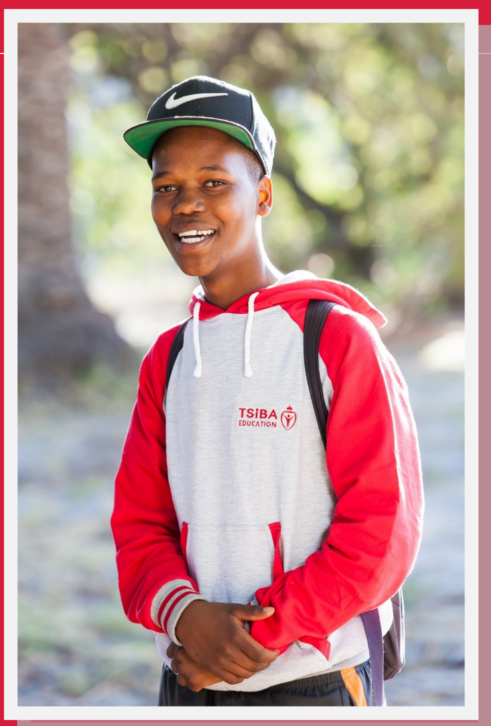
TSiBA EDUCATION
IGNITING OPPORTUNITY

# Second Semester Review

# 2017 Academic Year

# 1| Overview of 2017 TSiBA academic year

TSiBA EDUCATION
IGNITING OPPORTUNITY



#Vision2020 was conceived in 2017 as our concept for TSiBA's future as a relevant and sustainable South African tertiary academic institution. For this we are grateful to the Boston Consulting Group for reviewing our operating model and working with us to craft a visionary strategy to take us into the future. This vision for TSiBA will see some specific changes to our operating model being introduced including:

- a new, niche market business qualification that will be developed and which will offer exciting opportunities to engage, and consult with industry partners;
- a restructured student recruitment and selection criteria profile to find candidates with the most potential. TSiBA's name is to become synonymous with attracting entrepreneurial trailblazers who, along with accepting their right to education, understand the privilege of this unique opportunity;
- a shift towards scholarships awarded on needs and retained subject to meeting TSiBA's academic performance criteria. The implementation of #Vision2020 will see our students pay only what they can afford, but will require of them to earn their scholarships on academic merit; and
- introducing the Certificate in Practical Business Administration (CPBA) as a Learnership and the Higher Certificate in Business Administration (HCBA) as a post-school commercial or vocational qualification. This entailed moving operations out of the Eden residential campus, while still offering scholarships to deserving candidates from the area.

It is important to note that the credit-bearing subjects of Leadership and Entrepreneurship, and our commitment to mentorship and our Pay-it-Forward philosophy will remain as cornerstones of TSiBA's learning journey so that our students will graduate with marketable skills and a strong sense of self.

With the implementation of the changes that #Vision2020 will bring, yet still holding onto what exists firmly in the TSiBA DNA, we hope to meet the multi-faceted criteria as laid down by students and government through the #FeesMustFall campaign. While #FeesMustFall has put a spotlight on the issue of access, the issues of success in tertiary education institutions, student support to encourage throughput and post-study employability and opportunity are just as critical.

# 2| HIGHLIGHTS

## International Partnerships

Partnerships between TSiBA and overseas organisations continue to expand and contribute to our work. During the second semester of 2017, Green Leaves Education Foundation from Switzerland confirmed a sizeable donation as did the Board of the MariaMarina Foundation in Liechtenstein who committed to a three year support grant. This follows three-years of funding granted by the Julius Baer Foundation Switzerland for the TSiBA CPBA and Learnership in Practical Business Administration which began in 2017. These vital long-term partnerships ensure our work can continue.

## United Nations (UN) Principles for Responsible Management Education (PRME)

TSiBA was immensely proud to be made the newest member of the UN Global Compact initiative, PRME – a UN-supported initiative founded in 2007 to raise the profile of sustainability in business schools worldwide, equipping today's business students with the understanding and ability to deliver change tomorrow. Their Six Core Principles work with business and management schools to provide skills needed in line with the Sustainable Development Goals (SDGs) aligning academic institutions with the work of the UN Global Compact. With such similar aims within our new curriculum design, our association with this organisation will not only add value to our student experience, but also to the quality of our graduates.

*Leadership and Self-Development Anchor with members of the 2017 Student Representative Council (SRC)*

## TSiBA Learnership in Practical Business Administration

Aligned to #Vision2020 these certificate programmes will be run through our Ignition Centre, funded by a J.P. Morgan grant, providing 'tailored' short courses and learnerships for 120 unemployed youth. Working with companies in Gauteng, this project will help develop strategic business partnerships and grow our vocational offerings while increasing employment opportunities in under-served communities.

