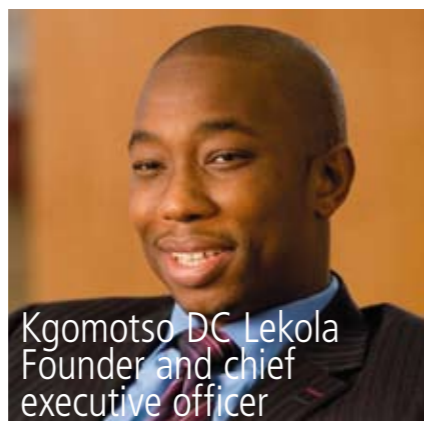


Turning vision into value



LGC Capital is a black-owned and -run consulting and advisory business that plays primarily in the private equity space. They have been running since 2007 and have established themselves as a strong and credible business with a solid track record of delivery. They have executed large and complex projects for both local and international businesses and their opinions are sought after and published by respected business publications.



Kgomotso DC Lekola
Founder and chief executive officer

Founder and chief executive officer Kgomotso DC Lekola has a pragmatic, no-nonsense approach to business.

“As Mamphela Ramphele said, ‘If vision was all a society needed to succeed then South Africa would be an extremely successful country, the challenge of leadership in our society is how to make the vision come alive in the lives of South Africans’. The same applies to business and it is the principle upon which we founded LGC Capital. Our interventions are strictly driven by measurable results, we move vision; ideas and strategies to practical deliverables.”

As Lekola, a BSc and GIBS MBA graduate as well as former CEO of a Mutual & Federal group company, comments, “Our flagship offering is commercialisation/go-to market solutions. Our clients are entrepreneurs looking to build or fund new businesses; established businesses or corporate organisations looking to build new divisions and business units as well as investors looking for well planned projects to invest in.

“We would sit with the entrepreneur with a great idea – or even a manager in an established business that wants to, perhaps, enter

a new market with a new product – and work out an effective strategy and plan to take them to market.

“Entrepreneurs tend to focus on the big picture and are not necessarily always good or skilled in the detail of executing. What we have found is that entrepreneurs often battle to move from idea to operational phase. It is also a battle to determine exactly how much investment is required to move the idea into a fully functional business,” he says. “In the case of corporates, there is the problem of inertia, corporates are good at doing what they’re currently doing and, typically, management is very busy keeping the fires burning. When they have to do something new, it means they have to divert resources they don’t necessarily possess. So thinking and innovation can be internally focused, so they would bring us in to help them with the creation of new value and entering markets they may not have played in previously.

“Take a bank that wants to launch a new product, a new division or a new business unit. They are wondering how the product should be composed, what channels should be built to deliver it to market and, ultimately,

how much it’s going to cost them and what the return on investment will be,” adds Lekola. “We would then go and help build a new division for a bank, for example, or a new division for a telecommunications business, or a manufacturing business. In the case of entrepreneurs, you may have to design and build a business from beginning to end, we may also assist the entrepreneur or even corporate to access appropriate finance.”

“Our focus is on measurable results and consequently we provide three main things to our customers: We build business cases or investment cases for them based on strong and well researched strategic positioning; we build financial models for them to be able to assess the aggregate impact of our recommendations and finally we build execution plans and execute when required.”

If it seems that LGC promises a great deal, that is because it possesses the intellectual capital to make such bold claims. As Lekola explains, “I only hire top academic achievers with strong analytical capabilities into my company.”

“The reason is that when you sell consulting, you are effectively selling your ability to think and solve problems for people. We firmly believe that, as Voltaire said, ‘No problem can withstand the assault of sustained thinking’.

“So in order to be able to deliver a top-quality service, you must have the best people in your organisation and focus on delivering true value to your customers,” he adds.

It is clear that the staff at LGC are as passionate as the CEO, Vuyolwethu Bokwe, Analyst at LGC Capital, had this to say: “One of my key drivers is to create awareness that there is a strong need to build more sustainable businesses in South Africa today. We have done significant research that has led us to conclude

that, just as the skills level in an economy determines the extent of capital formation, the skill levels in an organization also determines the extent of capital acquisition. Mega BEE deals can’t be where empowerment starts and ends, we have seen more than enough evidence that this does not work. We need to focus on bridging the gap between businesses and the funding they require, because that is the greatest impediment to economic growth, entrepreneurship and meaningful empowerment, but the right skills are needed. At LGC we are focused on marrying the right opportunities with the right funders by using our skills and experience.”

