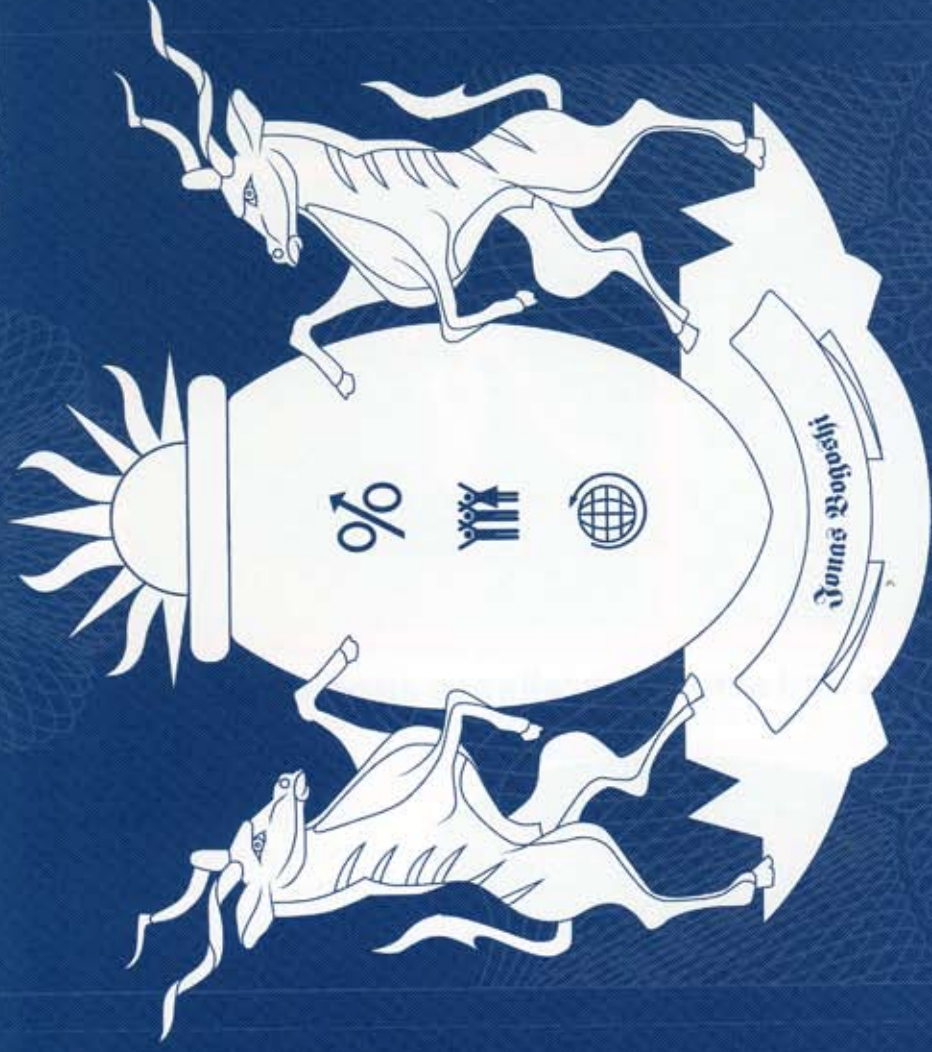


PROFILE | JONAS BOGOSHI



STATUS UPDATE

Jonas Bogoshi might not see himself as a rebel, but he never flinches from doing things differently in order to get them done better

BY KERRY DIMMER

When the time comes, and it probably will, to pen his autobiography, *The Secrets of My Success*, Jonas Bogoshi will have to think long and hard about where to begin.

He might consider his journey from graduating, some 20 years ago, with a BSc from a traditionally white university. Or he could refer to his executive roles at blue-chip companies IBM and Cisco Systems, or his tenure as the State Information Technology Agency's chief of Strategy Services. But, it's more likely that he would start in the present – as the CEO of ICT company Gijima.

