needed a change in business operations. No longer is there a monopoly to be just maintained. No longer is there just blind brand loyalty. Revenues are no longer guaranteed. The business environment calls for specific skills sets to run businesses. Unfortunately there are two predominant opposing groups that are running business in Zimbabwe.

1. The old style business managers who were in charge before the hyperinflation era.
2. A new business elite with no business ethic who are into fast money and who justify any actions as long as there is a payday at the end.

What is needed is a third skill set: business leaders with entrepreneurial ability. These are people who can operate in a difficult environment and still make a way for business to survive or even thrive despite the challenges. They are flexible, innovative and their primary aim is for an organisations success. Financial reward will follow success.

This was the premise upon which BUTSU was formed. To bring together such individuals who have entrepreneurial ability, a can-do attitude and a will to turn around businesses for success.

C. OUR MISSION

To provide expert practical entrepreneurial support and advice to SMEs and other corporations that are facing viability challenges, in order to establish them on a sound sustainable business footing.

D. OUR SERVICES

1. Turnarounds – Revive ailing businesses and make them profitable and sustainable. The intention is to intervene before a business has been put under judicial management, foreclosed upon or shut down. It will primarily be aimed at productive businesses in the manufacturing or value-adding industries.

2. Projects – Provide expert project support to SMEs where they might lack capacity. e.g. large tenders.

3. Start up support – Provide practical business advice to start-up so they get off on a sound footing.

4. Growth support – Advise and assist small and medium sized businesses with growth strategies to take them up to the next level.

E. COMMITTEE

George Nachamba(Chairman)



George runs Nachamba Associates, a Financial and Business Advisory firm. He is also a recent first time author of a business advisory book about to be published.

He started his working career with Ernst & Young where he went through articles. After articles he worked in commerce in various finance roles up to Financial Manager. He then went to the UK where he ended up working as an Accounts Analyst at Britannia Building Society (the UK's second largest building society).

On returning to Zimbabwe, he worked briefly as a Finance Director before he went into a business partnership. His business exploits have taken him through distribution and manufacturing. For the last three years he has been consulting through his firm Nachamba Associates.

He holds a Bcompt- Accounting Science degree from UNISA, is a Chartered Certified Accountant (FCCA) and a Registered Public Auditor and Accountant(Zimbabwe).

His passion is seeing African businesses thrive. He has worked with clients with various clients on the Zimbabwean market providing business solutions for challenges they have been facing.

Farai Clement Mutambanengwe, Founder and Executive Officer (SMEAZ)



Farai is a seasoned Zimbabwean business executive and entrepreneur. He is the founding director of Adway Financial Services, and was previously Managing Director of

Premier Asset Management (now Ecobank Asset Management). He also worked at Datvest Asset Management as portfolio executive in charge of pension funds.

His investments career started at Bard Stockbrokers where he joined as Accountant after serving articles with Deloitte. He rose through the ranks to become Research Analyst, Derivatives dealer and Equities trader at BancABC (formerly African Banking Corporation, which in turn was created from the amalgamation of FMB, UDC and Bard).

Farai holds a Bachelor of Accountancy (Hons) degree, and a Postgraduate Diploma in Applied Accountancy. He has also attained several certificates in the fields of asset-liability management, derivatives and financial/investments analysis.

His passion lies in financial modelling (especially as applied to investment decision-making), business process engineering and re-engineering, and he has set up several businesses. His dream is to play a major role in the upliftment of Zimbabwe to being a world-class entrepreneurial centre. He sees himself accomplishing this task in the not-too-distant future!

Chris Gumbe



Chris has 16 years experience in financial services, as an executive in leading international commercial banks as well as an entrepreneur in budding financial services companies.

His personal vision is a world where anyone who dares to dream, especially business dreams, has got the support structures to make those dreams come true. This vision compliments well with Chris' mission in life, which is to make things happen. Chris is the founder of Africa Fifty Finance (Pvt) Limited, a company whose vision is "*An economically independent Africa driven by entrepreneurs*". Fifty Finance strives towards this vision through its mission which is "*Financing to create entrepreneurs*".

