

The Duke MBA Global Consulting Practicum 2008-2009 Projects in South Africa

In 2008-2009, Duke University MBA students completed consulting projects with several organizations in Johannesburg, South Africa. These projects were part of the Duke MBA Global Consulting Practicum (GCP) which matches student teams with nonprofits, NGOs or for-profit organizations serving base of the pyramid markets.

MARANG HOUSE – Business Plan Development

Marang House is a South African organization that provides a home environment and care services for chronically ill children. Marang House was seeking to expand the scale of its operations and move from dependence on charitable donations to a self-sustainable non-profit business model.



To help meet that goal, the Duke GCP team conducted a feasibility study for the expansion of Marang House’s operations through earned income ventures. The team recommended 4 potential business models for Marang House to implement (New Non Profit Model, International model, Private Provider Partnership or Public Provider Partnership) depending upon the availability of funds and requirements of a potential investor. The team had the opportunity to present its findings to the CEO of a South African Social Private Equity firm. The firm showed interest and agreed to invest in the “International Model” subject to further due diligence on the operational feasibility of the model and the possibility of appropriate returns as required by the private equity fund management. The International Model would require up to 2 million Rand initial capital funding for setting up the new house and making it operational.

HOPE FACTORY – Funding Diversification

The Hope Factory is a non-profit headquartered in Johannesburg, South Africa with operations in Port Elizabeth. The Hope Factory aims to dramatically improve the lives of previously disadvantaged unemployed South Africans, by providing them with an opportunity to be trained in technical, business and life skills and thus become financially productive. Since 2001, more than 672 unemployed people have directly benefited from The Hope Factory’s job and wealth creation efforts.

South Africa’s Department of Labor is the primary donor to Hope Factory, along with limited revenue generated through the sale of crafted goods to corporate customers. As a result, the Duke GCP team developed recommendations for donor diversification, recommending high-potential corporate donor opportunities and outlining fundraising best practices. The team also offered recommendations for increasing earned income revenue streams through a targeted sales strategy working with intermediaries such as conference planners and corporate gift warehouses. Finally, the team made recommendations about developing and training staff, implementing strategic hiring practices and succession planning to ensure the continued success of the Hope Factory.

SPARROW SCHOOLS – Scaling Feasibility Assessment



The Sparrow Schools Educational Trust enables children and youth with learning difficulties to grow into resilient, skilled and contributing members of society. Sparrow Schools achieve this by providing affordable, quality specialized education, practical vocational skills training and comprehensive learner support. In a time when many non-profits are hard-pressed to continue service delivery, Sparrow Schools recently celebrated 20 years of changing lives through education and training.

Sparrow Schools wanted to explore options for scaling the organization's service offerings so that they could build on their success and impact more people and communities. The Duke GCP team investigated options, including a for-profit consultancy through which Sparrow Schools could help other NGOs establish best practices. It was ultimately determined that, at the present time, Sparrow was not ready to launch a full-scale for-profit consultancy. However, the team identified many strengths that Sparrow Schools could share with other NGOs (particularly educational organizations) to help them build strong management practices. The team provided Sparrow Schools with frameworks for developing and presenting workshops and the initial research on forming a consultancy in the future.

For more information about the Duke MBA Global Consulting Practicum (GCP), please visit:

www.DukeMBAGCP.org

or, e-mail questions to: gcp@fuqua.duke.edu