The two aspects of business that motivate Bogoshi most intensely – challenges and success – are the driving factors behind Gijima's exceptional growth since he joined the organisation two years ago. Consider that revenue has grown by 50%, achieved in a period of recession. Consider too that headline earnings per share have improved by over 230%.

There are three other indicators Bogoshi likes to track as a true measure of company success: Gijima's normalised EBITA, which has increased from R107–R283 billion; client service level performance that's improved to just under 99%; and employee appreciation, which includes the staff turnover rate dropping from 22% to 8.5% – an indication, Bogoshi says, that Gijima employees are generally happy. How he's made them happy is an intrinsic element of Bogoshi's leadership style. 'I'm a person who has to give context to what we do. It's my responsibility to make people understand our business, to grasp what we are building and give meaning to the motivation behind our future plans. I've really challenged Gijima employees to see that what they do is actually based on what our clients require. I have faith that if you can convince staff to believe in the reasons you do things, the "how" part becomes easy.'

'I'm not a rebel but if something is considered the norm I like to challenge it and be the one that goes beyond margins or expectations'

How Gijima does things is a clear reflection of Bogoshi's personal traits. 'The fact is, I can be easily influenced and this is something my staff have absorbed. We are open to ideas and different points of view that help us think differently and we don't suffer the ego or naivety that restrains us from accepting something that comes from external sources.'

Bogoshi says that he has spent his whole life questioning the status quo of things. 'I am not a rebel but if something is considered the norm I like to challenge it and be the one that goes beyond margins or expectations.'

Bogoshi considers managing expectations to be one of toughest parts of leading a winning organisation. 'It's because Gijima has been relatively successful over the past three years that shareholders continue to look for even better performance. I have to keep those expectations intact but at the same time be realistic about our actual performance levels. The community and industry also have expectations of Bogoshi because he heads up one of the most successful black-owned companies in the country. 'And I certainly don't want to tamper with those,' he jokes.

Gijima is now poised to move into what Bogoshi calls 'higher IT'. 'We're very focused on providing industry-specific applications, be they mining, financial or public-sector services. We're seeing particular growth around the globe in terms of mining technical applications and we want to build solutions that will enable us to respond to that market. 'This means we now have to consider moving beyond the borders of SA. While we do have a presence in Namibia, Australia and Canada, we want to build an "ecosystem" of partners across the continent, spreading eventually to the rest of the world.'

Other growth paths that Gijima will be following include the trend of merging telecoms with IT through company acquisitions, and cloud computing which Bogoshi anticipates will make up a bigger portion of Gijima's activities, primarily in Africa's public sector.

If all of this isn't enough to contend with, Bogoshi is also concentrating on transforming Gijima into a truly client-centric operation. 'This can be a cliché but for me it's about building a company that really understands our clients' pain points and can provide them with solutions they need.'

Bogoshi wants to build a company that will also, in the future, be hailed as a good corporate citizen, admired for the way it develops and grows its employees, and in so doing providing a valuable legacy for future generations. So, in true Bogoshi fashion, the status quo of Gijima is about to change. **JSE**



IN THE MARKET

A round-up of the latest JSE news, by Kerry Dimmer

ETHICAL APPROACH

The company analysis for the 2010 JSE Socially Responsible Investment (SRI) Index is to be undertaken by the University of Stellenbosch Business School (USB). The decision to use a local research partner was made jointly by the JSE and UK-based Ethical Investment Research Service (Eiris).

Corli le Roux, head of the SRI Index says that the involvement of a local partner is a significant step forward in building environmental social governance knowledge and research capacity in SA.

'USB will, this year, handle the research of a large percentage of companies, with Eiris undertaking the balance. The intention is ultimately for USB to become responsible for the bulk of the research, while Eiris will maintain responsibility for the oversight of the entire research process and final quality assurance of the analysis.'

GROUND ZERO

Maker Taker, the new billing model introduced by the JSE, is designed to provide liquidity providers with an incentive to trade by minimising and eliminating transaction charges.