# 2| HIGHLIGHTS

## TSiBA Project-based Education

During the second semester of 2017, the TSiBA Ignition Centre successfully concluded a customised Business Skills Development programme to fast-track the careers of talented young black engineers in the foundry industry. The tender was published by the Council for Scientific and Industrial Research (CSIR) in association with the South African Department of Trade and Industry (dti). TSiBA designed and facilitated a business curriculum based on modules from our BBA degree programme. We managed the administration and were delighted with the positive outcome.

## Rosenheim University Exchange Programme

In December 2017 ten TSiBA students, along with Head of Student Support Sonja Hagins, visited Germany through the Rosenheim University Exchange Programme. This followed previous Rosenheim University student and staff visits to South Africa and TSiBA, where they participated in components of the TSiBA curriculum. The trip was part-funded by Rosenheim University and two local organisations. TSiBA students also rose to the challenge by raising almost R50 000 to supplement their extra travel expenses. The 10 days in Germany included trips to the Austrian Alps, a 'homestay' which gave the students a real taste of German life and a visit to the infamous Dachau Concentration Camp. This was the students' first trip abroad – a greatly enriching cultural experience.

# 3| ACADEMIC RESULTS

We received an enthusiastic, positive response from the academic team to #Vision2020. With the decision to commercialise the higher certificate and certificate programmes from 2018, it was vital students understood that the current year's programme would in no way be compromised by strategic shifts.

Eden Campus students asked us to consider revising the published academic timetable to allow earlier graduation which led to interesting changes in the teaching delivery strategy for the final quarter 2017. With most Cape Town students supporting the change, this quarter's teaching was done in 'block-release' format. It was important both campuses' student bodies supported the academic team's proposal as the HCBA had to be taught in the same format at each campus to ensure parity.

Students concentrated on completing each course before starting the next, while in context of the curriculum as a whole. This means the proposed changes satisfed the teaching and learning team that the links between the courses in the Higher Certificate programme being clearly understood by the students. After three quarters of working in the normal delivery format, it was felt the experience of an integrated curriculum had been achieved.

Strongly supported by the Cape Town teaching team and student body, the new teaching format Higher Certificate was largely successful.  Key learnings here included: analysis of results and sharing of experiences of each course lecturer daily with the team. This new condensed delivery format meant students' reliance on memory changed to that of having an understanding of academic content. The faster pace of the new format needed intensive coaching and repetition of content which was particularly difficult for the Eden students. This again confirmed the unpreparedness of HCBA students for tertiary education.

Results of the CPBA, HCBA and BBA are discussed in the following tables.  As an 18-month programme ending in June 2018, results of the Postgraduate Diploma in Small Enterprise Consulting (PGDipSEC), are not yet available for comparative analysis.

## Certificate in Practical Business Administration (CPBA)

### 2017 Results Summary for Semester 2: Eden Campus

This Services SETA accredited programme has previously been unreported. The results for unit-standard based qualifications like the CPBA are reported as a statement of the percentage of students deemed competent for the full programme. In 2017, 24 students enrolled for the CPBA and 22 (92%) were assessed as competent. This is comparable to the results from previous years.


## Higher Certificate in Business Administration (HCBA)

### 2017 Results Summary for Semester 2: Eden Campus

**Note to results:**

It is clear from the comparative results, that most Eden students were used to a slower pace of learning and extended contact time with the teaching and learning team at a residential campus. The newly-condensed quarter four teaching programme highlighted this key difference between the residential and non-residential campus in Cape Town. A further explanation of the comparatively low results in quantitative courses and especially results in Basic Mathematics and Introduction to Economics is the increase in the number of students enrolled onto the HCBA in Eden in 2017. Where normally 40 students would be enrolled, Eden enrolled 64 students in 2017 to accommodate increased demand. Results for the HCBA programme delivered at Eden Campus are presented in Table 1.

| | 2017S2 | 2016S2 | 2015S2 | 2014 |
|---|---|---|---|---|
| **COURSE** | **PASS RATE** | **PASS RATE** | **PASS RATE** | **PASS RATE** |
| **Basic Mathematics – F** | 59% | 76% | 88% | 94% |
| **Basic Communications - F** | 93% | 97% | 100% | 95% |
| **Entrepreneurship – F** | 85% | 95% | 100% | 100% |
| **Introduction to Economics - F** | 55% | 79% | 80% | 89% |
| **Leadership & Self Development - F** | **83%** | **95%** | **100%** | **100%** |
| **Personal Finance - F** | 73% | 89% | 78% | 81% |