Prior to establishing Fifty Finance, Chris spent most of his working career in banking where he dealt mainly with SMEs. His most recent assignment was with a start up mortgage company, T-Mortgage, where as Director of Operations he was responsible for converting the business plan done by the founders into an operating business. On exit,

T-Mortgage was an operational business with a mortgage business that was ready to take on additional investors, as well as having a micro finance arm which was Chris' brainchild and was funded through a funding structure specifically designed by him. Before joining T-Mortgage, Chris served as General Manager, SME Banking in Standard Chartered Bank Tanzania where he was charged with turning around the SME Banking unit. On exit, the SME Banking unit was a stable and growing business unit contributing significantly to the bottom line of the Consumer Banking business of the country.

Besides running Fifty Finance, Chris is also the Country Director for Amua Africa, a business advisory services company with operations in Zimbabwe and Tanzania, Treasurer and Chairman of the Finance Committee for Borrowdale School SDA. Chris holds an Advanced Diploma in Banking from the Institute of Bankers of Zimbabwe.

Phineas Ndhlovu



Holder of a B.Sc (Hons) degree in Electronic & Electrical Engineering from Loughborough University of Technology and a Master of Business Administration degree from the University of Zimbabwe, Phineas has 26 years working experience, of which 22 years have been mostly in engineering business development and management. He has had exposure to engineering maintenance, electrical engineering, construction, manufacturing, telecommunications, financial advisory, energy management, business consultancy, research & development and mining. His skills include project management, general management, corporate business planning and structuring (including due diligence and turnaround), strategy formulation and implementation (including change management), financial modelling, telecommunications network design, electronic/electrical engineering design and development, computer programming and engineering contracting and maintenance practices.

Phineas has managed scores of electrical and building and civil engineering construction projects in various capacities, including construction projects in South Africa as General Manager. He led the design and installation of power systems and building services for a major telecommunications operator, the design of a prospective national fixed telecommunications network, and prepared winning bids for a proposed regional wide-area data network and Mozambique's second GSM service. He successfully delivered a proof-of-concept (prototype) military-grade mobile power supply system. Over the past several months he has been involved in developing business cases for mining ventures, among others. Financial advisory and funds mobilisation, with emphasis on infrastructure project financing, have been inevitable in his diverse career. Following the deregulation of the electrical power sector in

Zimbabwe, Phineas is involved in an initiative to address electrical power efficiency and availability for the enterprise sector in Zimbabwe. He is also Executive Chairman of Protection Engineers Unlimited, a company specialising in high voltage protection and maintenance services.

A self-taught visual basic programmer, Phineas makes a hobby of programming. He has developed an in-house ERP software package for the administration of a construction company of which he was General Manager recently, and helped develop a Physical Asset Maintenance system and a Production and Financial Planning and Decision Support System for Crop Agriculture, among others.

Phineas believes in the necessary role of SMEs to ignite industrialisation and in the need to play his part in empowering this important but overlooked sector of the economy.

Request Machimbira



Request is the Chief Executive Officer of Proficiency Consulting Group, a Recruitment, Training and Strategy Consulting Firm. He is a Human Capital Generalist who focuses more on Human Capital Strategy Formulation, Alignment and Deployment, Balanced Scorecard Training, Job Evaluation, Remuneration Design and Structuring and Industrial Relations Management Capacity Building. He has also built Line Management Capabilities through training in Management & Leadership Development Programmes.

His goal is to improve the productivity and effectiveness of corporations in Third World economies through Human Capital and Strategic Formulation/ Alignment Interventions. He is also passionate about Corporate Productivity enhancement through strategic alignment interventions. To date, he has consulted in more than 60 Corporations in Sub-Saharan Africa.

Previously he held the position of Human Resources Executive at Savanna Tobacco and Anchor Yeast. He holds an Honours degree in Sociology from the University of Zimbabwe. He is currently finalising on his Master of Science in Strategic Management at Chinhoyi Universtiy of Technology. He also holds numerous other HR related qualifications.