Transaction fees have been cut to zero for suppliers of liquidity trading through the central order book and have been reduced for all participants trading in most instruments on the Equity Derivatives market.

Sweetening the package is the fact that these cost-cutting measures include the fees charged to price takers who trade on-screen on the central order book.

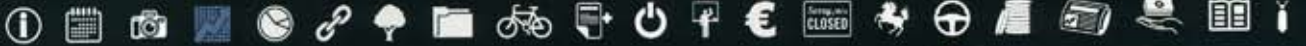
THE WEIGHT IS OVER

The first equally weighted index in SA in the FTSE/JSE Index Series has been launched on the JSE with global index provider FTSE Group. The FTSE/JSE Equally Weighted Top 40 Index adds to the existing FTSE JSE Index Series which provides an alternative to market capitalisation weighting.

Aimed at global fund managers, the FTSE/JSE Equally Weighted Top 40 Index serves to extend the FTSE/JSE Africa Index range while providing a variation from existing indices which in turn allows for greater risk diversification and benchmarking for performance, particularly in equity portfolios.

Ana Forssman, the JSE's senior general manager of Information Products Sales, says that equal weighting translates into constituent companies functioning on an even playing field, giving investors better access to all the stocks within a particular segment. 'It will also be a useful aid in reducing the risk associated with sudden drops in share prices in large cap companies,' she says.

The FTSE's group managing director for the Middle East and Africa, Jonathan Cooper, confirms that the index will provide the SA market with exciting new investment opportunities and will help raise SA's visibility among investor communities.



BEAN COUNTERS

Soya bean derivatives are cooking on the JSE, proving yet again the benefit of being linked to the Chicago Board of Trade (CBOT), with which the JSE recently extended its licensing agreement.

The recent listing on the JSE of cash-settled soybean, soymeal and soybean oil derivatives contracts – based on CBOT settlement prices licensed from trader CME Group – allows local farmers, processors and importers to hedge price risk against international benchmarks.

With the addition of cash-settled soybean products, traders now have more opportunities and flexibility to trade and can take advantage of the price difference between local and international markets. The three soya derivative contracts being traded represent 100 metric tons of soybeans and soymeal with another 25 tons of soybean oil.

There are 25 local soybean contracts that are currently being physically settled on the JSE. As Rod Gravelet-Blondin, senior general manager of Commodities at the JSE points out: 'SA imports a significant amount of soymeal to satisfy local animal protein requirements which exposes importers and downstream market participants to international price fluctuations. By having a product based on a US soya market, we are providing market participants with a tool to hedge against this risk.'

The CME Group's Bryan Durkin has reaffirmed the commitment that his group has to further develop effective risk-management tools with its strategic worldwide partners, not least of which is the JSE.

JSE SQUARED

Investors who want to take a direct view on volatility, and companies who want to hedge business exposure to volatility, should be taking a good look at the JSE's recent listing of the Savi Squared contract.

A variance futures contract, Savi Squared obligates the holder to buy or sell variance at a predetermined variance strike at a specified future time.

As the JSE's director of Equity Derivatives, Allan Thomson, points out: 'Variance has the property of directly increasing with volatility in the marketplace.' This is significant given that volatility is now established as an asset class on its own.

A SWEET FUTURE

The JSE recently welcomed sweet sorghum to compliment the existing range of agricultural derivatives that are being traded in conjunction with the Chicago Board of Trade (CBOT), as per a licensing agreement that the JSE holds with the CME group, the world's largest and most diverse derivatives exchange.

'Aimed at the larger agricultural traders, financiers and end processors with a contract size of 100 metric tons, the listing is in response to demand from a number of market participants,' says Rod Gravelet-Blondin, the JSE's senior general manager of Commodities.

'The introduction of sweet sorghum futures and options contracts gives interested participants a facility that will assist them with price discovery and aid in managing price risk,' he says, 'which is, of course, the fundamental purpose of a derivatives market.'

The JSE has positioned sweet sorghum as a niche product, given that SA only produces some 200 000 tons annually.