*Table 1: Eden results, HCBA 2017, Semester 2*

# Higher Certificate in Business Administration (HCBA)
# 2017 Results Summary for Semester 2: Cape Town Campus


**Comment:**

Compared to TSiBA Eden, the results of the HCBA delivered in Cape Town, showed no major difference to the results achieved in 2016, Semester 2. Noteworthy are the subjects of Basic Mathematics and Introduction to Economics which remain a challenge, especially to poorly-prepared school-leaving students. These particular indicators have informed our thinking towards both student selection and curriculum support as we unfold #Vision2020. Results for the HCBA programme delivered at the Cape Town Campus are presented in Table 2.

| | 2017S2 | 2016S2 | 2015S2 | 2014 |
|---|---|---|---|---|
| **COURSE** | **PASS RATE** | **PASS RATE** | **PASS RATE** | **PASS RATE** |
| **Basic Mathematics – F** | 64% | 72% | 45% | 74% |
| **Entrepreneurship – F** | 81% | 82% | 68% | 72% |
| **Introduction to Economics – F** | 52% | 54% | 56% | 60% |
| **Leadership & Self Development – F** | 79% | 68% | 71% | 79% |
| **Personal Finance – F** | 67% | 71% | 57% | 60% |

*Table 2: Cape Town results, HCBA 2017, Semester 2*

# Bachelor of Business Administration (BBA)
# Result Summary for Semester 2

## Bachelor of Business Administration 1

**Note:**

Results in the first-year courses in the BBA degree are either comparative or explained by specific challenges raising specific increasing concerns around the unpreparedness of students, particularly in pursuing a business degree. Poor performance in Financial Management & Accounting, despite positive feedback from students on delivery of the course, adds to growing evidence students are choosing the wrong degree with the schooling system not preparing them for tertiary studies. Results for the first year of the BBA1 degree delivered at the Cape Town Campus are presented in Table 3.

| | 2017S2 | 2016S2 | 2015S2 | 2014 |
|---|---|---|---|---|
| **COURSE** | **PASS RATE** | **PASS RATE** | **PASS RATE** | **PASS RATE** |
| **Economics – 1** | 83% | 88% | - | 85% |
| **Entrepreneurship – 1** | 83% | 93% | 90% | 96% |
| **Financial Management & Accounting** | 50% | - | 65% | 98% |
| **Leadership & Self Development – 1** | 81% | 92% | 84% | 88% |
| **Marketing – 1** | 86% | 84% | - | - |
| **Quantitative Business Applications** | 73% | 69% | 56% | 95% |

*Table 3: Cape Town results, BBA1 2017, Semester 2*

## Bachelor of Business Administration 2

**Note:**

Results in the second-year courses in the BBA2 degree are generally high in non-quantitative courses. This semester is the heaviest load for students as they choose their ‘stream’ of specialist courses either in Marketing or Finance. The performance of students in the financial stream in general and in the Financial Techniques & Analysis course in particular, is of great concern this semester. Results for the second year of the BBA2 degree delivered at the Cape Town Campus are presented in the Table 4.

| | 2017S2 | 2016S2 | 2015S2 | 2014 |
|---|---|---|---|---|
| **COURSE** | **PASS RATE** | **PASS RATE** | **PASS RATE** | **PASS RATE** |
| **Business Communication – 2** | 98% | - | 87% | 81% |
| **Business Law – 2** | 82% | 91% | 93% | 83% |
| **Entrepreneurship – 2** | 99% | 92% | 94% | 68% |
| **Financial Techniques & Analysis 2** | 53% | 75% | 79% | - |
| **General Management - 2** | 73% | 79% | 68% | - |
| **Investment Management Administration - 2** | 100% | 100% | 100% | 100% |
| **Leadership & Self-Development – 2** | **93%** | **85%** | **88%** | **83%** |
| **Marketing Management – 202** | 95% | 89% | - | - |
| **Research 2** | **86%** | **-** | **-** | **-** |
| **Tax – 2** | **96%** | **100%** | **-** | **-** |

*Table 4: Cape Town results, BBA2 2017, Semester 2*

## Bachelor of Business Administration 3

**Note:**

Students in third-year have the benefit of being able to repeat courses failed in first semester, in their second semester, without having to wait for the next year. Particular support is given to students completing repeat courses in Semester 2. A new approach in 2018 sees final year students supported by research mentors. Results for both semesters in the third-year BBA3 degree at Cape Town Campus are presented in Table 5.

