

Could your business survive a revolution?

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In a business landscape of increasing complexity, uncertainty and socio-political conflict, well-managed collaboration is the key to unlocking growth and allowing organisations to thrive in difficult environments, says the GSB's Professor Brian Ganson, convenor of the Advanced Training in Company-Community Collaboration and Conflict Resolution in Complex Environments - at the UCT Graduate School of Business (GSB).

In 2011, when the Arab Spring erupted in Egypt, [business suffered](#) – with the effect being felt all around the world according to a report by Grant Thornton. But some, like multinational food giant Danone, strangely, continued to thrive despite the political and social turmoil.

How did they buck the trend? Professor Brian Ganson, Director of the Africa Centre for Dispute Settlement, believes Danone's success in difficult circumstances was due to strong relationships with the surrounding communities who were their milk suppliers. He says, simply, "They survived a revolution because they had invested in good relationships and sophisticated business arrangements within the local community."

Ganson, who runs a specialised mediation course - Advanced Training in Company-Community Collaboration and Conflict Resolution in Complex Environments - at the UCT Graduate School of Business (GSB), says that these kinds of solid relationships are increasingly important in a world of rapid and unpredictable change. "It is becoming increasingly difficult for companies to mitigate risk and unlock opportunities in challenging environments," he says. "And unfortunately, complex environments are becoming more universal.

"Even when companies are trying to do the right thing, political, economic and social conflict - related or seemingly unrelated to the company's operations - can have devastating consequences for business," says Ganson. Consequences include costly disputes with communities and unions, reputational damage and labour unrest, which can result in major infrastructure projects being slowed or stopped.

Well-managed collaboration and conflict resolution are essential to mitigate these risks, not only in times of crisis, but as an integral part of meeting the company's operational, financial, legal, reputational and social goals. This also holds the key to unlocking opportunities in difficult places, according to Ganson.

This type of stakeholder engagement has also proven to be an essential element of market expansion. For example, the milk processing and packaging company Tetra Pak saw enormous success in Bangladesh through support for dairy hubs that worked in collaboration with local processors and farmers, instead of investing in large-scale commercial farms. Ganson explains, "Tetra Pak created an entire dairy business out of nothing and the lynchpin was extremely well-structured stakeholder engagement."

The dairy hubs provided free support and education to local small-scale dairy farmers, increasing their assets and production. Between 2010 and 2012 more than a thousand farmers, who may previously have had one or two cows, were in a position to own ten cows and rely on milk production as a primary source of income. This model of collaborative investment provided a sustainable solution for long-term growth and profitability.

"Collaborative investment and collaboration, simply speaking, are low-cost and high-return," says Ganson. "True company-community collaboration involves treating communities with dignity, in a way which empowers them, and lets them increase their agency in their own lives."

In his book, *Management in Complex Environments*, Ganson combines analysis, case histories and reflections from

business leaders on how to navigate the risks and challenges of doing business in difficult places and shows how it is possible to thrive and secure growth and stability.

It is this kind of thinking that he teaches on the mediation course at the GSB, which is particularly relevant in the South African context. “What we find is that it’s really difficult to unlock opportunity in difficult places. Companies are often struggling to do the basics well. The first step when dealing with complex socio-political environments is to assess and analyse the landscape. The more complex the environment, the broader the landscape seems to be. Only once we have a good picture of the landscape – how all the players and pieces relate to one another - can we come up with a cogent plan of action.

“After analysis, suddenly we see that there are paths forward, when all we saw before were walls and blockages,” says Ganson. The mediation course draws on extensive experience and research to teach the necessary analytical tools and then offer a practical operational approach to go about taking constructive action. “We show people what good conflict resolution looks like, so they can actually go and do it.”

To find out more about the Advanced Training in Company-Community Collaboration and Conflict Resolution in Complex Environments course, please visit <http://www.gsb.uct.ac.za/mediation>.

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