

Patrice Motsepe

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Since his inclusion in the Forbes World Billionaire List in 2008 as the 503rd richest man in the world, South African mining magnate Patrice Motsepe has attracted both admiration and envy.

While branding him as one of the new rich black elite to benefit from Black Economic Empowerment (BEE), critics ignore the fact that he turned from being a successful mining lawyer to a successful mining businessman, winning several business awards before the introduction of BEE. They also ignore an entrepreneurial family background and much hard work, and the fact that Motsepe's uncle is the leader of a Tswana tribe known as the Motsepe tribe.

Motsepe was born in his mother's hometown, Soweto, on Jan 28th 1962. He soon moved to rural Hammanskraal, north of Pretoria, where the apartheid government had banished his father, Augustine Motsepe. There his father established a successful grocery store and went on to open a beer hall and a restaurant, giving Patrice an early induction into the business and life skills that have seen him achieve many firsts.

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Named Patrice after Patrice Lumumba, the first prime minister of the DRC, Motsepe was sent to boarding school to get a good education. He attended the Saint Joseph Mission School in Aliwal North for ten years and went on to complete a Bachelor of Arts at the University of Swaziland.

Fluent in Afrikaans, English, and several African languages, Motsepe applied for, and received, permission to study at the then whites only University of the Witwatersrand, and became one of the university's few black law graduates. He began his practice as an attorney at Bowman Gilfillan Inc in 1988, and in 1991 went as a visiting attorney to the US under the American Bar Association programme. After his return, he became the first black law partner at Bowman Gilfillan.

Specialising in commerce, Motsepe focused on mining and business law before his entrepreneurial spirit and expertise saw him start his own mining company. In 1994 he founded Future Mining, which grew from operating out of a briefcase - because Motsepe could not get start-up funding - into a successful contract mining company.

(In 1997 he formed African Rainbow Minerals Gold Limited, which listed on the JSE in 2002. In 2002 Motsepe won the Ernst & Young best entrepreneur of the year award and was voted as South Africa's business leader of the year by the CEOs of the top 100 companies in the country.

At that time Patrice said the most important elements in business were employee buy-in and applying innovative leadership to maintain a contented workforce. He said he regarded developing a relationship of trust as the cornerstone of a happy working environment, and was known for a low basic pay with a high bonus incentive structure.

The successful entrepreneur learnt his first business lessons while helping his father in the store - that of ploughing any profit back into the business. Motsepe's business model was to acquire low producing gold mine shafts on favourable financial terms and turn them to a profit through tight and careful management.

(In 2003 African Rainbow Minerals Gold merged with Harmony, the world's fifth largest gold producer. Motsepe was appointed to the African Rainbow Minerals board in 2003, and became executive chairman in 2004. He is also a non-executive director of Harmony, as well as deputy chairman of insurer Sanlam, and a non-executive director of banking group Absa.

An energetic businessman, Motsepe is married to a medical doctor, Precious Moloi, and has three sons. The eldest shares Motsepe's middle name, Tlhopie, and is followed by Kgosi and Kabelo. Motsepe's sister, Bridgette Radebe, is a successful entrepreneur, and is married to Jeff Radebe, Minister of Justice and Constitutional Development.

(Motsepe, an avowed capitalist who only sees the positive aspects of our rainbow nation, is clearly following the lessons of frugality learnt early in life. The only sign of extravagance this billionaire shows is that of owning a football club. An avid soccer supporter, he owns and is president of Mamelodi Sundowns.

(Forbes magazine and various other reports are rather scathing in attributing Motsepe's wealth to BEE policies rather than his entrepreneurial ability. Motsepe, in turn, readily admits he has benefitted from the preferential policies for black entrepreneurs, but reminds people that his business success preceded the introduction of BEE. Motsepe points out that he did not receive a hand out; rather it was his hard work that saw him already in a position to benefit from the policies that were introduced. This article was written by Sharon Davis for Absa's e-zine for Platinum customers.