| | 2017S2 | 2017S1 | 2016S2 | 2016S1 | 2015S2 | 2015S1 | 2014 |
|---|---|---|---|---|---|---|---|
| COURSE | PASS RATE | PASS RATE | PASS RATE | PASS RATE | PASS RATE | PASS RATE | PASS RATE |
| Applied Finance – 3 | - | - | - | - | - | - | 84% |
| Corporate Finance -3 | 50% | 80% | 50% | 64% | - | 77% | - |
| Individual Industry Practical Project – 3 | #N/A | 87% | 93% | 81% | 94% | 100% | 92% |
| Innovation & Knowledge Management/ ENT – 3 | 67% | 94% | 100% | - | 100% | 100% | 100% |
| Investment Management Administration 3 | - | 100% | - | 92% | - | 85% | - |
| Leadership – 3 | 88% | 97% | 100% | 100% | 100% | 98% | - |
| Marketing – 3 | - | 100% | 100% | 100% | 100% | 100% | - |
| Project Management – 3 | - | - | - | - | - | - | 100% |
| Strategic Management – 301 | 77% | 93% | 100% | 93% | 100% | 98% | 100% |
| Strategic Management – 302 | #N/A | 95% | 93% | 80% | 96% | 100% | 86% |

*Table 5: Moderated results not yet available, BBA1 2017, Semester 2*

## Post-graduate Diploma in Small Enterprise Consulting

**Note:**

This 18-month programme ends in June 2018 for the 2017 cohort. Results are reported in the First Semester Review.

# Conclusion

In the second semester, during investigative work on our business model, the opportunity for the entire team to work with student and organisational performance data sensitised us to the underlying reasons for student academic performance. The almost daily feedback from lecturers on the HCBA, allowed for these discussions to be transferred to all programmes.

In the context of the #FeesMustFall campaign and confusion around what this might mean for higher education providers in 2018, there were also many opportunities to discuss with students and key stakeholders how we need to respond to higher education challenges.

The immediate impact of this semester's learning has been on student recruitment and selection strategies. It is very clear we cannot continue to enrol students into a business degree when they have not mastered the secondary school curriculum.  It was apparent, even with more university-ready students, there is a need to add even more academic support, or scaffolding, into our degree offering. Given the student performance data, our assumptions around students' abilities entering the degree were found to be incorrect.

Raised selection criteria and intensified academic scaffolding are therefore key focus areas in 2018 and we are especially looking forward to vastly improved first-year results.

# 4| THE JOURNEY TO #VISION2020

It is exceptionally rare for a higher education institution to have an opportunity to conduct a full review of not only its curricula, but the entire business model. The opportunity to interrogate TSiBA's curriculum philosophy, and re-state its vision to work with deserving youth in under-served communities, has provided the impetus we need to design an approach to teaching and learning in South Africa to meet the needs of our communities and economy.

This is backed by our will and commitment to better understanding our students. By working closely with professional psychological consultants, Cognadev, in the latter part of 2017, we now have further insight into identifying and building on the talent that presides in our youth. We also have a more sophisticated understanding on supporting them through their learning journey giving them the best chance at success. These insights are especially valuable as we enter a year of great uncertainty around the role of universities and the relevance of degrees, in particular.

While our larger, public institutions of higher learning are hamstrung by hierarchical structures and vast numbers of students with vastly different motives for dissatisfaction with the current crises in education, TSiBA is privileged to have the experience and agility to respond to these challenges innovatively, while staying true to our social impact vision. Our focus on talented young people from under-served communities ensures we support individuals most likely to succeed and positively impact their communities. An innovative approach to truly integrated academic scaffolding, co-created by a team of (local and international) socially responsible, ethical leaders and curriculum specialists, is our unique response to the under-preparedness of students for tertiary studies.

The first milestone in our new vision is to develop a niche market qualification that prepares the business studies' graduate-of-the-future for the workplace of the future. For this it is just as crucial to understand all of our stakeholders, including employers and those within structures that support entrepreneurs. Corporates, innovative entrepreneurs and thought leaders in business and society have been approached to assist in understanding the challenges facing our graduates. These insights will position us, for example, to take advantage of the opportunities presented by technology-enabled learning environments while fully understanding the risks in the shortest possible time. It is an exceptional privilege again, to find ourselves at a particular point in our development that favours higher education institutions not locked into funding and business models that stifle innovation.

**As we work increasingly towards being a holistic learning organisation on our journey to #Vision2020, we have attracted a team of partners and collaborators who share our vision, hope and our goal to offer quality higher education to talented young people in under-served communities in South Africa.**

# 5| FINANCIAL REVIEW

## Notes to Financial Performance

TSiBA's 2017 financial year-end results show we continue to follow and solidify financial strategies forged a few years ago towards a five-year plan to shift away from heavy donor- eliance towards building additional, alternative income streams.

