

Cape Chamber

OF COMMERCE AND INDUSTRY

Initial hypothesis as basis for dialogue:

**Improving investor confidence
in the WC economy**



What is this about? Overview

Business case owner/s	Cape Chamber of Commerce and Industry
Target group/s	New investors, long established investors & Business owners
Background (context)	The WC economy is growing far below potential, falling far short job creation required.
	Private investment is key driver of economic growth. Investment will only happen when investors believe that they will with certainty, make healthy returns on their investments.
	The BER business confidence index seeks to measure the confidence of such investors. The sample for the WC show substantially higher confidence than the rest of RSA.
	Whilst WESGRO and CAPE EPIC promote the positives of the WC economy, Chambers, news media and other research focusses mainly on the problems. Investors arguably receive more negative information than positive.
Vision (Impact)	Promoting the strengths better is valuable, however, the weaknesses impeding economic growth also need to be identified and addressed more effectively. Many businesses already invested in the WC, are only doing so because they are already invested. Their intention is to discontinue and not re-invest. Job losses will follow, faster than can be created by new investors. Unless we work smarter to turn this around to increase private sector investment.
Purpose (Outcome)	Key stakeholders cooperate better to increase investor confidence in the WC economy.

What change is proposed? Improving investor confidence in the WC economy

Business environment:	From: Current / problem state (as-is)	To: Improved / solution state (to-be)
Constraints	Investor confidence in the WC is below where is required to grow the economy substantially.	Investor confidence in the WC is improved and systematically progressing towards where required to grow the economy substantially.
	Disabling factors in the WC business environment cause investors doubt that they will with enough certainty, make healthy returns on their investments.	Disabling factors in the WC business environment are systematically reduced. Investors have increased certainty that they will make healthy returns on their investments.
	<ol style="list-style-type: none">Certain factors are problematic, with little belief in improvement prospects.Perception & fears may cause inaccuracies in actual truth.The variance in viable business potential across sectors and places is not known. Certain businesses may thrive in situation as is. But information failure prevents them knowing about it.	<ol style="list-style-type: none">Certain factors are problematic, but there is strong belief in improvement prospects.Credible information source provides certainty of facts.The variance in viable business potential across sectors and places is known. Certain businesses may thrive in situation as. But information failure prevents them knowing about it.
	<ol style="list-style-type: none">The impeding factors are not being rectified.Credible information on the facts of these matters, missing or lost in a sea of rubbish information.The viable business potentials by sector and by place are not known and/or effectively promoted.	<ol style="list-style-type: none">The impeding factors are being rectified systematically.Investors obtain credible information on the facts of these matters.The viable business potentials by sector and by place are known and/or effectively promoted.
Root causes	<ol style="list-style-type: none">The key impeding factors are not prioritized to secure the commitment and resources to rectify.Credible information is not available and not known to be the trustworthy source for insight.Identifying and promoting high potential business opportunities in sectors and places limited.	<ol style="list-style-type: none">The key impeding factors are prioritized and secure the commitment and resources to rectify.Credible information is available and trusted as primary source for insight.Systematic identification and promotion of high potential business opportunities in sectors and places.
	<ul style="list-style-type: none">The catastrophic consequences of not addressing these factors with good practice<ol style="list-style-type: none">not understood, orthe job / growth losses are not actually valued.Accountability and key stakeholder coordinated cooperation is limited.We don't know what we don't know. We view our situation in an obsolete way. Vs India, Vietnam etc will convert unmet needs into business solutions.	<ul style="list-style-type: none">The catastrophic consequences of not addressing these factors with good practice<ol style="list-style-type: none">are understood, orthe job / growth losses are actually valued.Accountability roles clarified and key stakeholders cooperate in a coordinated manner.Think tanks (with international experts) invited assess our situation and ask probing questions, to unlock potentials.

Sequence of root cause analysis and deduced changes required

Why do this? Result indicators

BER Investor Confidence Index for WC by:

- Sector (established investors)
- Foreign investors

Disinvestment / job loss trend. (reversal)

Private investment trend.

1. Impeding factor trends (reduction)
2. Increased utilisation of credible info sources.
3. Coherent media communications by key stakeholders, based on above.
4. Number of industry endorsed & funded sub-sector investment growth strategies implemented. Includes catalytic public sector investments.

1. Tripple helix endorsed: Clear strategy, architecture & role clarity defined to increased utilisation of credible sources.
2. Coherent media communications by key stakeholders, based on above.
3. Number of industry endorsed & funded sub-sector investment growth strategies. Includes catalytic public sector investment commitments.

Improving investor confidence in the WC economy

How can this be done? Theory of Change