LGC Capital also offers business rescue

uncovering inefficiencies and fraud, or it may involve figuring out whether the business should refocus on certain core products, services or markets. In some instances we look at spinning off and purchasing some of the divisions that may not be core or doing well.”

In a country such as South Africa, awash with consulting businesses, what sets LGC Capital apart from the rest?

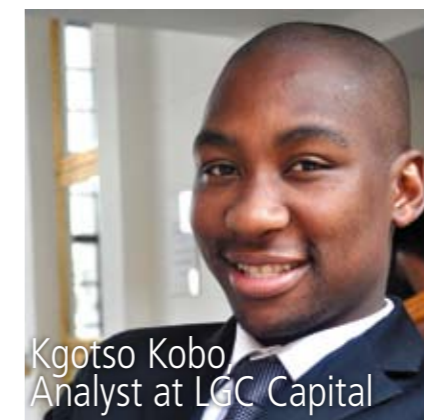
If you ask, Dawie Roodt, Chief Economist for the Efficient Group, “LGC Capital is a company full of energy and hungry for more success with personalities to match.”

According to Kgotso Kobo, Analyst LGC Capital, “The diversity of views and experience; team-



Vuyolwethu Bokwe,
Analyst at LGC Capital

and turn around solutions. As Lekola explains, “When a business is failing and it’s about to be liquidated, we can go in and basically help turn the business around. It may involve restructuring, it may involve



Kgotso Kobo,
Analyst at LGC Capital

work and focus on development is what makes LGC, in my view at least, the best company to work for. We work hard and we play hard, we also understand that we have an important role to play in the greater society. As an example we

“Africa in general, and South Africa in particular, is experiencing long-term secular growth as millions of people join the cash economies and seek to start businesses. The great resource constraints are entrepreneurial and management skills. LGC Capital has positioned itself in a very smart way, with excellent people, to meet the needs of a growing entrepreneurial class in Southern Africa. It will thrive as a new generation of businesses develops and use its strategic and management skills, as well as its assistance in raising capital. I like the people and the business model...”

Rick Menell is a director of Mutual & Federal Insurance Company Ltd, Standard Bank Group Ltd and Gold Fields Ltd as well as Weir Group PLC in the UK

have built our CSI plan around our core business and skills, we think that way we can add significantly more value. We worked with an NGO called Ladies of Hope (LOH), a centre for social development, transformation and capacity building for impoverished communities, we helped them build a solid strategy and plan so that they could secure sustainable funding.”

Says Lekola, “In many cases, the services that consulting businesses offer are fragmented and unfocused. We are very clear in terms of the end-to-end process. So when we say we embark on a commercialization/go-to market project, it means that the customer will provide us with what he wants to achieve – and the end result has to be a business that is actually operational, with all the other elements inside it including a very strong focus on strategic positioning.”

“So whereas our competitors would typically offer the various elements inside, we offer the complete package. That’s the first thing.”

“The second thing is that we always link our recommendations with strong financial modeling, so our client can understand the financial implications of every single recommendation we make,” he adds.

“We prefer to engage with the kinds of projects that are measurable. We will not do a project that is unquantifiable. In fact, we specifically choose not to be involved in projects where our impact cannot be properly measured financially, so our impact has to be clear financially. If it’s not, then we would not be involved.”

Lekola continues: “Let’s say a company asks for help with its human resources strategy. We might not want to get involved in that kind of thing, apart from the fact that we don’t play in that space, because we may not be able to adequately measure the impact of our value to the company. When we are done and gone, we want management to be able to look at the financials and measure before and after LGC Capital intervention. Then they will see the financial difference.”

Having executed large and complex projects for local and international businesses LGC Capital has developed a strong reputation for delivery.

To that end Lekola has also been appointed a judge at the 2010 Black Business Quarterly awards alongside some of the top business people in the country.