While local, and an increasing number of international donors, continue to support TSiBA generously, other non-donor income sources became hard-wired into our organisation in this financial year. These offerings, which will fall under the TSiBA umbrella of 'Business Development', are now poised to make a significant contribution to our long-term financial sustainability. In particular, the Certificate in Business Administration and Higher Certificate in Business Administration qualifications as learnerships and vocational training programmes, respectively, present significant revenue generation opportunities.

The net deficit of the company in the 2017 fiscal year was R3 813 492. This deficit was the result of an operating deficit of R4 697 538 and a non-operating surplus of R884 046. We were aware early in the year of the possibility of reporting a significant deficit as a direct result of the reneged funding of two long supporting Sector Education and Training Authorities (SETAs) both of whom shifted their funding focus in response to a changed mandate to support other markets exclusively. Despite careful non-expenditure in parts of the operational expense budget, the reneged funding, and the completion of a major enterprise and supplier development contract in the previous financial year, resulted in the deficit.

Notwithstanding the above, we had a very good year building a sales pipeline, particularly in respect to TSiBA's NQF4 Learnership offering to which we can report significant traction early in 2018. As a result, we look forward to positive reporting on these efforts in the 2018 financial year.

Similarly, we enjoyed a growing pipeline in donor funding opportunities through the 2017 second semester, particularly with international funders interested in TSiBA, most of whom prefer to contract financial support over three to five-year funding cycles. At publication of this review significant value in the international pipeline had been realised.

| SUMMARY: INCOME AND EXPENSES IN ZAR | |
|---|---|
| **Monetary donations** | 15 431 483 |
| **Non-cash donations** | 2 788 705 |
| **Direct cost of funding** | 2 131 259 |
| **Non-donor based revenue** | 7 063 959 |
| **GROSS OPERATING INCOME** | 23 152 888 |
| **OPERATING EXPENSES** | |
| **Administration costs** | 1 753 547 |
| **Marketing expenses** | 363 085 |
| **Information technology and infrastructure** | 5 058 310 |
| **Human resources** | 18 096 026 |
| **Travel** | 701 668 |
| **Educational costs** | 1 676 875 |
| **TOTAL OPERATING EXPENSES** | 27 649 511 |
| **NET OPERATING SURPLUS** | (4 697 538) |
| **INCOME FROM INVESTMENTS** | 884 046 |
| **NET SURPLUS / DEFICIT** | (3 813 492) |

# 6| LOOKING AHEAD

**Adri Marais**

**TSiBA Education**

***Chief Executive Officer***

Fourteen years ago, Leigh Meinert, Gia Whitehead, Graham Lashbrooke and I had the fortune of connecting. One long supper in Melville later saw the birth of what today is known as TSiBA Education. During this time TSiBA offered so many opportunities to so many of us and today we continue to grow and change lives as an innovative learning community that ignites opportunity and drive social change.

Last year saw the modelling of #Vision2020 – an ambitious path of realigning TSiBA's degree to a niche market offering based on information to be gathered in 2018 through extensive stakeholder engagement. This positions TSiBA perfectly to continue its work in a country where #FeesMustFall placed a renewed focus on the work we have been doing all these years since 2004.

After eight years as TSiBA's Academic Director and almost six as its CEO, the time is now ripe for me to hand over the reins of this ambitious organisation. The conclusion of my contract as TSiBA’s CEO at the end of March 2018 allows me to expand my work in the business of education and social change outside of TSiBA. At the same time, it opens opportunities that will allow TSiBA to grow and thrive much as it has in the 14 years I was a part of the leadership team. We have initiated the process of identifying TSiBA’s next CEO who will take TSiBA to the next level and to exciting new heights.

#Vision2020 positions TSiBA strongly to maintain its voice in South Africa as the new, volatile tertiary landscape unfolds over the next few years. I am grateful I could play a central role in this arena for so many years and thankful for the opportunity I have had to learn and grow from the best in the field.

I would like to thank each and every person for their involvement and commitment to TSiBA's vision then, now and well into the future. TSiBA’s successful achievements are a result of the commitment of every one of us doing our bit be it through donations, volunteering, mentoring, consulting or creating opportunities for our graduates. You are part of the village that raises ‘the child’ and through your support give life to what we mean when we speak of ‘Igniting Opportunity’.

Please continue to support TSiBA a place where entrepreneurial trailblazers can profoundly change the trajectory of their lives and those around them.

**Yours in driving social change.**

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