

## 3 business lessons for 2020

2019 was a tough year for South Africans, but challenges often build resilience and confidence, particularly for business entrepreneurs, believes David Seinker, CEO and founder of co-working space company, The Business Exchange (TBE).



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We're almost a month into 2020 and Seinker is reflecting on the lessons from 2019 and how these can be used in 2020.

Here's what he's learnt.

### 1. The big boys aren't as scary as they look

Using the co-working space as an example, South Africa saw the arrival earlier in the year of the USA-based corporate giant WeWork enter the marketplace, with aggressive market tactics aimed to poach the lion's share away from current operators in the country. But then, WeWork simply imploded.

According to Seinker, this lesson has multiple parts to it, the first being about client loyalty: “When WeWork first arrived, it really shook things up, but at the end of the day we didn’t lose a single client, because our tenants see the value in our business model and value proposition.”



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David Seinker 6 Nov 2019



The second part has to do with having a solid vision towards landing business, growing a company steadily and having a team that shares that vision: “In the five years we’ve been in operation, we actually signed up our biggest corporate clients this year, companies that already have relationships overseas with competitor companies that operate both here and abroad.

“We just found they preferred not only our physical offering but our personal people approach in terms of how our staff handle relationships with our clients.”

And, of course, the third part was that, at the end of the day, it was the big guy that fell: “I’m sure I can speak for all the other operators in South Africa, with whom we share a rather friendly competitive environment, but obviously we were all quite nervous about WeWork. However, they were the ones that took the big knock this year. Not the little guys.”

## 2. Bad times can bring good opportunities

Seinker believes that in a good market where the economy is doing well, and when businesses are thriving in general, the opportunities are far fewer than they were in a year like 2019.

“When you’re moving through a bad time, people are nervous, which also means that entrepreneurs and investors get anxious. However, these nerves also bring opportunities during which you can more easily find businesses in which to invest. For us, for example, the possibility to strike new property deals on more favourable terms has been much better than what we may have landed five years ago.

“In other words, for some businesses, it’s actually a good time to grow because you can strike better deals than in the good times.”

It also encourages entrepreneurs to think outside the box and look for opportunities further afield than they might normally do in good times. For many South African businesses, this means expanding interests beyond our own borders.



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For Seinker, this meant taking the first steps into other African countries, with the TBE opening offices in Mauritius during 2019 and selling out its entire floor space in just six months. The company is now turning its attention towards other African countries including Kenya, Ghana and Nigeria.

“What you see in countries such as these are the same conditions we’ve seen in South Africa – business communities looking for space to work from but without huge overheads on the one side, and an oversupply of long-

term office space on the other. Flexibility is key to businesses surviving in tough times and initiatives such as co-working spaces can do very well in providing this flexibility.”

### **3. The more you listen, the more you learn**

During difficult trading conditions, that’s when you need to listen and learn. It’s also the time to look at the small stuff you usually wouldn’t pay attention to, particularly from a cost-cutting point of view.

Says Seinker, “Suddenly, you’re analysing costs that you wouldn’t be analysing in a very good market. And you can learn a great deal through that process, so that when things turn upwards again, you’ve made your business so much more resilient and, in turn, more valuable through the learnings you’ve accumulated during the hard times.”

Seinker also believes this is the best time to listen to your mentors: “The more you listen to people who have been there, done that, been through good times and bad times, the better you will be as an entrepreneur and the more successful you will be, I believe.

“I’m still learning, and I’m still listening, and I believe that’s putting me in good stead to keep growing our business and our vision.”

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